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LaRouche Webcast:
The Real Change Is Coming

Lyndon LaRouche gave this webcast address on Dec. 3, the 11th and final one of 2009....

...We have three people present I shall cause to be introduced later in the course of events, who will be running as Democratic candidates, for selection as members of Congress.

I'll just explain what this is about: The three candidates are located respectively from the Boston area, from Texas (that is in the United States, you know), and from the West Coast. And the purpose of their function is to coordinate and create a national campaign around three initial, pivotal Democratic candidates for nomination and election in the coming year, in order to create a pivot around which to begin to mobilize the population now, for what it must do *now*. And we have to give the American people a perspective, and the Democratic Party, which is presently a shambles, a perspective, for—we're going to create something new. We're not going to wait until November of next year, for new candidates to be elected, or for January, for these candidates to enter office. We're going to organize now, to get the people ready to clean the mess out in Washington, to replace a lot of key people...

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This Week's Cover Story

- **LaRouche Webcast:**
The Real Change Is Coming

In his Dec. 3 webcast, Lyndon LaRouche provided the world audience with the way out of this crisis: the Four-Power agreement to be led by Russia, India, China, and the United States, as the only force powerful enough to declare the currently failed British imperial monetary system dead, and to replace it with an international credit system. The three great Eurasian powers have shown a strong inclination to move in the direction that LaRouche has outlined. Now, the U.S. must be brought into line. To accomplish this, three LaRouche PAC candidates announced national campaigns for Congress. These, and other topics were raised in the wide-ranging discussion that followed.

National

- **Congress Is Driven To Take Action by Mass Strike Anger**

After running into the buzzsaw of the mass-strike process from their constituents, again, during the Thanksgiving recess, some Members of Congress are waking up to the fact that, outside the Beltway, reality is becoming hellish for most Americans. Some lawmakers are beginning to revolt against the insanity of the Obama Administration.

- **Kill the HMO System!**

Med-Malpractice Rates Are Killing Doctors A protection racket for the HMOs, know as ERISA, has permitted skyrocketing malpractice insurance rates, driving out physicians and other health-care providers, and leading to the shutdown of medical services in hundreds of U.S. towns and cities.

International

- **British Empire Cracking on March to Copenhagen**

The Queen's address to the Commonwealth nations in Trinidad & Tobago tipped the Empire's hand, by demonstrating that the realm is tottering, and that it probably has already lost the battle for Copenhagen.

- **LaRouches Address Moscow Anti-Globalist Conference**

Lyndon LaRouche and Helga Zepp-LaRouche delivered addresses by video recording to a Dec. 3-4 conference in Moscow, Russia, under the title 'Let the Earth Live! From the Clash of Civilizations to Their Cooperation.'

- **Agreement Among Four Powers Can Avert Total Collapse**

The world has shifted from the former domination by the Atlantic powers, to the PacificIndian Ocean basins, Lyndon LaRouche stated, in a video presentation to the Moscow anti-globalist conference.

- **Europe Must Reject Empire, Choose National Sovereignty**

In Helga Zepp-LaRouche's videotaped speech to the antiglobalist conference, she discussed Europe's role in the context of the Four-Power alliance.

- **Norwegian H1N1 Mutation:**

- Why Specialists Are Missing the Point**

A tiny mutation detected in one of the RNA strands of the AH1N1 virus has led to worldwide speculation as to whether this means the virus is about to turn into another 1918 pandemic.

Departments

- **Africa Report:**

- Why Are the British Planning More Wars?**

Editorial

- **The Era of Sovereign Defaults Has Begun**

This Week's News

U.S. Economic/Financial News

- Commercial Real Estate Collapse Unfolds**

- Accepting Urban Depopulation**

- Seven Million Families of Unemployed Begin Losing Health Care**

Reported Unemployment Falls, Due to Statistical Fudge Factors

Commercial Real Estate Collapse Unfolds

Dec. 1 (EIRNS)—The default rate for U.S. commercial mortgages (CRE) rose to a 16-year high of 3.4% in the third quarter, up from 2.88% in the second quarter. Delinquent and defaulted CRE rose to 14% of the total, or \$50.3 billion, according to a report released on Dec. 1 by Real Estate Econometrics. The FDIC and the Treasury's TALF have tried to throw money at the problem, but John Cushman, of property group Cushman and Wakefield, says, "Some of the major banks have more trouble than meets the eye. Rents are falling, vacancies and concessions are rising and sub-lease space is exploding," according to the Dec. 1 *Financial Time*. CB Richard Ellis Group, Inc. reported that midtown Manhattan rents have fallen about 30% over the past year, according to Bloomberg Dec. 1.

Accepting Urban Depopulation

Nov. 30 (EIRNS)—Across the nation's "Rust Belt," cities are no longer trying to reverse population loss, but rather to "manage" it, according to this week's *Newsweek* magazine. "Cutting Down to Size" highlights the former steel-producing center of Pittsburgh, formerly "one of the nation's most populous cities, [which] today no longer even makes the top 50.... Between 1950 and 2009, [Pittsburgh lost] more than 100,000 factory jobs and 300,000 people, 50% of [its] population...." Beginning with Flint, Mich., today Cleveland, Detroit, and other cities have as much as 20% of their land barren or unoccupied (Youngstown, Ohio has 44% unoccupied). Urban planners, "who once dealt with such human and commercial hemorrhaging by trying to bring business and residents back," have given up on this "bigger is better" idea and are "deliberately going smaller to match shrinking realities."

As far back as the late 1970s, Cleveland started a program now known as "right-sizing" (euphemism for "down-sizing"), a Green program that involves rezoning, "bulldozers, grass seed and foreclosure law" to prepare "once booming urban environments" for a more "modest" future. The program has now evolved into the idea of "greening the rust belt," a concept that clearly fits with the fascist "greening" of the former blue-collar industrial belt of the country.

Proponents of right-sizing include the London *Daily Telegraph*, which tried to give Flint Mayor David Kildee's career a kick, reporting his claim that as many as 50 U.S. cities needed to be "bulldozed to survive ... razing entire districts and returning the land to nature." Kildee caught so much flack from that statement, that other cities, like Pittsburgh today, have chosen not to advertise its program, but to just proceed with it.

Seven Million Families of Unemployed Begin Losing Health Care

Dec. 1 (EIRNS)—More than 7 million unemployed workers and their families could be facing another hole in the threadbare social safety net, beginning today, as a stimulus subsidy to COBRA insurance for laid-off workers begins to run out. Since February, any worker laid off after September 2008 had been able to qualify for a 65% subsidy to their health insurance premiums. Those subsidies had a nine-month time limit, however, which, for many, ended Nov. 30. (Workers laid off between February and December 2009 will still receive nine months of subsidies, but after that, nothing.)

COBRA (the Consolidated Omnibus Budget Reconciliation Act), enacted in 1993, allows a laid-off employee to continue on his or her former employer's health insurance plan for 18 months, the assumption being that he or she will have found another employer/insurance payer by then. The proviso is that the former employee pay the entire premium. The Obama stimulus covered 65% of those premiums for a nine-month period (about \$50 billion total), which is now coming to an end.

A new report from FamiliesUSA documents the devastation. Numbers vary by state, but, on the average, a COBRA extension paid \$722/month for insurance for a family of four. Without it, payments that were \$389/month will now run over \$1,100/month, consuming an impossible 83% of the average unemployment check. In nine states (Mississippi being the worst), the full premium would be larger than the unemployment benefits. Rep. Joe Stesak (D-Pa.) and Sen. Sherrod Brown (R-Ohio) have each introduced bills to extend benefits, but this will have to wait until the Senate finishes or drops its debate on so-called health-care reform.

Reported Unemployment Falls, Due to Statistical Fudge Factors

Dec. 4 (EIRNS)—The Department of Labor claimed today that U.S. unemployment fell from 10.2% in October, to 10.0% in November, but the two-tenths-of-one-percent drop is a bit less than the statistical "fudge factors," by which they increased the supposed number of those employed. "Sounds like they shot the unemployed," said Lyndon LaRouche. "They lied."

First they applied "seasonal adjustments," which added 227,000 "employed" to the rolls during September, October, and November. But these adjustments are unreliable at best: Earlier this year, the Department had to subtract 500,000 "employed" they had added earlier in such "seasonal adjustments."

Then they added 89,000 more "virtual" employed to the November count, from the jobs-death/jobs-birth computer model, which supposedly attempts to model the new businesses created and old businesses closed during a month, before reports come in. Was it written at the University of East Anglia?

All these "adjustments" amount to 316,000 added jobs in total, amounting to over 0.2% of the 154 million labor force, more than the alleged drop in unemployment.

Global Economic News

Thailand Takes Another 'Green' Leap into Self-Destruction

South Korea Launches Nuclear Export Policy

EU Carbon Market in the Making?

Thailand Takes Another 'Green' Leap into Self-Destruction

Dec. 3 (EIRNS)—The Thai Supreme Administrative Court has given the go-ahead to permanently halt 65 industrial projects in various stages of construction in the Ma Ta Phut industrial district, on the grounds of danger to health. Only 11 of the projects there will be allowed to continue construction.

The projects were initially halted by a lower court on an environmentalist/villager suit claiming that the projects did not meet the requirement of the (militarily imposed) Constitution, that all building and industrial projects meet certain vague and arbitrary requirements. The halted projects all had met the requirements and received the necessary permits when construction was started.

Many of the projects that have been stopped involved the production of semi-finished industrial chemicals from petroleum

feedstocks, so "downstream" firms that depend on their production will also be put out of business or forced to import the chemicals at greater cost.

The Japan Chamber of Commerce in Thailand, which represents many of the companies involved in the projects, warns that Thailand is making itself an unsuitable location for future investment.

The majority of the projects that were allowed to go forward were "green" in nature, either involving "clean energy" or recycling of some type. There is no breakdown of the size and scope of individual projects at this point, but in total the 68 projects had a value of over \$10 billion.

The English-language *The Nation* comments enthusiastically that the ruling "has raised public suspicion as to whether industrial expansion is worthwhile," which is line with the environmentalist groups that have another 300-plus industrial locations in their sights.

South Korea Launches Nuclear Export Policy

Dec. 4 (EIRNS)—South Korea's science ministry said the state-run Korean Atomic Energy Research Institute and Daewoo Engineering and Construction Co. have been chosen as the priority negotiating partners by Jordan's Atomic Energy Commission. The deal, reached in Amman, is estimated to be worth around 200 billion won (US\$173 million) and calls for a 5-megawatt research reactor to be built at the Jordan University for Sciences and Technology by 2014. Construction of related facilities, such as a radioactive isotope laboratory, is expected to also take place.

South Korea is extremely eager to begin exports of nuclear reactors. This deal, even if only for a small research reactor, is the first sale to a foreign country. Korea is also bidding on a full-scale power reactor for the United Arab Emirates.

EU Carbon Market in the Making?

Dec. 5 (EIRNS)—Using the excuse of the fraud that has been exposed in all the European Union's carbon-trading markets, French Finance Minister Christine Lagarde told the *Financial Times* today that a single European carbon-trading market should be created either in London, Frankfurt, or Paris, under the authority of a single EU-wide regulator.

Lagarde said that "dark pools" have emerged. "There is a regulatory vacuum. Because this is a strange beast, something between commodities and financial instruments, it falls between the cracks. If derivatives are created or other subsidiary financial instruments built from carbon-emissions trading, there should be a system of prior authorization.... We need to be able to spot the funny investments, fishy transactions, and strange behavior."

United States News Digest

Obamacare Faces Growing Opposition

Transportation Dept. Conference on Domestic High-Speed Rail

House Hearings Expose How Mammogram Recommendations Will Be Used to Kill

Obamacare Faces Growing Opposition

Dec. 6 (EIRNS)—Despite growing public opposition to Senate Majority Leader Harry Reid's corrupt "Obamacare deals," the President and a White House team descended on Capitol Hill today to pressure Senate Dems to strengthen the bill's Nazi-like core, the proposed care-denying Medicare Commission. A similar "strengthening" of the Medicare Commission's authority to eliminate care for seniors, was demanded on Dec. 3 in a speech by Obama's budget director and kook behavioral economist, Peter Orszag, whose "baby" the Medicare Commission is. Today, Obama went to the Senate for an emergency meeting to try to shore up Obamacare with the entire Democratic caucus, gave a 30-minute lecture, then left without any discussion.

Despite near-universal media reporting about great debates over the "public option," it is the Medicare Commission, the Obamacare version of Hitler's infamous "T-4" bureau which carried out euthanasia by denial of medical care, which is at the center of the current fight. After Orszag's speech, amendments to give the Medicare Commission more power, including to cut even more than \$500 billion from Medicare, and cut it more quickly, were put forward by Sens. Joe Lieberman (I-Conn.), Susan Collins (R-Me.), Mark Warner (D-Va.), Joseph Begich (D-Ak.), and Jay Rockefeller (D-W.Va.). The White House wants them passed.

But, the American people are opposed in growing numbers, estimated at 75% opposition among independents, in new polls by Rasmussen and RealClearPolitics. Even the American Association of Retired People (AARP), which has endorsed the Obama health-care reform, is now threatening to turn against it, if the Medicare Commission is given extraordinary powers to cut funds for Medicare. And most House Democrats oppose the Medicare Commission.

Reid, according to *Politico*, also fears Sen. Ben Nelson's (D-Neb.) amendment which would undo the corrupt deal Obama made with the giant pharmaceutical companies, and use the resulting savings to close the infamous "doughnut hole" in current Medicare costs for drugs. The White House and Sen. Max Baucus (D-Mont.) got this Nelson amendment defeated in Baucus's Finance Committee; if they defeat it again on the floor, both Nelson and AARP say they will oppose Obamacare from then on.

Transportation Dept. Conference on Domestic High-Speed Rail

Dec. 5 (EIRNS)—Transportation Secretary Ray LaHood hosted a "Conference on Domestic High-Speed Rail Manufacturing" on Dec. 4, in which over 30 rail manufacturers and suppliers participated. LaHood promoted rail infrastructure as a means of rebuilding the American manufacturing base.

Tom Buffenbarger, president of the International Association of Machinists (IAM) also spoke, noting that his union had its origins in the rail industry, and now is in aerospace and everything in-between. Since we're used to building things that go 86,000 miles per hour, he said, it's no problem for us to build things that go 110 or 250 mph. Noting that manufacturing czar Ron Bloom had said that "railroads point to the future," Buffenbarger said he wasn't the first to say that: Abraham Lincoln said this 100-plus years ago. He emphasized that labor and management need each other in this effort; he attacked 20 years of deregulation; and he said we may need to create a new bank for domestic companies.

The executives warned that the U.S. is losing its manufacturing base. One speaker said that there are 4,000 locomotives just parked right now, due to the fall-off in rail traffic. Others pointed to the layoffs and idle capacity in their industry, and declared that they are ready to go to work building high-speed rail in the United States.

The Obama Administration has only allocated \$8 billion for high-speed rail, however. It will take a total shift in policy control over the Administration to realize the promise of this conference. The head of the American Public Transportation Association announced another conference for next month, which will include still more firms and other transportation unions.

House Hearings Expose How Mammogram Recommendations Will Be Used to Kill

WASHINGTON, D.C. Dec. 2 (EIRNS)—Extensive hearings before the Health Subcommittee of the House Energy and Commerce Committee today, confirmed the original reports on how the recommendations of the U.S. Preventive Services Task Force will reduce women's access to life-saving mammograms, should the Obama Hitler Health bill be passed. As Republican Congressmen confronted the chairman and vice-chairman of the USPSTF—Dr. Ned Calonge and Dr. Diana Petitti—it became increasingly clear that women under 49, in particular, will be systematically denied cancer screening, on the basis of the Nazi thinking behind "evidence-based medicine" and "comparative-effectiveness" research.

Calonge and Petitti kept saying that they were the victims of terrible "communications problems" and bad timing. They said people were misunderstanding their recommendations, which had been adopted in June-July 2008, and had absolutely nothing to do with the current health-care bill or cost considerations. We are only interested in "science," said Petitti, and, in trying to get women treated as individuals, not according to "one size fits all."

Most of the Democratic questioning echoed this line, while sometimes lashing out against the Republicans for lying and for impugning the integrity of these "experts," who, in fact, know nothing about oncology or radiology.

John Shadegg (R-Ariz.) and Michael Rogers (R-Mich.) cited, in painstaking detail, the sections of the House bill that mandate that the USPSTF's "C" designation deny routine mammograms to women between 40 and 49, saying that this will become *law* for insurance coverage. They exposed the lie that what the Task Force was doing was only establishing a "floor" under coverage, rather than a ceiling. They demonstrated that both the new Health Care Benefits Advisory Committee and the Secretary of Health and Human Services would have to override the C designation for early mammograms, in order to mandate they be provided. Until then, they would be prohibited.

Shadegg exposed the lie that USPSTF had not taken cost into account. He pulled out Appendix C1, which contained a cost-benefit analysis, citing how much each "Quality Adjusted Life Year" (QALY) should be valued, in dollars and cents. Petitti again denied that the Task Force's decision had anything to do with cost—even as she admitted that Appendix C, among others, were all taken into account in the Task Force's deliberations.

Ibero-American News Digest

The 'Ni-Ni Generation': Mexican Youth Left To Die

Poor Southern Cone Provinces Eager for Nuclear Power

Argentina: What Nazi Soros Has Wrought

The 'Ni-Ni Generation': Mexican Youth Left To Die

Dec. 7 (EIRNS)—According to the official Mexican Institute of Youth (IMJUVE), there are 7 million Mexican youth today who neither go to school, nor have a job. As José Narro Robles, Chancellor of the National Autonomous University of Mexico (UNAM), warned Dec. 3, the creation of this "neither/nor generation" ("*ni-ni*," in Spanish) is a strategic risk for the nation, because these youth have been turned into the labor market for the drug trade.

And the morgues, it might be added. Last September, IMJUVE reported that the third leading cause of death among

Mexican youth is suicide, with the highest rates occurring in men between 20 and 24 years of age.

Narro Robles urged that education and jobs be provided to these youth, and that the paradigm that a successful person is someone who makes the most money in the least time, be changed, since by that criteria, someone who joins the ranks of organized crime is considered "a successful person."

"This is ugly; this is evil. It is unforgiveable," Lyndon LaRouche responded upon hearing the report of what is happening to Mexican youth. He pointed out, however, that the uglier problem is that the political institutions of Mexico have agreed to tolerate this policy, a decision sealed in the elections last July. The political institutions do not intend to make any changes. "So therefore they are saying: go ahead, go die! Because you've got no relief. You've got nothing coming to you. Go die."

Poor Southern Cone Provinces Eager for Nuclear Power

Dec. 2 (EIRNS)—There is great excitement in the Argentine province of Formosa, one of the country's poorest, over the announcement that the National Atomic Energy Commission will deploy the small prototype CAREM nuclear reactor to that province. This follows the Congress's Nov. 25 passage of the bill authorizing construction of a fourth nuclear reactor (Atucha III), extending the operating life of the existing Embalse reactor, and completing construction of the CAREM. The modular reactor can generate between 100 and 125 MW.

Formosa Gov. Gildo Insfran proudly announced that his province will become "Northern Argentina's capital for nuclear development."

In Brazil, various states in the northeast are vying to become the site for the two new reactors which the country has committed to build next in that desperately poor region. The government has already begun assessing potential sites, and will make a final determination in 2010.

Argentina: What Nazi Soros Has Wrought

Dec. 2 (EIRNS)—The Argentine Anti-Drug Association reports that there are now 2,000 drug "supermarkets" operating in metropolitan Buenos Aires and the surrounding area, each one averaging 150 sales daily of marijuana, cocaine, or the deadly paco (a substance similar to crack). These retail vendors recently raised the paco price from 2 to 6 pesos, because too many slum kids could pay the lower price, and were "dying like flies," according to *Diario Popular* on Dec. 1. Too many deaths mean a loss of business for these vultures.

This monstrous surge in drug availability follows the ruling by the Argentine Supreme Court last August, that drug possession for "personal" consumption is henceforth legal. The principal figure on the court who championed that ruling is Eugenio Zaffaroni, a longtime asset in the drug legalization stable of the world's biggest drug-pusher and proudly Nazi-trained British agent, George Soros.

Western European News Digest

[Fillon, Putin Reach Accords in Paris Meeting](#)

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Italian Law Expert Calls for Glass-Steagall

Reflection of Glass-Steagall Debate in Austria

Climate Change Hoax Attacked in Denmark

France Social Kettle Close to a Boil

Cranes of Ibykus Circling Blair

Fillon, Putin Reach Accords in Paris Meeting

PARIS, Nov. 30 (EIRNS)—The yearly Franco-Russian conference, which met in Paris under the leadership of French and Russian Prime Ministers François Fillon and Vladimir Putin, on Nov. 27, resulted in the conclusion of more than 20 accords and contracts, mainly in the areas of natural gas and high technologies.

The major deals signed include France's entry into both Russian pipeline projects transporting gas to Western Europe—the North Stream and the South Stream. The French giant Total has been given a stake in the exploitation of the giant gas reserves of the Yamal Peninsula, in Siberia. Other contracts include building sophisticated medical facilities in Russia, a highway from Moscow to Petersburg, ongoing work on the SuperJet 100 Franco-Russian airplane (Safran), unspecified work on nuclear development, saving the Avtovaz car production facility, where Renault holds a 25% stake and which has been bankrupt since the beginning of the global crash.

Lastly, 2010 will be the Year of France in Russia, and the Year of Russia in France. Four hundred events are organized in both countries, and Russian President Dmitri Medvedev will be in Paris next March, while Putin will come back in May for such events.

EU Incapable of Dealing with Greek-Style Crisis

PARIS, Dec. 5 (EIRNS)— George Provopoulos, the governor of the Greek central bank, told reporters earlier this week that "if the Greek debt continues to deteriorate, we will find ourselves in a terrifying position where we can't obtain any more liquidity, since the ECB will no longer accept our assets as collateral." The conjunction between failing states and the European Central Bank's latest decision to exit its "unconventional monetary" policies, cannot but accelerate the blowup of the euro system.

Jean Pisani-Ferry, who heads the Belgian think-tank Bruegel, observes that the EU itself has no formal "financial instrument to deal with a liquidity crisis among one of its members," according to *Le Figaro* Dec. 3. The Maastricht Treaty is contradictory in this respect, comments the paper. "On the one side, it forbids any effort at bailout of the debts of a member-state (Article 104B). On the other side, it envisages that 'by reason of exceptional circumstances ... to grant, under certain conditions, Community financial assistance' (Article 103A)," but highly unlikely. *Le Figaro* concludes that Europeans should remain united in the face of a threatened "little Lehman," Greek-style.

Italian Law Expert Calls for Glass-Steagall

Dec. 3 (EIRNS)—Former Italian stock exchange supervisor Guido Rossi gave President Obama an "F" in economics, at a

public conference in Trieste yesterday. Obama has failed to do "the two things that Roosevelt did in 1933, and in a few months, not years: the separation between commercial and investment banks, and the creation of the Securities and Exchange Commission to put markets under control," Rossi said at a press conference, in the context of the ongoing "Nobel Colloquia" in Trieste.

"I flunked Obama in economic policy, because he is a victim of Wall Street," Rossi said.

Reflection of Glass-Steagall Debate in Austria

Nov. 30 (EIRNS)—Austria is in an uproar because the financial institution Hypo Alpe Adria Kärnten is in dire need of EU2 billion, of which the Austrian state or the state Carinthia would have to provide EU900 million. Perhaps to cool the public outcry, the main Austrian daily *Die Presse* on Nov. 26 reported that the Central Bank and the Financial Regulatory Agency now want to change their approach—instead of taking over the bad parts, i.e. creating a "bad bank," they now want to take over the good parts, and create a "bridge bank."

The idea is to put the deposits, "systemically relevant liabilities," and promising business areas into a good bank, which the state would take over, while the toxic paper and inherited waste would stay in a bad bank, with the old owners. This part then would fall under general insolvency law. Bankers admit that the term "systemically relevant" is rather vague.

However, the idea as such is a small echo of the international debate over restoring the FDR-era Glass-Steagall Act, which separated commercial banking from speculative investment banking.

Climate Change Hoax Attacked in Denmark

COPENHAGEN, Dec. 4 (EIRNS)—On the eve of the Copenhagen Climate Summit, a faction-fight has broken out in the Danish government's leading party, the Liberal Party, with the chairman of the Parliament, Thor Pedersen, expressing his skepticism about the extent of man-made climate change, and about Danish climate legislation.

Pedersen told the daily *Berlingske Tidende*: "You have to remember that these are theories. Some things are theories and some things are knowledge, and you have to take that into account when you put out a message. Is it something we know, or is it a theory?" Pedersen is questioning how much man influences climate change, and saying that climate legislation should not restrict individual freedom. "When I come home, I like to see all the lights on, and I will continue to do that," he said.

The debate inside Prime Minister Lars Loekke Rasmussen's Liberal Party resulted in postponement of an internal party vote on legislation to compel a homeowner to disclose how energy-efficient the house is, when it is put up for sale.

France Social Kettle Close to a Boil

PARIS, Dec. 4 (EIRNS)—While carefully blacked out by the French and international media, France is in an explosive situation. A leaflet by the Solidarity and Progress party (the LaRouche movement in France), titled "On the Coming Anger," addresses the real situation of "mass strike ferment."

* Police demonstration: On Dec. 3, several thousand police officers held demonstrations in several cities, including a large rally in Paris, in front of the Finance Ministry. The police complain that while delinquency continues to rise and is becoming increasingly violent, the number of security personnel is slashed for budgetary reasons.

- * **Truckers strike:** Difficult negotiations are underway between the government and the transportation unions. The unions, which represent some 500,000 people, plan to blockade all the major distribution centers during the Christmas shopping season, starting Dec. 13.
- * **Teachers and research assistants started demonstrations** two weeks ago against President Nicolas Sarkozy's education reform, which will force officials to raise private funding for their activities.
- * **Health-care providers on strike:** Many hospitals are striking for lack of funds and personnel. In Boulogne-Billancourt, near Paris, nurses pulled empty hospital beds into the main street and blocked traffic.
- * **Museums closed:** The Louvre, Musée d'Orsay, and the Chateau de Versailles have been closed for several days because of labor actions. More personnel and wage increases are demanded.

Cranes of Ibykus Circling Blair

Dec. 5 (EIRNS)—Tony Blair's role in bringing about the Iraq War could well be the undoing of the former prime minister. The Chilcot inquiry into the war has provoked an avalanche of attacks in the British press that, while not accusing Blair of lying to cause the war, must nonetheless be making him very uncomfortable.

- * Dr. Hans Blix, the leader of the UN weapons inspection team, from late 2002 until mid-2003, accused Blair and George W. Bush of a witchhunt against Saddam Hussein that led to the war.
- * The London *Daily Telegraph* includes a commentary by Anthony Seldon, an unofficial biographer of Blair, who asks the question, "Is Tony Blair a War Criminal?"
- * Six doctors have filed to reopen the inquest into the suspicious death of Dr. David Kelly, the weapons expert who leaked to the BBC that the Blair government had "sexed up" its dossier on Saddam's alleged weapons of mass destruction.
- * The *Belfast Telegraph* also questions whether Blair acted in good faith. An editorial reports that many people are convinced that Blair is chargeable under the Nuremberg count of a secret conspiracy to levy war.

Russia and the CIS News Digest

Putin: Russia Has 'Ambitious Plans for Nuclear Power'

Russia-China Cooperation Features High-Tech, Putin Says

Strategic Shift in India-Russia Relations

Nuclear Power Agreement Between Russia and Ukraine

Putin: Russia Has 'Ambitious Plans for Nuclear Power'

Dec. 3 (EIRNS)—The Russian government has "ambitious plans for the development of nuclear power engineering,"

Russian Prime Minister Vladimir Putin said today, during his annual question-and-answer webcast with the Russian people, *Russia Today* reported. "While 35 to 38 nuclear power units were built during all the decades of the Soviet period, today 30 to 32 nuclear power units are in the pipeline for the coming 10 years. This calls for enormous investments, and the Federal Agency for Atomic Energy (Rosatom) has the funds for that," he said.

Putin said Russia's power industry overall would grow rapidly, to ensure economic development. He dismissed as groundless, the crisis mentality that demands cuts in investment in the power industry. "We cannot afford to be late in developing our power industry, in order to face a deficit in generation capacity in the period of economic restoration," Putin said. "Our plans will be fulfilled. In the past 10 years we built 13,000 MW of power generation capacities. Within two years we should put 10,000 MW of them into operation. Our plans are very big and there are no doubts that they will be realized."

In August, Russia adopted an energy strategy through 2030, for large-scale investment. The plan calls for investing 60 trillion rubles (\$2.1 trillion), Energy Minister Sergei Shmatko announced on Oct. 26, although much of this would be in oil and gas extraction.

Putin also emphasized that the new owners of power companies, formed by the breakup of United Energy Systems, the national electric power utility, now have to invest. "When this reform was being worked out, its authors hoped that the realization of assets would help modernize and expand power generation capacities," Putin said. "The new owners received benefits, but they should fulfil their obligations." These included pledges to invest \$820 billion in new technology.

Putin also said that there has been growth in key industries, like space, defense, and agriculture, despite the crisis. "In those branches of industry, which the state considers its direct responsibility, we are observing a more-or-less acceptable level [of production]." Putin also said that Moscow will support the steel industry, through increasing spending by Russian Railways, and the auto industry.

The Russian state nuclear company Atomenergoprom has announced recently that it will have no problems placing a billion-dollar-plus bond issue, because of the stability provided by state ownership, Novosti reported. Atomenergoprom wants to raise its share of Russian electricity production from 17% to 25% in 2030, investment head Anton Kovalevsky said. "We have unprecedented backing from the state. It currently provides 60% of our funds, but within five years we plan to be raising all money ourselves. Last week we issued a \$1.7 billion bond, and will invest \$68 billion in Russian electricity production by 2015."

Russia-China Cooperation Features High-Tech, Putin Says

Dec. 4 (EIRNS)—During his Dec. 3 webcast, Prime Minister Putin also fielded questions on the Russian-Chinese relationship. This came up in reply to a question about the closing of the Cherkizovsky market in Moscow, where many Chinese and Central Asian merchants sell their wares. The market was closed by Moscow city authorities, allegedly because the owner of the property, an Azeri named Telman Izmailov, had angered authorities. The incident also led to something of a diplomatic incident with China, as many Chinese merchants were affected by the closing.

In his comments, Putin said, "Indeed, our foreign partners, including our Chinese friends, drew our attention to the on-the-ground problems at the Cherkizovsky market. Why do you think they did this? This does not require an answer.... But we must protect the interests of our producers, of the men and women employed by our companies, for instance in the Ivanovo Region, where the economic situation is very grave. If fake and smuggled goods gain the upper hand, our producers will never make it. We must build relations with our partners, including our Chinese partners. We have developed very good relations with them recently."

In reply to a questioner who asked if the Turkmenistan supply of natural gas to China would impede Russia-China gas deals, Putin talked about the important nuclear agreements signed in October. "Both Russia and China emphasize the need to see development in their high-tech sectors. Energy projects do not detract from these policies; in fact, they support them. Russian-Chinese cooperation is much broader than oil and gas. Russian companies are currently building the Tianwan Nuclear Power Plant in China. We have recently agreed with Chinese partners, that Russian engineers will be directly involved in building more nuclear power generation units. This energy sector also forms part of the high-technology sphere. We are also interested in expanding our high-tech equipment's export to China. We also welcome cooperation in other areas, and we also welcome China's initiatives. Our cooperation is a two-way street."

Commenting on Putin's remarks, Lyndon LaRouche noted the vital Chinese interest in obtaining high-tech imports, which Chinese representatives raised in exasperation in recent meetings with the EU.

In response to the question, "Will Russia help the United States after its collapse?" Putin replied, "If this happens, there will be a lot to pay, because the United States is the world's biggest power, economic power, and we have extensive links with it. It is one of our most important partners, and the global economy is very closely intertwined with the U.S. economy. Therefore, it would be inappropriate to wish problems on any country. We would all be better off living in a prosperous world, rather than in a world of disasters."

Strategic Shift in India-Russia Relations

Dec. 5 (EIRNS)—The nuclear power agreement and a new ten-year defense agreement, both likely to be signed between India and Russia when Indian Prime Minister Manmohan Singh visits Moscow Dec. 6-8, could transform their relationship, India's *Business Standard* reported yesterday. The umbrella nuclear agreement could lead to as many as 10-12 Russian nuclear reactors being sold to India in the next 10 years. (See *EIR*, Nov. 27, 2009.)

Most important, the civil nuclear cooperation agreement is expected to provide for sales of nuclear fuel and allow Indian reprocessing of the fuel for all future Russian reactors supplied to India—which the so-called 123 agreement with the United States strictly prohibits. India will also be allowed to enrich Russian-supplied uranium up to 20%. In contrast, the *Standard* reported, when Singh was in the United States last month, President Obama's "over-zealous bureaucrats, well-versed in the minutiae of non-proliferation matters, prevented a signature on a nuclear fuel processing agreement between India and the U.S."

High-level sources told *The Hindu*—considered close to India's External Affairs Ministry—that while Russia balked at explicitly including enrichment and reprocessing technology, this was now subsumed under broad-based cooperation in nuclear R&D. The agreement also includes built-in reprocessing consent rights for all future Russian reactors supplied to India, and provides for India to enrich Russian-supplied uranium up to 20%, the level necessary for the production of medical isotopes.

"Russian leaders have realized that global power is fast gravitating to the Asia-Pacific region, where India is an increasingly important player," Andrei Volodin of the Russian Institute of Oriental Studies, told Indo-Asian News Service, in an interview published yesterday. Economic ties with the Asian region are instrumental for the success of Russian plans to redevelop Siberia and the Far East, he said. "Indian elites have awakened to the fact that the Pax Americana is a thing of the past and they should not put all their eggs in the U.S. basket."

The *Standard* quotes high-level sources in both Delhi and Moscow, indicating that Russia could expand the number of nuclear plants to be built in Kudankulam, in the state of Tamil Nadu, from four to six. Russia is already building two plants there. It could also expand the plants to be built at Haripur, West Bengal, from two to four. Overall, these agreements would show a shift of joint trade from commodities to high technologies.

Russian Prime Minister Putin will visit India in March 2010, when the long-delayed agreement over the *Admiral Gorshkov* aircraft carrier and MiG-29K fighter jets could finally be signed.

There are other indications of a shifting relationship. Prime Minister Singh called Russia a "world power" in his interview with Russia media two days ago, and said that India-Russia economic cooperation should expand, despite the effect of the world crisis on the Russian economy.

Nuclear Power Agreement Between Russia and Ukraine

Dec. 3 (EIRNS)—Russia is renewing its nuclear power agreement with Ukraine, Ukrainian Prime Minister Yulia Tymoshenko said Nov. 21. The two sides have prepared a strategic cooperation contract for the nuclear energy sphere until 2020, she said, after a meeting with Russian Prime Minister Vladimir Putin in Yalta. "I think that we will soon finalize another important document, which will ensure stability in our [nuclear] cooperation for years to come." Ukraine has no capacity to enrich the uranium it produces, so all fuel for its five nuclear power plants and two research reactors is supplied by Russia.

Asia News Digest

Critics Trash Obama Over Af-Pak Policy

Climate Accord Could Break India from Commonwealth

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Critics Trash Obama Over Af-Pak Policy

Dec. 2 (EIRNS)—After months of deliberations, President Obama made his second Afghanistan-Pakistan policy statement on Dec. 1, facing grim-faced cadets at West Point. Lyndon LaRouche summarily stated of the policy: "It won't work." Numerous critics at home and abroad have jumped on the opportunity to trash Obama.

Obama came under attack because of his complete disregard of the facts. He attacked Kabul for corruption and bad governance, while never mentioning that the massive opium-heroin trafficking network set up since the U.S./NATO occupation is feeding the terrorists, as well as the bankers in the City of London and Wall Street.

He also failed to report that the Taliban is not an Afghan product, but was born in Pakistani territory in 1994, with Saudi money and backing from the Pakistani Inter-Services Intelligence (ISI)—with the British pulling the strings. Similar forces also nourished al-Qaeda and gave it shelter in Afghan territory. Al-Qaeda and the leadership of the Afghan Taliban escaped defeat by the U.S. forces post-9/11 by taking shelter in Pakistani territory.

Obama talked about building up an adequately trained Afghan National Army (ANA) and handing over to them the security responsibility for Afghanistan. This he plans to achieve in 18 months before the drawdown of U.S. troops from Afghanistan begins. The fact remains that the ANA is full of non-Pushtuns (mostly Tajiks) and the U.S./NATO troops are battling the Pushtun community. Only one out of ten insurgents in Afghanistan is a Taliban. It has also been proven again and again that the ANA does not want to fight the Pushtun insurgents on behalf of the occupiers.

Climate Accord Could Break India from Commonwealth

Nov. 29 (EIRNS)—China, India, South Africa, and Brazil have signed a draft declaration which includes non-negotiable demands for the Copenhagen climate summit in December. The declaration was drafted by Beijing, and Prime Minister Wen Jiabao called a previously unannounced meeting in the Chinese capital Nov. 27 with the outspoken Indian Environment Minister Jairam Ramesh, Brazilian Presidential Advisor Marcel Fortuna Biato, South African Environment Minister Buyelwa Sonjica, and the Sudanese representative for the G77 nations.

This agreement is especially important if it gets India to break from the British Queen's Commonwealth, Lyndon LaRouche said today. But it has to hold—and the concern is that Brazil, with its Hapsburg heritage, could undermine the other nations.

The draft certainly differs from the Commonwealth's Climate Consensus declaration issued at the summit in Trinidad and Tobago, which states, "We believe an internationally legally binding agreement is essential."

After the meeting in Beijing, Ramesh emphasized that the countries' draft declaration includes agreement to walk out of Copenhagen, if necessary, to protect their national interests. "We will not exit in isolation. We will coordinate our exit if any of our non-negotiable terms is violated. Our entry and exit will be collective," Ramesh said. "This basic draft fully meets India's goals and aspirations. We hope it is made the basis of discussions at the conference." The "non-negotiables," he said, are that the countries would never accept legally binding emissions cuts; unsupported mitigation actions; international measurement, reporting and verification of unsupported mitigation actions; and the use of climate change as a trade barrier, *The Hindu* reported.

Japan Takes Desperate Stimulus Measures

Dec. 1 (EIRNS)—Japan finds itself in an exacerbated crisis, as the Dubai meltdown has sent new flows of hot money into Tokyo, driving the yen up against the dollar, and aggravating the already depressed export-based economy. The global panic last week after the Dubai World default sent the yen to a 16-year high, leading to emergency meetings of the Cabinet on Nov. 29, and the Bank of Japan on Nov. 30. Prime Minister Yukio Hatoyama instructed the Cabinet to come up with solutions, but no one had any new ideas.

The result is more of the same: The government will issue another \$31 billion stimulus, mainly to help collapsing exporters, and the Bank of Japan announced another \$113 billion in liquidity to be pumped into the banking system.

Lyndon LaRouche commented that there are two Japans: the oligarchical Japan and the industrial Japan. The country has few natural resources, so its natural role is using Japanese technology to develop North Asia, with its vast natural resources. Involve India in this, involve the United States, and it can work. But by giving in to "globalization," Japan has been coerced to focus on consumer goods rather than expanding its historic strength in machine tools and heavy industry, and has allowed its food production to be cut back (except for rice), so that now it has to earn its food through exports.

Africa News Digest

[Global Monetarist System Collapse Devastates South Africa](#)

[Global Collapse Will Worsen HIV-Aids Crisis in South Africa](#)

Global Monetarist System Collapse Devastates South Africa

Dec. 1 (EIRNS)—South Africa's manufacturing output in September had contracted 11.4% year-on-year, in terms of volume, according to Stats SA, the government statistical agency. The August year-on-year figure was 15.2%.

Job losses are large and accelerating. The number of employed in the third quarter of 2009 had shrunk by 5.6% compared to the third quarter of 2008. The number employed in the third quarter of 2008 was 13.7 million; a year later, the number has shrunk by 770,000 to 12.9 million. Almost two-thirds of those losses occurred during the third quarter of 2009. In agriculture, 14.9% of all jobs were lost over the year.

Unemployment increased from 27.6% to 31.1%, according to *EIR* calculations. Among the poor in urban townships and squatter settlements, unemployment is very much higher. *EIR* calculations are higher than the official figures from Stats SA, because *EIR* recognized the Discouraged Work-Seekers category as part of the Labour Force, and then calculated the rate of unemployment as the combined Unemployed and Discouraged, as a percentage of the Labour Force. Even so, these are underestimates: Despite great economic distress, the Not Economically Active portion of the population aged 15-65 (defined as not interested in, or not capable of work) grew by 1.1 million over the year (total population growth was 371,000). A significant fraction of these actually belong in the Unemployed category.

Global Collapse Will Worsen HIV-Aids Crisis in South Africa

Dec. 1 (EIRNS)—South African President Jacob Zuma kicked off a national mobilization against HIV-AIDS today, World AIDS Day, by announcing, among other measures, the extension of antiretroviral (ARV) treatment to a much larger number of people. Health Minister Aaron Motsoaledi reported in a speech Nov. 10 that, while South Africa has just 0.7% of the world's population, it has 17% of all HIV and AIDS cases, or 24 times the global average. According to one estimate, 5.7 million of South Africa's 49.3 million people are infected with HIV, an incidence of 11.6%, which is among the highest in the world. In the impoverished townships surrounding Johannesburg, Saturdays have been set aside for funerals.

In an address to the National Council of Provinces Oct. 29, Zuma had drawn attention to South Africa's alarmingly low and steadily declining population growth rate. "At this rate," he said, "there is a real danger that the number of deaths will soon overtake the number of births." Even more disturbing, he added, is the number of young women dying "in the prime of their life, in their child-bearing years." He blamed the deaths on HIV-AIDS.

Zuma said the situation was made worse by the high incidence of tuberculosis. There are 482,000 South Africans afflicted with TB, almost 1% of the population. "A staggering 73%" of those with TB are also HIV-positive, he said.

Pregnant women and persons infected with both HIV and tuberculosis will receive ARVs if their CD4 white blood cell count drops to 350 or less, and all HIV-infected children under one year of age will receive ARVs. Currently, ARVs are given only to those with a CD4 count of 200 or less.

South Africa's already low population growth rate fell drastically over the 2001-09 period. The 2001-02 rate of annual increase was 1.38%. Year by year, the rate dropped, reaching 1.07% for 2008-09, according to official statistics. The private South African Institute of Race Relations (SAIRR) reported Nov. 19 that the decline was even steeper, from 1.5% annual increase to 0.8% over the same period. SAIRR does not make its methodology public. Fertility declined from 2.87 children per woman in 2001 to 2.38 in 2009, according to official statistics, a drop of 0.49.

The failure of the globalized monetarist system is having a devastating effect on the South African economy, with collapsing production, loss of employment, and a shrinking tax base. Poverty and disease can only be expected to get worse.

Queen's Commonwealth Swallows Rwanda, Mozambique

Nov. 30 (EIRNS)—"What was really notable at the just-concluded Commonwealth Heads of Government Meeting (CHOGM), was the admission of Rwanda," a City of London source told *EIR* today. "Rwanda and Mozambique, which joined about 15 years ago, were never part of the old British Empire, which was the ostensible basis for the Commonwealth when it was set up 60 years ago."

The Commonwealth, of which the Queen is the official head, is certainly seeking an expanded role in world affairs, the source said. The idea is to create another, smaller United Nations, but an organization in which you can try out policies in a "less heated" political atmosphere than the UN, the source said. This has its influence on many countries in Africa, and on India, where there are many influences of the British Raj still, and is not a member of the Permanent Five of the UN Security Council.

One reason that Rwanda and Mozambique were pulled in, the source said, is that they are on strategic raw materials transport routes from the Congo. Mozambique was a Portuguese colony, and Rwanda a German colony until World War I, when the Belgians took over. But now, since these countries lie on the route for transporting key minerals, they are most welcome in the New Commonwealth. One of the most important minerals being transported now is Congolese tantalum, or coltran, a mixture of two minerals which is essential for making capacitors for cell phones and laptops.

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