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Will Nero Now Murder Seneca?

The Charade Is Ending

by Lyndon H. LaRouche, Jr.

January 20, 2010—In an April 11, 2009 international webcast, I had already identified that evidence, fact by fact, which indicated to me, with certainty, that unless President Barack Narcissus Obama took a virtual Damascus Road, he were already virtually as good as self-doomed to live out his brief tenure in the White House in a relatively short-term, staged reenactment of the reign of the Roman Emperor Nero. Intelligent people who had doubted what I said on that occasion, should be now already blushing a very bright red.

Now, the point has been reached, with the recent Massachusetts Senatorial election, that this Nero is about to take himself down in way which will shock the world. I am not a predictor—I have contempt for simple predictions; but, I am, rather, a very good forecaster. Intelligent and well-informed people take my warnings in such matters very seriously, especially after what happened in Massachusetts yesterday. Obama is about as intelligent as a pre-programmed wind-up toy; like the characters of Shakespeare's *King Lear*, *Macbeth*, and *Hamlet*, his self-inflicted doom is written into his personal character; he is the fool who believes in his image of himself....

In-Depth articles from EIR, Vol. 37, No. 4

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This Week's Cover

- **Will Nero Now Murder Seneca?**

The Charade Is Ending

By Lyndon H. LaRouche, Jr.

Since the recent Massachusetts Senatorial election, President Barack Narcissus Obama is about to take himself down. This should be taken very seriously, because the destiny of republic, and the present civilization as a whole, depends upon some very early second thoughts about the policies which many had implicitly adopted up to this point.

- **Nerobama Defies the Mass Strike**

Scott Brown's election in Massachusetts was not a victory for the Republican Party per se, because voters have repudiated both political parties, for presiding over the disintegration of life as they knew it. President Obama and his flunkies remain delusional about the significance of the victory.

World News

- **Time To Stop Lying and Get It Right!**

The Obama Administration is making its third attempt to win back the people, by talking tough against the bankers. But it is keeping the

financial system on Federal life support. As a result, Obama's third foray into anti-bank posturing, like the previous two, will do nothing to replace the dead system.

- **Why Larry Summers Must Go Now!**

If the growing movement of American patriots is to clean out the London/Wall Street swamp of the Obama Administration, not only must Treasury Secretary Tim Geithner go immediately; but Larry Summers, Obama's chief economic liar and cheat, must get the boot, as fast, or faster.

- **Behaviorism and Summers' Bad Behavior**

- **IPCC Caught Lying, Again:**

- Himalayan Glaciers Are Not Melting**

The pseudo-scientists at the Intergovernmental Panel on Climate Change (IPCC) were forced to eat their words, and admit that the Himalayan glaciers, which they had claimed would melt by 2035, were, in fact, not melting at all.

- **Dutch Commission Spells Trouble for Tony Blair**

The finding of the independent Dutch commission that the war against Iraq violated international law, spells trouble for Tony Blair.

- **Globalization Endangers Food Relief, Production**

- **Dairy Farms:**

- 'A War' for the Food Supply**

An interview with Pascal Cousté.

- **Economics in Brief**

National Economy

- **China Builds Sun Yat-Sen's Great National Rail Project**

China's response to the global economic crisis is to move, fullspeed ahead, with construction of the most extensive rail system on Earth, expanding economic development into its vast interior, and realizing the great project of its Founding Father Sun Yat-Sen.

Interviews

- **Pascal Cousté**

French dairy farmer Cousté is a leader of the protests against the policies of the European Commission and the globalist food processors. He is from France's leading dairy region, Brittany.

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This Week's News

U.S. Economic/Financial News

- Extended Unemployment Claims Double Official Figures**

Labor Department: Unemployment Up in 43 States in December

U.S. Electricity Use Falls as Dark Age Approaches

Extended Unemployment Claims Double Official Figures

Jan. 20 (EIRNS)—A leap from November to December 2009 in Federal and state unemployment insurance outlays, betrayed the rising mass unemployment behind the official figures claiming that "the labor market has stabilized."

The Federal government spent an all-time record \$14.7 billion on unemployment insurance benefits in December, a 24% jump from \$11.8 billion in November. The states spent \$12.7 billion on unemployment benefits in December, up by more than 15% from the month before. So the Labor Department's claim of a mere 1.7% increase, to 9.6 million, in Americans receiving "continuing" unemployment insurance benefits in December, is clearly a fraud.

The first approximation is that Emergency Unemployment Compensation benefits (from the Federal government) jumped by 43%, from 3,594,253 in early November to 5,143,410 in mid-December. Analysts explain this by saying that state "continuing" benefits are being exhausted, and new claims are slowly declining, so there is a strong net shift from state to Federal benefit rolls, but with little total growth. This is because the "seasonally adjusted" reports put out every week by the BLS are claiming (for the most recent reported week, ended Jan. 9), that 4,596,000 Americans were getting state continuing benefits, and 440,000 new claims were added in that most recent week. So 9,598,000 people were supposedly getting either state "continuing" or Federal benefits in that week, and 440,000 more were trying to join them.

But the actual "unadjusted" figures for week ending Jan. 9 are dramatically different—a differential getting wider and wider since late November. The *actual, unadjusted* initial claims were 801,086 (not 440,000!), an increase of 156,165 (not 11,000!) from the previous week. And the unadjusted "continuing" state claims were 5,988,940 (not 4,596,000!), a leap of 503,924 from the preceding week. In this "continuing" state claims figure, an actual increase of 900,000 over the most recent two-week period has been officially "adjusted" into a decrease, at minus 400,000.

By comparison, January 2009 was a period of intense layoffs and firings, amid financial collapse; a net job loss of 598,000 was reported by BLS that month, and over 500,000 jobs were lost in each of the previous two months, November and December of 2008). But so far, in January 2010, the actual unadjusted figures for new unemployment claims are running 85% as high as in January 2009. That implies a real job loss of about 500,000 (not 85,000!) last month.

So the actual total of state "continuing" and Federal benefits, combined, in the week ending Jan. 9 was 11,142,000 (not 9,598,000!), with 801,000 more Americans applying to join them in that week.

We may, by now, have 12 million Americans actually on unemployment. *That is double the highest number ever recorded prior to 2009, in statistics that go back to the creation of unemployment insurance.* And even as a percentage of the population, we have reached 3.5%-4% of the population on unemployment relief, whereas that percentage has never been above 2% since the late 1940s.

This mass unemployment is a major, and *rapidly rising* factor in the bankrupting of state governments nationwide.

Labor Department: Unemployment Up in 43 States in December

Jan. 22 (EIRNS)—While none of the official employment figures have any relation to reality, the U.S. Labor Department at least reversed its "recovery" figures from November, when it reported increased employment in 36 states, by reporting

unemployment increases in 43 states in December. The report said that all 50 states had an unemployment rate in December that was higher than a year earlier.

New York City and the State of New Jersey recorded the largest unemployment figures in the 33 years the data has been kept. New York City's rate jumped from 10% in November to 10.6% in December.

The Labor Department monthly survey includes only those people who have actively looked for work in the past four weeks—a fraction of the actually unemployed.

U.S. Electricity Use Falls as Dark Age Approaches

Jan. 17 (EIRNS)—For the second year in a row, and at a rate not seen since 1938, statistics collected by the Federal Energy Information Administration show that in 2009, electricity output fell by 3.7%. This is indicative of a society headed into a literal dark age, since just the simple growth in population should result in at least a minimal growth in electricity use.

To get a metric of comparison, note that in the 1960s in the United States, the decade of NASA, the rate of *growth* of electricity consumption was 7%.

The principal cause is the accelerating and dramatic collapse in industrial production, and also in commercial use. Add to that, the residential decline, thanks to the millions of homes that are not using electricity because they are empty, or households where bills cannot be paid, and service is terminated. As if the physical economic decline were not enough, crazy calls for "conservation," so as not to release carbon dioxide and "heat" the planet, are leading those who can still afford to use energy, to "voluntarily" cut their use.

As a *Wall Street Journal* article pointed out Jan. 14, this is leading to "turmoil" in the electric utility industry—the most capital-intensive industry in the economy. Building a baseload power plant—coal or nuclear—takes close to a decade, from planning to operation. With consumption falling, utilities are delaying, or even cancelling, plans to build new capacity, since they cannot forecast how much new capacity they will need. This is especially true of the dozen or so utilities with firm plans to build new nuclear plants, which are already hesitating, due to the Obama Administration's failure to provide the loan guarantees that would make it possible to borrow money at less than usurious Wall Street interest rates, for the multi-billion dollar nuclear plants.

Global Economic News

Britain: Record Increase in the Inflation Rate

Euro-Austerity Is Killing Greek Farmers

Chinese Economist Says Stimulus Packages Help Create New Cities

Britain: Record Increase in the Inflation Rate

Jan. 19 (EIRNS)—The rate of inflation in the UK for December, as measured by their consumer price index, increased more than 50% over that of November, jumping a full 1%, "the biggest amount on record," from 1.9% to 2.9% in one month. The retail price index (which includes home prices) showed an even bigger increase, jumping from 0.3% to 2.4% in

the same month, according to the Office of National Statistics.

Since March of 2008, the Monetary Policy Committee of the Bank of England has pumped an unprecedented £200 billion (\$300 billion) into the system, in its "quantitative easing" bank bailout program.

Euro-Austerity Is Killing Greek Farmers

Jan. 19 (EIRNS)—The first to be sacrificed by the austerity imposed on Greece by the euro and the rating agencies, are the farmers. Calling on the Greek government for financial aid, over 5,000 farmers brought their tractors to form roadblocks in the center and northern part of Greece, shutting off several border posts. Last week, farmers started obstructing the major roads in the central area of Greece, Thessalonica, and Eastern Macedonia.

Five hundred tractors blocked the road connecting Athens to the large northern city of Salonica. The closure of border posts with Bulgaria, such as the one at Promachonas, Greece, provoked the anger of Bulgarian authorities. Bulgaria is now threatening to demand compensation for Bulgarian truckers and an intervention of the EU Commission.

Farmers demand immediate financial aid to compensate for the drop in prices of cereals, cotton, maize, olive oil, fruit, and milk. They are also asking for lower prices in fertilizer, seeds, and agro-chemicals, and a special discount price on electricity and gasoline, plus a three-year moratorium on their debts to the agricultural bank. In short, everything!

Chinese Economist Says Stimulus Packages Help Create New Cities

Jan. 19 (EIRNS)—In an interview with *China Daily* on June 8, Lu Zhongyuan, the vice-president of the Development Research Center of the State Council and a leading economist, underlined that China is now moving into a period of growth propelled by internal demand, including the development of new cities in the central and western parts of the country. Lu noted that China did not choose to become a low-income export country, but was forced into that situation by the multinational companies. "The international division of labor is led by multinational companies in developed countries. Only if its pattern changes can we solve the problem of China exporting a lot," Lu said..

Lu also stressed that urbanization, which will help to boost domestic consumption, is continuing at a rapid pace, but now is spreading to areas outside the traditional coastal "hothouses." Many of the migrant workers, who will no longer have jobs in the traditional coastal low-wage export industries, will find work in the growing cities closer to their homes, Lu said. Much of the Chinese stimulus package has gone to transportation, particularly to the building of railroads, which will bring these new urban areas into the mainstream of the Chinese economy.

The new urbanization was also noted in a *Financial Times* article on Jan. 19 by James Kynge, *FT*'s former Beijing bureau chief, who has just been assigned to a new *FT* "China Confidential" newsletter. The article notes that in the first 10 months of 2009, "lower-tier cities" accounted for a sharply growing portion of total investment. The *FT* profiled eight cities which were becoming hubs in this transition.

Shuangliu, a city near Chengdu in southwest China, has become a leader in the commercialization of agriculture. Jingzhou on the Yangtze River is an emerging transport hub. Heyuan, far upstream on the Pearl River in Guangdong Province, is benefitting from some of the wealth accumulated from the coastal region. Shouguang in Shandong province is a center for vegetable production. In Inner Mongolia, China is building an entirely new city, Ordos, which is located near a village that provided workers for a small coal mine in the area.

United States News Digest

Showdown Week for Bernanke

Nerobama Joins Peterson To Get His Revenge on the American People

Rep. Issa Accuses New York Fed of Contempt

Murkowski To Block EPA CO₂ Ruling

Showdown Week for Bernanke

Jan. 24 (EIRNS)—In the aftermath of the Democratic defeat in the Massachusetts special election Jan. 19, and accelerating defections by Senate Democrats, the White House and Fed went into a heavy-handed mobilization Jan. 22-23, to arm-twist Senators from both parties into throwing their support behind the reconfirmation of Ben Bernanke as Fed Chairman. After Sens. Barbara Boxer (D-Calif.) and Russ Feingold (D-Wisc.) announced they would vote "no" on the Bernanke nomination, and Majority Leader Harry Reid delayed the scheduled vote based on canvassing Democratic Senators midweek, White House spinmeisters claimed, today, that they had quashed a "populist uprising among Democrats," and that they were "confident" that the Bernanke confirmation would squeak through.

Given the White House disconnect from the mood in the country, it is not certain that Bernanke will make it, and new revelations about his hands-on role, along with Tim Geithner, in the scandalous AIG bailout of September 2008, could spell new trouble. The *Washington Post* revealed today, that on Sept. 16, 2008—the crucial day in the AIG bailout—Geithner was constantly on the phone with his boss, Bernanke, and with Treasury Secretary Hank Paulson. This is according to telephone logs from the then-president of the New York Fed that were provided to the House Government Reform Committee this past week.

Also, today, Sen. John McCain (R-Ariz.) indicated that he might not be voting for Bernanke's reconfirmation; even Minority Leader Mitch McConnell (R-Ky.), while expressing the belief that Bernanke would be reconfirmed, refused to say how he would vote. Yesterday, John Kerry (D-Mass.) and Dick Durbin (D-Ill.) both announced they would be voting in favor of Bernanke's confirmation, but only after they both received phone calls from the President and from Bernanke. In another effort to boost Bernanke's confirmation, Chris Dodd (D-Ct.) and Judd Gregg (R-N.H.) announced in a joint statement that they were confident that Bernanke would pass the Senate. Both men are leaving the Senate this year.

Bernanke's term expires on Jan. 31, and unless Reid files a cloture motion on Jan. 26, it will be impossible to bring the Bernanke renomination to a vote before the term expires. There are still four hold motions pending on Bernanke's nomination, and it will require 60 Senate votes to break the holds. If the holds are broken, Bernanke's confirmation will require a simple 51-vote majority. As of yesterday, there were 27 Senators from both parties on record backing Bernanke's confirmation, 13 opposed, 10 undecided. The remaining 50 Senators have not publicly weighed in yet.

Nerobama Joins Peterson To Get His Revenge on the American People

Jan. 23 (EIRNS)—Because the American people humiliated him with a massive defeat in the Jan. 19 election in Massachusetts, Nero-like President Obama has now joined with the evil, dotty billionaire Pete Peterson, to take his revenge on us, just as the original Nero avenged himself on his ungrateful Romans by setting their city on fire. That is the meaning of today's White House announcement that Obama "strongly" endorsed legislation to be voted Jan. 26 in the Senate, for the so-called "fiscal responsibility commission" for which Peterson has been campaigning for many years, putting well over a

billion dollars into his various front-groups, including the Peter G. Peterson Foundation, the Concord Coalition, the *Fiscal Times* newspaper and others. It is expected that Obama will make a pitch for Peterson's scheme in his State of the Union address Jan. 27.

Peterson's goal for a quarter-century has been to cut off the support for elderly Americans through Social Security and Medicare, while simultaneously increasing taxes on the poor and middle-class. In 1996, Peterson wrote, in *Atlantic* magazine, that senior entitlements are unsustainable, undeserved, unprincipled, and unfair, as Saul Friedman noted in *Huffington Post* on Jan. 21. Peterson wrote, "We now face public budgets strained to the breaking point by demographic aging which will crowd out all forms of capital accumulation, private and public, material and human." He saw "a nation of Floridas" as part of a "gray wave of senior citizens that fills the states' streets, beaches, parks, hotels, shopping malls, hospitals, Social Security offices and senior centers."

As *Atlantic* reported more recently: "Peter Peterson is 82, and is thinking about death. Yours!"

The plan for the Commission is that it will meet immediately, and issue its recommendations immediately after the November 2010 elections, to be forced through the lame-duck Congress, which need not fear popular reaction, immediately afterwards. Its proposals for Medicare and Social Security cuts and regressive tax increases would be fast-tracked through the Congress for a simple up-or-down vote, all in violation of the Constitution. Part of the scheme is that the annual budget deficit would be reduced from 10% of GDP at present, to 3% by 2015. No coincidence that this is exactly the "3% solution" of the European Union and its Maastricht Treaty, which have made Europe an economic wastebasket today. The same British imperial controllers who forced the "3% solution" on the European Union, have told their puppet Obama to implement it here as well.

Lyndon LaRouche has said that imposing austerity during an economic collapse like this one, is an ever-steepening downwards spiral to nowhere.

"If you try to put austerity through, or allow people to go to austerity measures," he said, "as the Obama Administration is going to try to do now, you're going to destroy the U.S. economy and you're going to kill a lot of your friends and neighbors, and probably yourself, too. So anyone who wants to do that, or tolerate that, or allow it to happen is being very stupid, *criminally* stupid, or something like that. And therefore, it must not happen. We *must*, despite what Paul Volcker's doing now, and what he's encouraging—we *must let Wall Street take the heat!* The merchant banks will *take the heat*; the merchant banking section will *take the heat*. The commercial banking section will be protected and survive—we need it. We are then going to use the power of the Federal government, to utter credit, to utter large masses of credit, in trillions of dollars, to launch large-scale production and related programs, investments in capital improvements, to get the economy *growing up again*."

Obama has negotiated with Pelosi and Reid, a scheme to institute the "commission" by Executive Order, if the Senate rejects it on Jan. 26.

Rep. Issa Accuses New York Fed of Contempt

Jan. 21 (EIRNS)—In a letter to Rep. Edolphus Towns (D-N.Y.), chairman of the House Oversight and Government Reform Committee, Rep. Darrell Issa (D-Calif.) accused the Federal Reserve Bank of New York (FRBNY) of contempt for selective document disclosure, and urged Towns to hold Fed officials responsible. "Unfortunately, the document production is incomplete and not in full compliance with the Committee's subpoena.... I am writing to request that you clarify the scope of the subpoena with the FRBNY and hold FRBNY officials in contempt if they do not fully comply."

Issa quotes the Committee's subpoena as directing the FRBNY to produce: "All documents in the possession, custody, or

control of the Federal Reserve Bank of New York, relating to AIG credit default swap counterparty payments, the decision to compensate AIG's credit default swap counterparties at par, and public disclosure of the counterparty payments." He then points out: "The subpoena does not limit the production by a range of dates. Unfortunately, the FRBNY has only produced documents that were originated between September of 2008 and May of 2009. This production is incomplete on both ends of the produced date range. "First, the FRBNY's production does not include documents related to the FRBNY's knowledge of AIG's credit default swap counterparty exposure before AIG was bailed out in September 2008. The Committee needs to understand AIG's counterparty exposure and the FRBNY's knowledge of the potential problems at AIG before federal officials thought it became necessary to spend billions of taxpayer dollars to bail out the company.

"Second, the FRBNY's production does not include documents related to the counterparty payments after May of 2009, including but not limited to the FRBNY's response to Congressional and press inquiries, such as this Committee's investigation. As you know, the FRBNY has stonewalled this Committee's investigation at every turn since I initially requested information from FRBNY in October of 2009. It is crucial that this Committee understand the full extent of FRBNY's efforts to cover up the counterparty payments and to prevent and delay other efforts to bring details about these transactions to the public." Issa concludes: "Once again, I request that you clarify the scope of the subpoena with the FRBNY and direct the FRBNY to produce all documents in their possession related to the AIG counterparty payments through January 19, 2010."

Murkowski To Block EPA CO₂ Ruling

Jan. 21 (EIRNS)—Following the defeat of the British Empire at the recent Copenhagen Summit, Sen. Lisa Murkowski (R-Ak.) intends to introduce a resolution of disapproval against the Obama Administration's effort to bypass U.S. Senate opposition to the fraud of Global Warming by using the Environmental Protection Agency to impose green fascism through a regulatory ruling that CO₂ emissions endanger human existence. Murkowski said at a press conference Jan. 20: "At this point in time, my inclination is to proceed with the resolution of disapproval. I think that is a more clear path forward." If it passes, the resolution, brought under the Congressional Review Act, would remove the Obama administration's "plan B" for climate change. The measure—called the "nuclear option" by environmentalists—would also ban the administration from drafting any new regulation that would be substantially the same.

Yesterday, Sen. Mary Landrieu (D-La.) told reporters that she is working with Murkowski on blocking the EPA. Jim Webb (D-Va.) also told reporters this week that he opposes using the EPA to regulate emissions. Sens. Blanche Lincoln (D-Ark.) and Ben Nelson (D-Neb.) have also signed on to the Murkowski initiative.

Ibero-American News Digest

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Britain's Ibero-American Jacobins Attack U.S. Aid to Haiti

Jan. 22 (EIRNS)—Britain's Jacobin "Bolivarian movement" in Ibero-America has been on a rampage since the Queen's

world dictatorship drive was stopped at the Copenhagen Climate Conference in December. The latest tirades of Venezuela's President Hugo Chávez, Bolivia's Previa Evo Morales, and Nicaragua's President Daniel Ortega have been directed at the U.S. military deployment in Haiti, decrying its central role in providing the logistics required for aid to enter devastated Haiti as an "occupation," an "invasion" which threatens the whole region.

Morales went so far as to announce, on Jan. 20, that his government would request an emergency meeting of the UN Security Council to demand that U.S. soldiers be removed from Haiti. But, what can you expect of a government created as a George Soros project, which the London *Independent* happily reported on Jan. 19 is proposing to permit Bolivian families to grow their own coca in their backyards?

The Brazilian government does not agree, and intends to continue "working hand in hand with the U.S. and the rest of the international community" on helping Haiti, Foreign Minister Celso Amorim stated categorically two days ago.

Likewise, the "Bolivarian" narcoterrorist networks took a significant hit when Ecuadorian military forces raided a camp of FARC narcoterrorists located inside Ecuadorian territory near the Colombian border on Jan. 19, killing three FARC members in the confrontation. Ecuador's President Rafael Correa praised the military for their successful operation. And Colombian President Alvaro Uribe quickly thanked Ecuador's government for the action, noting that it is when these narcoterrorists feel they cannot take refuge in neighboring countries, that they can be driven to give up.

Although no one is saying it, Uribe is referring to the major FARC camp inside Ecuadorian territory which the Colombian government militarily assaulted in March 2008, killing the infamous narco-boss Raúl Reyes. The Ecuadorians howled in protest at the time, hollering that their sovereignty had been violated. Lyndon LaRouche stated then:

"If governments allow an international terrorist organization such as the FARC to use their territory, then they have no complaint when the aggrieved government takes action at the border...."

The Ecuadorian move against the FARC this week stands in stark contrast to the support for the FARC coming from the Venezuelan government, most flagrantly displayed in the early December founding in Caracas of a "Bolivarian Continental Movement," led by the FARC cocaine cartel.

Haiti Was Devastated Even Before the Quake

Jan. 18 (EIRNS)—Some ten days after the earthquake, relief operations are better positioned so as to supply food, water, and medical care in a coordinated way to the estimated 2-3 million people, many injured, left without food, water, and shelter in Port-au-Prince, and other parts of Haiti. And as of Jan. 23, the Pan American Health Organization (PAHO) reported no new major epidemiological outbreaks have been identified.

Because Haiti's people were physically weakened and at the edge of starvation before this earthquake, however, it is a race against time to stave off a second wave of mass deaths.

PAHO warns that measles, diarrhea, and outbreaks of respiratory illness are likely, as displaced people move into densely packed areas. Already, before the earthquake, 16% of deaths of children under 5 occurred from diarrhea. Tetanus is a significant concern, given the large numbers of open wounds and low immunization levels; Haiti is among the 10 countries with the lowest DTP vaccine diphtheria-tetanus-pertussis coverage in the world (53%). Only 58% of its infants under one year old are inoculated for measles. Already, Haiti had the highest rates of HIV infection and tuberculosis in the Western Hemisphere; the bacterial disease leptospirosis is endemic.

Haiti stands as a vivid testament to the evil of globalization, a country abandoned. Average life-expectancy for men was only 59 years in 2008; 63 years for women. In some areas of Haiti, over 30% of the population suffered chronic malnutrition—and the numbers were increasing, despite the World Food Program feeding 1.1 million people. In 2006, only 58% of Haitians had access to "improved drinking water sources" (i.e., potable water), and only 19% had access to "improved sanitation facilities" (i.e., latrines, rather than ditches).

Pinochet Team Makes Comeback in Chilean Election

Jan. 18 (EIRNS)—Right-wing billionaire Sebastián Piñera won yesterday's second round of Chile's Presidential elections, with 51.6% of the vote, against 48.4% for Eduardo Frei, the lackluster candidate of the ruling center-left Concertación coalition.

Piñera, who made his millions introducing credit cards to Chile under the fascist dictatorship of Gen. Augusto Pinochet, is the brother of José Piñera, who, as Labor Minister under Pinochet in 1981, privatized the nation's pension system—which has since been used as the model internationally for such privatization, such as the failed Bush effort in the U.S.

Like José, President-elect Sebastián has a doctorate in economics from Harvard. Although he has tried to portray himself as a defender of human rights, the expectation is that he may incorporate into his cabinet, or in important government positions, some of the same individuals who were part of Pinochet's economics team.

For the 20 years it ruled Chile, the Concertación didn't alter one piece of Pinochet's free-market economic model. It's no surprise, then, that no one was excited about voting for Frei, whose previous, uninspired Presidency (1996-2000) did nothing to improve the living conditions of the Chilean people, or offer them any hope for the future.

Argentine President: We Will Export Nuclear Plants and Satellites

Jan. 22 (EIRNS)—Inaugurating the new headquarters of Argentina's state-run high-tech company, INVAP, on Jan. 20, Argentine President Cristina Fernández de Kirchner said scientific work is the highest priority for her government, and exporting the most advanced products of that scientific work is the aim.

"It's fine that we export our important raw materials, and that we add value to them, but exporting satellites and nuclear reactors is the greatest essence of 'value-added' for a country.... Science, technology, value-added, and the return of scientists to Argentina has a very first place in this President's agenda."

Fernández de Kirchner proudly reported that, during her Presidency, more than 700 Argentine scientists have returned to work in their country.

Globalization had gutted scientific capabilities in the 1990s, driving some of the most skilled Argentines abroad to find work.

By 2012, some 1,000 people, not counting additional outside suppliers and contractors, will be working at the new INVAP headquarters. Since the mid-1980s, INVAP has produced nuclear reactors for Argentina, Peru, Algeria, Egypt, Australia, and others. Among its current projects, are building satellites (one jointly with NASA) and radars for Argentine airports.

Western European News Digest

Tremonti: Global Chapter 11; New Bretton Woods

France Considers Cutting Back TGV High-Speed Rail

Alone in Europe: Italian Nuclear Progresses

A Bad Week for Tony Blair

'Clandestine Rationing' of Health Care in Germany

Tremonti: Global Chapter 11; New Bretton Woods

Jan. 21 (EIRNS)—In a Jan. 17 interview with Italy's financial daily *Il Sole 24 Ore*, Italian Economy Minister Giulio Tremonti counterposed his idea of a Chapter 11 bankruptcy procedure for the financial system, and of a "New Bretton Woods and Global Legal Standard," to the financial bailout, and expressed his regret that the latter has prevailed so far. U.S. Treasury Secretary Tim Geithner, according to Tremonti, rejected the idea of an international treaty, because it would require "too long" a procedure.

Asked whether the public bank bailout had been the correct policy, Tremonti answered: "History will tell.... An alternative was surely Chapter 11: Save that part of finance which is connected to real economy, to [industrial] firms and families, and let rotten assets rot. Frankly, I have thought and written that this hypothesis should be discussed.... Two ideas faced one another: the political idea of a New Bretton Woods and of legal standards, against the technical idea of the forums and the boards [a reference to the Global Stability Forum, which became the Global Stability Board—ed].

Tremonti also defended the choice of his government not to have "social slaughter by cutting health care," and called for Europe to move away from the Lisbon agenda, towards a Euratom-like approach (Euratom was the agreement for joint development of nuclear energy among France, Germany, Italy, and the Benelux countries, in the early post-war period).

France Considers Cutting Back TGV High-Speed Rail

PARIS, Jan. 19 (EIRNS)—The French National Railroad Company SNCF is considering reducing the frequency of several high-speed rail connections considered "unprofitable."

Under attack: four region-to-region TGV rail lines: those connecting Nantes and Bordeaux, via Paris, with Strasbourg; Paris with Arras; and Lille, via Paris, with Strasbourg. High-speed rail has become, increasingly, the SNCF's "chicken that laid the golden egg," and was mainly developed to attract air travellers—mostly to bring in the cash flow. With that financial orientation, TGV development took place at the expense of investment in the rest of the national rail grid. Today, under crisis conditions and the dictatorship of lunatic accountants, SNCF, seeing profits from interregional lines dropping from 20.1% in 2009 to an anticipated 10.2% this year, is considering reducing service on these "unprofitable" rail connections. An additional "problem": Because of people economizing by reducing travel altogether, SNCF now finds itself with "too many trains"!

Traffic is anticipated to fall another 3.6% this year, and, since profitability estimates are based on the number of users, the service along additional lines might also be reduced.

Alone in Europe: Italian Nuclear Progresses

Jan. 20 (EIRNS)—Another step towards the revival of a nuclear sector in Italy was made yesterday at a supply-chain meeting of about 600 industrial firms, called on by the electricity company ENEL and the industry confederation, Confindustria. ENEL CEO Fulvio Conti and Confindustria head Emma Marcegaglia called on industrialists to unite in supporting the government program to build four nuclear plants, and called on the government to guarantee no changes in the program and rules. In particular, Conti asked that energy policy, which has been "regionalized" in the past, be put again under the central government, through a Constitutional change.

The four nuclear plants will cost EU16-18 billion; Italy will buy French technology, but the French Areva will build only the nuclear island, which means 30% of the total plant. The remaining 70% will be built by Italian firms, Conti said, and this means billions of euros in orders, production, and employment. Meanwhile, the Gas and Electricity Authority has made it known that in 2010, Italian families will pay EU3 billion in subsidies for "renewable" energies. That figure will increase to EU5 billion in 2015, and to EU7 billion in 2020. Such subsidies are paid as a percentage of the family electricity bill, so that a large, but poor family, pays more than a rich, but small one. The authority called for removing the subsidy from the electricity bill and putting it in a general chapter of the state budget.

A Bad Week for Tony Blair

Jan. 23 (EIRNS)—The revelations out of the Chilcot Commission's inquiry, this week, into how Britain got into the Iraq War were, perhaps, best summed up by Britain's *Daily Mail*, which commented on Jan. 20: "The questioning may be gentlemanly to the point of docility, but piece by piece, Sir John Chilcot's inquiry into the Iraq war is building up an immensely powerful case against Tony Blair." This week's testimony saw former Defence Minister Geoff Hoon blame Blair for the fact that British troops went into combat with insufficient quantities of body armor and other equipment, and former Foreign Secretary Jack Straw practically admitting that the invasion was a mistake, and that he had privately advised Blair that it was "unlawful."

Now that the Dutch Davids Commission report (see this week's InDepth) declared that the Iraq war violated international law, certain Brits are trying to come clean at the expense of Blair. *The Guardian* reports that Blair's Foreign Secretary in 2002, Jack Straw, sent a letter that same year to Blair, marked "secret and personal," warning of the "dubious" legality of a war. This letter was given to Blair ten days before Blair met George W. Bush at the U.S. President's ranch in Crawford, Texas, in April 2002, nearly a year before the invasion.

'Clandestine Rationing' of Health Care in Germany

Jan. 18 (EIRNS)—Calls for rationing health care in Germany were issued over the past few days. Health economist Friedrich Breyer of the University of Constance is quoted in the Jan. 17 *Frankfurter Allgemeine Zeitung* insisting that "the discussion about rationing in the health system has to be conducted now," because economic growth is on the decline and people are living longer. "We cannot keep financing the growth in medical knowledge and expenses any longer by our growing economy," he argued. The Cologne-based medical ethics expert Christiane Woopen, a member of the governmental ethics council, complained that it "is taboo in Germany [to discuss] which illnesses are to be treated and with what priority."

Even Jörg-Dietrich Hoppe, president of the German Medical Association, seemed to blow into the same horn, saying in the same *FAZ* report that, under their increasing budgetary restraints, hospitals are deciding arbitrarily which cancer patients, for example, get what treatment, so that many patients do not get the appropriate cancer therapy, but the inexpensive therapy. Hoppe charged that "clandestine rationing" was taking place already on a large scale, leaving the burden of decision-making on the shoulders of the medical staff. Hoppe entered dangerous territory then, calling on politicians to define criteria for what treatment for which illnesses should receive priority, and which should not. These politicians are

running into a scissors crisis between sinking tax revenues and the obligation to balance the budget. Such politicians will look for opportunities to impose brutal budget cuts somewhere, and health care is a favored target.

Southwest Asia News Digest

Afghanistan's Neighbors Hold Security Summit in Istanbul

A Tree Grows from Brooklyn: Netanyahu Gives Mitchell the Bird

Ten Detained in West Bank Settlement Over Mosque Arson

Afghanistan's Neighbors Hold Security Summit in Istanbul

Jan. 25 (EIRNS)—On Jan. 26, two days before British Prime Minister Gordon Brown will host the Afghanistan/Yemen conference to lure President Obama into new British concoctions, Turkish Prime Minister Recep Tayyip Erdogan is hosting a summit on Afghanistan, together with the Presidents of Afghanistan, Pakistan, and unnamed officials from Iran, China, Tajikistan, Uzbekistan, and Turkmenistan. Saudi Arabia and the United Arab Emirates are invited too, as "observers." The secretary general of the Organization of Islamic Conference, Dr. Ekmeleddin Ihsanoglu, is also attending. The emphasis is on finding a "regional/Islamic" vision for the stabilization of Afghanistan, instead of the failed approach of the United States and NATO.

That Russia is not invited to the summit is a disadvantage. Russia has been working with the Shanghai Cooperation Organization (SCO) to establish a regional strategy for Afghanistan to reduce the impact of British geopolitics, the drug trade, and the export of Wahhabi terrorism to China, Central Asia, Iran, and other regions. Russia organized a conference in March 2009, in the context of the SCO, on Afghanistan. Ihsanoglu was invited too, and met with President Dmitri Medvedev to give his approval of the Russian approach for a "regional solution" to the Afghanistan crisis, which is in conformity with proposals made by Lyndon LaRouche.

The British government is inviting Iran to the Jan. 28 London conference on Afghanistan, but in order to sabotage any serious solution to defeat the British Empire, the source of the problem.

The Iranian government said last week it was studying Britain's invitation. However, Foreign Ministry spokesman Ramin Mehmanparast told reporters that if Iran's views are not going to be considered at the conference, there is no need to attend. That means that the Iranians should be shown the text of the final resolution beforehand. "However, if Iran's views are considered and the conference takes an approach in conformity with a policy adopted by regional nations," Tehran will attend the meeting, he noted.

Mehmanparast announced today that the Iranian first vice president is scheduled to attend the Istanbul conference.

Iranian Foreign Minister Manouchehr Mottaki expressed hard feelings toward the British hosts of the London conference, in an interview with the Islamic Republic of Iran Broadcasting (IRIB) on Jan. 20. On Jan. 24, *Tehran Times* wrote about that interview: "After eight years of occupation, Britain's record in Afghanistan is indefensible, the foreign minister said. 'The British government has no convincing answer to the world for its actions in Afghanistan, and its policies have been totally wrong,' he noted. He said even 'schoolchildren' know that the occupiers have not been successful in Afghanistan, and that the occupiers have not been sincere in their approach to resolving the crisis. Either these countries did not have the capability to resolve the crisis in the first place, or they have lost the ability to lead the world, he added. Despite eight years

of occupation, extremism and insecurity have increased, opium production has skyrocketed, and even parts of Pakistan are also being dragged into the conflict, Mottaki said."

A Tree Grows from Brooklyn: Netanyahu Gives Mitchell the Bird

Jan. 24 (EIRNS)—One day after meeting with U.S. Special Envoy George Mitchell, Israeli Prime Minister Benjamin Netanyahu yesterday made his first trip to the West Bank since becoming Prime Minister almost a year ago, to plant two trees at an illegal Jewish settlement in the West Bank. Netanyahu said, "The message is clear and the Jewish people are here and will remain, today and forever." He added that he will be attending more tree-planting ceremonies in other West Bank settlements. The Israeli right-wing press, such as *Arutz Shiva* and *Yeshiva World News*, are gloating that the ceremony followed a lengthy meeting with Mitchell, "who continues seeking to pressure Israel and the PA [Palestinian Authority] to return to the negotiating table," and that Mitchell will return to the U.S. with no commitments from either side to return to negotiations.

Lyndon LaRouche has repeatedly warned that there will be no hope for a peace settlement until the United States destroys the British Empire's Sykes-Picot control over Southwest Asia.

Mitchell reportedly left for this mission with a plan to reach final status agreements between Israel and Palestine within two years, and to base the creation of the Palestinian state on a plan that goes back to the 2002 Beirut Agreement of the League of Arab Nations for a comprehensive peace between Israel and the Arab world.

As *EIR* has documented, the Jewish settlements in the Occupied Territories are supported and financed by Jewish extremists and gangsters from Brooklyn, New York, and by California multi-millionaire Irving Moskowitz, who operates in the Los Angeles area. Both areas are strongholds for the political followers of the 1940s Zionist fascist, Vladimir Jabotinsky. Brooklyn was the longtime headquarters of the late Rabbi Meir Kahane (real name Michael King), founder of the Jewish Defense League, and of the terrorist Kach Party which is outlawed in Israel. The settlements also receive large contributions from the United States from Christian fundamentalist churches and organizations that backed the Bush-Cheney war party.

Ten Detained in West Bank Settlement Over Mosque Arson

Jan. 18 (EIRNS)—More than 100 members of Israeli security forces deployed into the radical Jewish settlement of Yitzhar in the Palestinian Occupied Territories, and arrested ten people, including minors, on suspicion of setting fire to a Muslim house of prayer in Palestinian village of Yasuf last month.

Among those arrested was a relative of Kach founder Rabbi Meir Kahane. The suspect was released after police verified his alibi. During the arrest, the police searched a yeshiva in the settlement and found instruments that have been used in violent incidents, including spikes.

Five other suspects, four of them minors, were arrested on suspicion of rioting in the Samaria area. The fifth is also suspected of demonstrating outside the home of a Civil Administration inspector. The inspectors are Israeli government officials.

Violence against Palestinians and their buildings, such as mosques, emanating from Jewish settlements, has been escalating in the last six months, as a protest against the U.S. demand that the Israeli government freeze the expansion of settlements.

Asia News Digest

Chinese Premier Calls for China-India 'Common Development and Prosperity'

Gates: Al-Qaeda Tries To Provoke India-Pakistan Conflict

Thailand Moves Toward Civil Showdown

Egypt Asks South Korea To Help Train Nuclear Engineers

Chinese Premier Calls for China-India 'Common Development and Prosperity'

Jan. 20 (EIRNS)—Chinese Prime Minister Wen Jiabao called on India and China to take "constructive measures" to ease tensions over the long-running border dispute, which has strained relations in recent months. He spoke during his meeting with visiting Indian Commerce and Industry Minister Anand Sharma. Pointing out that China and India "share broad common interests," Wen said, "Only if China and India achieve common development and prosperity could we have a real Asia century."

The Indian minister is in Beijing to participate in the eighth Joint Economic Group dialogue. India and China are close to firming up a bilateral trade agreement that will commit Beijing to increasing Indian participation in Chinese projects in India. It will also address the issue of easing market access for Indian companies in China. While negotiations are still under way, media sources said, considerable ground has been covered towards reaching an understanding that would be the first-ever comprehensive bilateral trade agreement between the two Asian giants.

The highlight of Sharma's visit was his meeting with Prime Minister Wen Jiabao, who pointed out that both China and India are large developing nations in Asia, and the total population of the two countries accounted for 40% of the world's people. He said his country would work with India to boost neighborly relations, increase coordination in major international issues, and expand cooperation in trade, investment, and other sectors, in line with the principles of mutual respect, equality, and mutual benefit.

Gates: Al-Qaeda Tries To Provoke India-Pakistan Conflict

Jan. 20 (EIRNS)—Visiting U.S. Defense Secretary Robert Gates, following talks with Indian Defense Minister A.K. Anthony, told the Indian media that the al-Qaeda-led "syndicate," which includes local terrorist groups, is trying "to destabilize not just Afghanistan, not just Pakistan, but potentially the whole region." Secretary Gates, who also met with Indian Prime Minister Manmohan Singh, said al-Qaeda had formed alliances with the Afghan and Pakistani Taliban, as well as with Lashkar-e-Taiba, the Pakistan-based group that carried out the attacks in Mumbai in November 2008 that left more than 160 dead.

Despite the "restraint" shown by India after the Mumbai attacks by Pakistan-based militants, New Delhi could easily lose patience if there were a repeat attack, Gates said. Earlier, Indian officials told Gates that the response to the Mumbai attacks was handled entirely through diplomatic channels, and Gates praised them this week for behaving with "great statesmanship." In an implicit warning to Pakistan, Gates said, "It's important to recognize the magnitude of the threat that the entire region faces.... I think it's not unreasonable to assume Indian patience would be limited were there to be further attacks."

Some in Washington believe that if new major attacks take place in India, the consensus in New Delhi is that India will

respond with military restraint—such as missile strikes against terrorist camps on the Pakistani side of Kashmir. That scenario presents American officials in the region with a huge challenge.

Thailand Moves Toward Civil Showdown

Jan. 21 (EIRNS)—The office of Thai Army Chief Anupong Paochinda was bombed on the night of Jan. 14, but the bombing was not revealed until yesterday. Dissident Maj-Gen. Khattiya Sawasdipol (known as "Chief of Staff Red"), who was earlier suspended from duty for his open support of deposed Prime Minister Thaksin Shinawatra and the "Red Shirts" (Thaksin's supporters), is now being accused of responsibility for the bombing. His home was raided today, and two of his aides arrested. The clash in Thailand between the supporters of the still highly popular Thaksin and the British-controlled government now in power is fast approaching a showdown, and perhaps even a military conflict.

The decrepit monarchy and its Privy Council, led by retired generals Prem Tinsulanonda and Surayud Chulanont, have been discredited through their multiple coups against popularly elected governments, the massive corruption of the courts created under their military junta after Thaksin was deposed, and their political use of the military to enforce tyranny. In the past months, another former prime minister and commander in chief of the Thai military, Chavalit Yongchaiyudh, has assumed leadership of the Phue Thai Party, representing the Red Shirts, who support Thaksin and his allies. Since that time, large numbers of leading military figures have joined the side of Thaksin and the Red Shirts, supporting rallies and demonstrations against the puppet government of Abhisit Vejjajiva (born, raised, and educated in London) and his Privy Council controllers.

Any attempt by the government to deploy the Army against the Red Shirts, as it has done in the past, could result in a split in the military and an armed confrontation.

Egypt Asks South Korea To Help Train Nuclear Engineers

Jan. 18 (EIRNS)—After South Korea signed a deal to build four nuclear reactors for the United Arab Emirates late last year, Egypt has now asked Seoul to help train its nuclear engineers. According to the state-run Korea International Cooperation Agency (KOICA), the Egyptian government formally made the request to Korea's support program for developing economies. Egyptian nuclear engineering candidates will spend from 3-5 years at the Korea Atomic Energy Research Institute in Daejeong. Since 2001, KOICA has trained as many as 400 nuclear engineers from Vietnam, Indonesia, and Nigeria. Seoul's \$20 billion deal with UAE instantly made South Korea the sixth-largest exporter of nuclear reactors in the world.

Africa News Digest

- **'Darfur Genocide' Slogan Again Exposed as a Lie**

'Darfur Genocide' Slogan Again Exposed as a Lie

Jan. 23 (EIRNS)—A new study has again debunked the charge that the government of Sudan committed, and is still committing, genocide in Darfur. The report was done by researchers at the Center for Research on the Epidemiology of Disasters at the Catholic University of Louvain, in Belgium. It concluded that most of the deaths in Darfur, after the initial outbreak of the rebellion, were due to disease, and not government-backed militias or Air Force bombing. Most of the victims who were displaced by the rebellion and fled to camps "died of diarrhea spread by filthy water, pneumonia picked up in swirls of desert dust and fire smoke, malaria carried into their tents by mosquitoes and other maladies from years of rough living," according to the report. Violence is now minimal, except for criminal acts by bandits.

Defenders of the British imperial order, represented by such as U.S. Ambassador to the UN Susan Rice, intelligence operative Roger Winter, and former Director of African Affairs at the U.S. National Security Council John Prendergast (who has been rebranded as a defender of human rights) have all again been exposed as liars, whose real agenda is "regime change."

The new study was paid for by the U.S. State Department and the British Department for International Development, and was published yesterday by the British medical journal *The Lancet*. The study exposed the fraud of the mortality figures that have been claimed by the anti-Sudan lobby. It reported that those making the mortality claims were not able to count bodies and make extrapolations, the usual technique for counting battlefield deaths, because Darfur is such a large area. The Louvain researchers instead based their claims on interviews with a sample of family members. Based on the number of deaths of that control group, they extrapolated the number of deaths for the zone of the rebellion, by making comparisons to the death rates in the rest of the country. The study noted that even in peacetime, infant mortality rates in Sudan are high.

The study also noted that the "Save Darfur" propagandists had been accused of exaggerating the atrocities of the Sudan government by doubling more widely held estimates. Even a British advertising authority ordered the group to amend its advertisements to present the death toll as opinion, rather than fact. The study also reported that the problem with disease was aggravated in 2006, when World Food Program deliveries for the refugees were cut in half because of money shortfalls.

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