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The Ides of March 2010

Lyndon LaRouche gave this webcast address on March 13, 2010.

This is an unusual occasion. And I shall treat it as such. We're now on the verge of not the loss, but the replacement of an incumbent President. Some people are talking about ``2012." ``2012" is codeword for ``2010." And 2010 does not mean December. Because the pace of developments is such, today, that it's doubtful that this President will still be President, in April.

These kinds of things are not precisely predictable. What is forecastable and what is predictable are two different things. You can forecast a crisis; you can forecast the approximate timing of a crisis, but you can not forecast precisely the reaction to the crisis, or the way it will come about. What you can forecast, and forecast precisely, as I have done many times—. But I warn people, you can not forecast a date, a given, fixed date for anything. Because human beings aren't like that. Human society is not like that. There's always the element of the unexpected, but the unexpected event will be absorbed, within the expected crisis. That is, you can try to change the date of a battle, but you may not be able to change the date of the losing of a war....

In-Depth articles from EIR, Vol. 37, No. 12

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This Week's Cover

- **Editorial:**
Russia: What Comes Next?
by Lyndon H. LaRouche, Jr.

Scotsman Niall Campbell Ferguson's forecasting on the subject of Empire presents a credible representation of a British imperialist's foresight into what the ruling oligarchy threatens to do to the world. The problems of Russia at this moment, are to be understood as being chiefly products of the state of mind of the British imperialism perceived by such wits as Ferguson.

- **London's 'Our Men' in Moscow Keep Poisoning Russian Policy**

Rachel Douglas shows how leading forces in Russia, today, were trained and directed by British intelligence circles, dating back to the 1980s.

Documentation:

The London Trainees in the Gaidar Government

- **Andropov's Kindergarden**

Feature

- **LaRouche Webcast:**

- **The Ides of March 2010**

The full transcript of Lyndon LaRouche's March 13 webcast.

If we don't solve the problem of the Obama Presidency in the United States, he said, 'where we have the potential power and the tradition to do it, humanity hasn't got much of a chance. This is our mission! This is the reason for the existence for our nation. Let Obama quietly go away! Take the whole bunch of behaviorist bums, throw them out! Like disposing of the garbage. Even with all their imperfections, we have a residue of people in the Federal institutions, in the population, which are perfectly capable of running this thing, with the right leadership and encouragement.'

Economics

- **LaRouche to Private Washington Seminar:**

- **Sovereign Nations Can Solve the Global Economic Crisis**

LaRouche told his audience that the world priority is to eliminate the imperial system. 'And therefore,' he said, 'we need an agreement among sovereign nation-states to say, 'We sovereign nation-states'—not colonies—'we run the planet. We run the planet based on the sovereignty of the individual nation-state. Therefore, we must have agreements among ourselves, especially trade, fixed-exchange-rate agreements, and agreements to help one another. And we can do just fine.' '

World News

- **The Only Thing Obama Fears Is Lyndon LaRouche**

In the countdown to the House vote on Obama's fascist healthcare bill, the President personally tagged any Democrat who opposes any element of his agenda as an agent of LaRouche.

- **Lest You Forget:**

- The Nazi Nature of Obamacare**

- **BüSo Conference:**

- **Industrialize Germany!**

The LaRouche movement's political party in Germany, the BüSo (Civil Rights Solidarity Movement), held a national conference in Bad Salzuflen, March 20, under the theme 'The Reindustrialization of Germany.' **Helga Zepp-LaRouche** gave the keynote speech, and presentations by scientists and engineers were featured, in support of industrial progress and against the green insanity.

- **Eurasia Braces for Broader Impact of Stronger Russia-India Relations**

Russian Prime Minister Putin's visit to New Delhi resulted in the signing of 19 agreements in high-technology areas, even as relations are improving between India and China.

Editorial

- **Russia:**

- **What Comes Next?**

This Week's News

U.S. Economic/Financial News

Seven More Banks Fall by the Wayside

Fed Pushed Closer To Revealing Bailout Banks

Walgreens To Reject All New Medicaid Patients in Washington

Seven More Banks Fall by the Wayside

March 20 (EIRNS)— The banking system continues to crumble, as regulators shut down seven banks in five states yesterday, bringing to 37 the number of bank failures so far this year. The seven banks, in Alabama, Georgia, Minnesota, Utah, and Ohio, had a combined total of \$3.3 billion in assets and \$3.1 billion in deposits. The FDIC estimates that these failures will cost the deposit insurance fund about \$1.3 billion.

While it is normal procedure for the FDIC to sell the deposits and most of the assets of failed banks to other banks, it was unable to find a buyer for the largest of yesterday's failures, Advanta Bank of Draper, Utah, with \$1.6 billion in assets and \$1.5 billion in deposits. FDIC checks to depositors in Advanta will start going out on Monday.

Regulators have said, reports AP, that bank failures are likely to accelerate, this year, as commercial mortgages continue to implode.

Fed Pushed Closer To Revealing Bailout Banks

March 19 (EIRNS)—For the second time, and this time, one step below the U.S. Supreme Court, "Bailout Ben" Bernanke's Federal Reserve has been ordered to release the details of its biggest bank bailout, the \$2 trillion Term Asset Lending Facility (TALF). These details—about which banks and non-banks got the bailout loans, how much they got, and what "collateral" in collapsed securities the Fed took for the loans—had been demanded already in 2008, by then-New York Gov. Elliot Spitzer, who was put under FBI surveillance and then scandalized out of office soon thereafter. The same was demanded in a Freedom of Information Act (FOIA) suit by Bloomberg News and Fox News, and it is that suit which the Fed has lost again.

A panel of the Federal Second Circuit Court of Appeals (New York) this morning upheld a New York judge's ruling against the Fed, and ordered it to release the gory \$2 trillion bailout details. The Fed Board must disclose documents identifying financial firms that might have collapsed without government bailout. In the case of one that did fail, Lehman Brothers, the bankruptcy court has just issued a report showing that Lehman and Timothy Geithner's New York Fed apparently colluded to use worthless collateral for Fed lending, and to commit and condone accounting fraud concerning Lehman's "liquidity position" before it blew out. Congressional hearings like those exposing similar collusion with AIG by the New York Fed, have been demanded.

The Fed had argued absurdly that it could withhold the information under an exemption that allows Federal agencies to refuse disclosure of "trade secrets" and privileged commercial or financial information. The FOIA sets forth no basis for the exemption the Board asked for, U.S. Circuit Chief Judge Dennis Jacobs wrote, in the Second Circuit opinion. The Fed would have to ask Congress to amend the FOIA—but the House of Representatives has already passed Rep. Ron Paul's (R-Tex.) bill compelling just such an audit of the Fed, as the Bloomberg/Fox suit is seeking by other means. Or, the Fed will have to get the Supreme Court to reverse the Second Circuit. Otherwise, more filthy details of the bailout crimes will soon out.

Walgreens To Reject All New Medicaid Patients in Washington

March 18 (EIRNS)—Effective April 16, Walgreens drugstores in Washington State will reject any new Medicaid patients, saying that filling their prescriptions is a money-losing proposition. The company, which operates 121 stores in the state, will continue filling Medicaid prescriptions for current patients, but could not take any more, due to the "continued reduction in reimbursement" under the state's Medicaid program, which reimburses at less than the breakeven point for 95% of brand-name medications dispensed to Medicaid patients.

Walgreens follows Bartell Drugs, which stopped taking new Medicaid patients last month at all 57 of its stores in Washington, though it still fills Medicaid prescriptions for existing customers at all but 15 of those stores. Along with Walgreens and Bartell, the Ritzville Drug Company in Adams County announced in November that it would stop participating in Medicaid.

Global Economic News

Thai Rice Farmers Threaten Debt Moratorium and Production Moratorium

Indonesia House Gives 'Green Light' to Nuclear Power

China To Bid on High-Speed Rail Lines in Americas and Europe

Thai Rice Farmers Threaten Debt Moratorium and Production Moratorium

March 19 (EIRNS)—The Thai Farmers Association announced that their members will stop debt payments to the Thai Agriculture Bank and Agricultural Cooperatives, and stop growing rice for commercial sale, if the government continues to ignore their plea for price subsidies or a price floor. Wichian Phuenglumjiak, the Association's vice chairman, said that the minimum price for rice farmers to sustain themselves is \$350 per ton, while the price has now fallen to nearly half that.

The Association is not participating in the Red Shirt mass demonstrations against the government (despite the fact that many of their members are doing so), but there are negotiations ongoing between them.

Indonesia House Gives 'Green Light' to Nuclear Power

March 19 (EIRNS)—Indonesia's House of Representatives gave a green light to the government's plan to build nuclear plants, according to reports from government press agency *Antara*.

The March 15 decision came after the Parliamentary Commission for Energy, Technology and the Environment visited the country's National Nuclear Energy Agency, which is known as Batan, over the weekend. "Indonesia can no longer rely on non-renewable energy sources such as gas and coal to generate electricity in future," said Teuku Riefky Harsya, chairman of the commission.

Now that Batan has recommended the construction of nuclear power plants in the country, the House is ready to give political and budget support, he said. The deputy for nuclear energy technology development to Batan chief Adi Wardoyo, said that Indonesia can now make preparations for the construction of nuclear power plants. The International Atomic Energy Agency (IAEA) has already given its approval.

Indonesia has uranium reserves in Kalimantan capable of producing 1,000 megawatts of electricity for 150 years, he said. Furthermore, nuclear fuel is recyclable, and thus, "We do not need to dispose of nuclear waste, because it can be used again as a source of fuel for nuclear power plants after being stored for some time."

China To Bid on High-Speed Rail Lines in Americas and Europe

March 14—China plans to bid on contracts to build U.S. high-speed train lines and is stepping up exports of rail technology to Europe and Latin America, the Associated Press reports.

We are organizing relevant companies to participate in bidding for U.S. high-speed railways, Wang Zhiguo, a deputy railways minister, told a news conference today. Chinese rail authorities have signed cooperation memos with California and Russia, and state companies plan to bid on a line in Brazil linking Rio de Janeiro with São Paulo, Wang said. He said Saudi Arabia and Poland also have expressed interest.

United States News Digest

Congress Passes, Obama Signs Nazi 'Health-Care' Bill

Soros's ACORN Is Bankrupt and Breaking Up

Thou Shalt Not Fund Infrastructure, Says White House

Lehman Bankruptcy: Case for a New Pecora Commission

Cap and Trade: Push Continues for Green Fascism

Congress Passes, Obama Signs Nazi 'Health-Care' Bill

March 22 (EIRNS)—The U.S. House of Representatives last night committed an act of simultaneous genocide and suicide. By passing the Senate version of the health bill, including the Nazi-modeled IPAB (Independent Payment Advisory Board) to dictate death to categories of citizens, without Congressional "interference," the Congress is guilty of mass murder through the denial of health care. It is also committing political suicide, since citizens have already expressed their strong opposition to the measure, through the mass-strike process beginning last August. The vote was 219-12, with all Republicans and 33 Democrats voting against it.

The would-be leaders of the House who stood against the bill on "principle" have rolled over, under orders from the White House, who in turn follow orders from London. Democratic Reps. Dennis Kucinich (Ohio), Luis Gutierrez (Ill.), and Bart Stupak (Mich.), for example, who bragged of their moral stands against the bill, one after another, sold out, to appease the fascists running the Democratic Party and the White House.

Soros's ACORN Is Bankrupt and Breaking Up

March 21 (EIRNS)—ACORN told news media March 19 that it will file for bankruptcy, as many of its regional offices shut down or change their names to avoid association with the group.

Founded as a project of London-Wall Street agent Saul Alinsky under the name Association of Community Organizations for Reform Now, ACORN became a street enforcer and a centerpiece of the giant money-conduiting apparatus that George Soros put behind Barack Obama's political career.

ACORN was subject to numerous investigations and for election fraud, for having a million dollars embezzled by its leaders, and an FBI sting operation that showed staffers advising on how to run prostitution and avoid taxes. The U.S. Census Bureau stopped partnering with ACORN, the IRS dropped the group from its Income Tax Assistance program, and Congress cut off its Federal funds.

ACORN will give a teleconference to announce its plans for a bankruptcy filing.

Thou Shalt Not Fund Infrastructure, Says White House

March 17 (EIRNS)—Final Congressional passage came March 16 in the Senate, for the \$18 billion so-called "jobs bill" initially put forward by Senate Majority Leader Harry Reid (D-Nev.). The pitiful-to-vanishing size and character of this tax-break bill masquerading as a White House "jobs, jobs, jobs" offensive, triggered anger from the Congressional Black Caucus and other representatives of most-affected constituencies, in February, when it was filed by Reid. Now it goes to Obama for signature.

The Congressional Budget Office (CBO) analysis of the legislation finds that it is supposed to create 234,000 jobs with a Federal expenditure—in the form of payroll tax breaks to businesses that hire—of \$13 billion. Assuming it's true, that's 18,000 jobs, of whatever kind—from making steel to answering phones at a hedge fund—per \$1 billion in Federal revenue expended. Compare that to 45,000 productive jobs per \$1 billion of expenditure, in the Federal infrastructure investment bills Harry Reid used to talk about five years ago.

Lehman Bankruptcy: Case for a New Pecora Commission

March 17 (EIRNS)—On March 16, former New York attorney general and governor Eliot Spitzer, former bank regulator William Black, and Frank Portnoy of the Roosevelt Institute demanded Congressional investigation of the Lehman Brothers bank failure, with all emails and documents subpoenaed, as in AIG case. Spitzer was one of those who helped force the Congressional hearings on the huge AIG fraud and stealing of tax revenue. In the Lehman case, a first investigation on behalf of the bankruptcy court has shown that the investment bank appears to have perpetrated massive accounting fraud, crediting itself with \$50 billion in "collateral" off-balance-sheet assets, which was actually of very little value. It used this to leverage its assets by over 30:1, with the New York Federal Reserve smiling on the process.

Spitzer and Black say "accounting is the weapon of choice" in banks' frauds to cover up their bubble of worthless debt "assets." Timothy Geithner's New York Federal Reserve Bank was fully aware, in mid-2008, that Lehman's "collateral" was nearly worthless, but "remained willing to lend to an institution with misleading accounting.... We now know from Valukas [bankruptcy court investigator] and from former Treasury Secretary Hank Paulson, that the Treasury and the Fed knew that Lehman was massively overstating its on-book asset values." The Fed kept on lending to Lehman against assets it knew were worth little or nothing. One of Geithner's deputies noted that "what these securities are really worth is between Lehman, the SEC, and the world"—in other words, we at the Fed don't care, and won't say a thing.

Lehman's crimes are especially relevant for the kind of "new Pecora hearings" Lyndon LaRouche called for back then, because Lehman's failure has been used by every Wall Street, Obama Administration, and Congressional faker to "justify" the outrageous multi-trillion-dollar bank bailouts which followed.

Cap and Trade: Push Continues for Green Fascism

March 15 (EIRNS)— Last week, while TV cameras were fixed on the health-care players, the Obama Administration continued to push another fascist initiative: cap and trade.

Last month, Sen. John Kerry (D-Mass.) declared the comprehensive "cap-and-trade" legislation dead in the Senate, to be replaced with piecemeal legislation. President Obama then called a meeting for leading players at the White House on March 9, where he made clear that no such approach would be accepted, and that what was required of them was total submission. There is now an effort to re-brand the bill as "pollution reduction" or "job creation" legislation, after eight coal-state Senators sent a letter to the EPA, requesting a halt to the whole process.

The three leaders in this effort are Senators Kerry, Lindsey Graham (R-S.C.) and Joe Lieberman (I-Conn.). Before the large meeting in the White House, these three met with "industry trade associations," including the American Petroleum Institute, Edison Electric Institute, the Chamber of Commerce, and others. They have since been in a flurry of meetings, trying to sell the plan, while no concrete legislation yet exists. According to *Newsweek*, earlier this month, Kerry, against the advice of his aides, met with T. Boone Pickens, corporate raider billionaire, a major "wind bag" (and also the man who wrecked Kerry's Presidential bid, by pouring \$2 million into the "Swiftboat" ad campaigns), about which way legislation should go.

Ibero-American News Digest

Haiti: The Horrors Have Begun

Doing Nothing in Haiti Means Genocide

Haiti: The Horrors Have Begun

March 20 (EIRNS)—President Obama will be as hated a figure internationally now, as in the United States, given the unfolding events in Haiti, where the expected heavy rains are now bringing unspeakable misery to hundreds of thousands in Port-au-Prince, whom Obama refused to help by re-locating them to safe ground before the rainy season. A March 19 Associated Press photo taken in one of the homeless camps in Port-au-Prince (AP/Ramon Espinosa) has become the signature image the world over, showing a barefoot girl, wading through a flooded alley, in a camp of makeshift blue tents.

A delegation of African-American journalists who visited Haiti in February (see below), reported the same day that they were informed that cholera is beginning to break out in Port-au-Prince. Herb Boyd, a writer for the New York *Amsterdam News* and a reporter for Free Speech TV, who was a member of the delegation, told an event on Capitol Hill that sanitation conditions in the tent cities in Port-au-Prince "are absolutely deplorable," and that they had been told by an official with Refugees International that cholera is beginning to break out.

EIR's March 12, 2010 feature, "How Many Haitians Must Die Before We Impeach Obama?", elaborating Lyndon LaRouche's Feb. 22 call for evacuating people out of the high-risk zones, and for launching infrastructure-building, is now circulating widely in the Haitian government and diaspora, in the countdown to the March 31 New York City ministerial-level International Donors' Conference Towards a New Future for Haiti, co-hosted by the UN and the United States.

As of this moment, *no effective action to avoid a second wave of mass death from current conditions has been taken.* Consider the situation on the ground for over 1.3 million Haitians (260,300 families) living in camps, as reported March 19

by the UN's Office for the Coordination of Humanitarian Affairs (OCHA):

* Only around 12% have received mosquito nets; 15% will have them presumably shortly, when those "in progress" are added in; but even when the nets depicted as "in pipeline" are added to that, the total covered reaches only 20%, with the rainy season and its mosquito-vectored dengue/malaria at hand.

* Nearly 60% of those 1.3 million-plus have received a bucket or Jerry can (for water). Soon, almost 80% are to have a bucket—presuming "in progress" proceeds. Just under 70% have received a hygiene kit (soap, etc.), rising to 75% with "in progress" added in. But will they have clean water to put in that bucket?

* The number of latrines installed remains at 4,209 out of the initial target of 11,000, and that latter was based on a preliminary standard of one latrine for every 100 people. In over half the sites, the OCHA reports that these primitive latrines are only being partially used, because of "inappropriate set-up," that is, they have no privacy, no gender separation, no sitting facilities, etc. One-third of the 460 identified encampments still have *no* latrines.

* Only 10% have received mats on which to sleep, and combining those "in progress" and "in pipeline" only reaches 15% of those 1.3 million people left to sleep in mud. Kitchen sets have been handed out to 18% or so, with under 40% projected to be covered once in progress and in pipeline are distributed. Just over 40% have received blankets; adding in the category described as "in progress," the figure rises to a grand 60%, and "in pipeline" only takes coverage up to under 75%.

* 25% have been given rope with which to "secure" their tarps or plastic sheeting, called shelter; 5% have received "tool kits," and less than 10% will be covered when current plans (in progress and pipeline) are added in.

Doing Nothing in Haiti Means Genocide

March 19 (EIRNS)—The role of the Obama Administration and international non-governmental organizations (NGOs) took a hit at a meeting today on Capitol Hill, featuring a report from a delegation of African-American journalists on their February trip to Haiti, organized by the Haiti Support Project. The meeting was also addressed by Reps. John Conyers (D-Mich.) and Yvette Clarke (D-N.Y.), and Haitian Ambassador to Washington Raymond Joseph.

Conyers reported that, after the earthquake struck, he had asked President Obama, through Obama's chief of staff Rahm Emanuel, "What is our plan? What is our strategy? How do we deal with the worst natural disaster in the history of Haiti?" Conyers said, "I've never received an answer. It's obvious that they don't have one." He noted that he's had many meetings and phone discussions with Administration officials, and "yet they still don't have a plan."

Clarke followed up Conyers by pointing out that most of the aid going to Haiti is being channelled through NGOs, even though, "at the end of the day, the government is responsible for the needs of the people." Instead, "the way things are being done makes the government impotent." She pointed out that there is no real oversight or monitoring of the activities of the NGOs, and called on the United States to give aid directly to the government "so that it can do the work it needs to do."

Amb. Joseph reinforced Clarke's point about the NGOs, saying of the \$2 billion or so that has been raised for Haiti, that the government has seen a mere \$10 million. In fact, there are so many NGOs there, that Haiti is known as "The Republic of NGOs." He said there are 450 NGOs registered with the government, of which only 100 have submitted reports on their activities, but he estimates of the total number of NGOs in the country to run as high as 8,000. He reported that the Haitian government is asking the U.S. government for budget support, since it has no revenue, and therefore no means to actually do anything. The earthquake, he said, "affected 80% of economic life in Haiti."

Western European News Digest

Brittany: 10,000 Votes for Solidarity & Progress

Rogers' Texas Victory Covered on Italian Radio Padania

Italian Daily Runs EIR Exposé of Brits/Santander

German Media Begins Promoting Nuclear Fusion

Brits Blame Germany for Euro Crisis

EU Bows to British Pressure on Hedge Funds

'Torygraph' Appears To Be Watching LPAC Site

Brittany: 10,000 Votes for Solidarity & Progress

PARIS, March 14 (EIRNS)—A regional election in France took place today, and the slate of Solidarity & Progress, the party headed by LaRouche associate Jacques Cheminade, got 0.94% of the vote. The big winner of the election was absenteeism, which reached 53% at the national level, an record, as approximately a million voted. The result of the S&P-supported slate, named "Lighthouse for the New World," is decent, given that France is not yet in a mass-strike process; that the territory to cover was quite extensive; and that, except in a few areas, the party was not well known prior to this effort. Campaign spokesmen estimate that about 20% of the voters followed the S&P candidates, through leaflets and e-mails. Of those, 5%, or a little over 10,000, voted for the slate.

Rogers' Texas Victory Covered on Italian Radio Padania

March 17 (EIRNS)—Radio Padania, the official radio station of the Lega Nord (Northern League) party, which broadcasts on the airwaves and online, hosted LaRouche representatives Liliana Gorini and Andrew Spannaus for about 90 minutes today, to discuss with host Roberto Ortellì and listeners, the strategic and economic situation, the Obama Presidency, the mass strike, and other issues. The host promoted the website of Movisol (Movimento Solidarietà), the LaRouche party in Italy (www.movisol.com) often during the broadcast.

Gorini and Spannaus explained the mass strike process in the United States, the necessity of a Glass-Steagall reorganization of the global banking system, the British control over Wall Street and international finance, the Obama impeachment campaign, and the LaRouche movement. Host Ortellì asked: What are the chances that LaRouche will succeed in rallying the sane forces in the United States to shift the situation around? To which the two Movisol representatives explained that Keshia Rogers' victory in Texas (22nd D.C. Democratic primary) shows the potential for a change in the population.

Italian Daily Runs EIR Exposé of Brits/Santander

March 17 (EIRNS)—Several days after Lyndon LaRouche's exposé that it was the City of London and Banco

Santander—not Greece—that were bankrupt and breaking up the euro bloc—the daily *Libero*, on Feb. 11, prominently published LaRouche's warning to Europe not to bail out Santander. *Libero* is a right-wing populist daily and has an economic section called "Libero mercato" (free market).

Half of the lead news article on Feb. 11, entitled, "Brussels pretends to save Greece," which addresses the issue of the speculative attack against the euro, is dedicated to LaRouche. Author Claudio Antonelli says the attack is coming from U.S. and British financial interests, and quotes at length from LaRouche's statement: "Do not make the U.S. mistake of bailing out Wall Street."

German Media Begins Promoting Nuclear Fusion

March 18 (EIRNS)—In the wake of Chancellor Angela Merkel's visit to the national German research center for fusion research, which is being built up in Greifswald, there have been numerous endorsements of the potential for fusion power in the news media. Deutsche Welle, the state-run TV/radio station for international broadcasts, had a special presenting the Greifswald project "Wendelstein-7x," a type of fusion reactor known as a stellarator. "It solves issues faced by tokamak fusion reactors, first built in the 1950s. Tokamak reactors have been the preferred choice of physicists up until now because their simpler geometry made them easier to build," it reported.

Brits Blame Germany for Euro Crisis

March 20 (EIRNS)—A campaign to blame Germany for the euro crisis was started by British circles, using arguments similar to those used to blame China for world trade imbalances. They claim that Germany's consistent trade surplus is the source of financial "imbalances," and therefore, Germany should either reduce its exports or increase imports. Predictably, this campaign has led to increased tensions inside the EU.

The German magazine *Der Spiegel* noted that French Economics Minister Christine Lagarde "triggered indignation in Berlin when she blasted Germany's trade surplus in an interview with the *Financial Times*. The fact that Germany exports more than it consumes domestically hurts the country's European neighbors, Lagarde complained."

A rebuttal of this insane argument came from an economist at the Bocconi University in Milan, Roberto Perotti, who warned that "blaming Germany ... is a mistaken diagnosis that leads to the wrong cure." Such "advice" to "the greatest economic success of the postwar period is not credible," Perotti wrote in the Italian financial daily *Il Sole 24 Ore* on March 19. Germany's trade surplus is "the result of many factors which maintain the competitiveness of German products and keep national savings high. Normally these are considered success stories, not failures."

EU Bows to British Pressure on Hedge Funds

March 17 (EIRNS)—The finance ministers of the European Union, after having roared that they would go ahead with a crackdown on speculation, even without the U.S.A., yesterday capitulated in front of Great Britain alone.

All EU members supported a draft to "charter" hedge funds operating inside the EU, except Britain (80% of hedge funds operating in the EU are based in the United Kingdom). At one point, Prime Minister Gordon Brown called in and, after his phone call, the Ecofin council decided to postpone a decision until after the British elections, in May.

'Torygraph' Appears To Be Watching LPAC Site

Mar. 18 (EIRNS)—The Tory mouthpiece, the *Daily Telegraph* in London, shows signs of following the LaRouchePAC

website (www.larouchepac.com) with great interest. An article posted on line on March 6 by James Delingpole, about the fraud of "green jobs," refers to several recent studies showing the absurdity of the green-jobs hoax, and adds: "And if you've time, do watch this fantastically damning video about Green Energy." The link is to the 24-minute LPAC video "The Fraud of Free Energy."

Russia and the CIS News Digest

China and Russia Sign 15 Far East Cooperation Accords

Russians Advancing on High-Speed Rail Plans

China and Russia Sign 15 Far East Cooperation Accords

March 21 (EIRNS)—China and Russia signed 15 documents today in Vladivostok, committing \$1.6 billion to cooperative efforts, the Chinese news agency Xinhua reported. The documents covered economic, technological, energy, and infrastructure cooperation. They were signed after visiting Chinese Vice President Xi Jinping held a meeting on strengthening China-Russia interregional cooperation, known as the symposium on the China-Russia Ussuriysk economic and trade cooperation area.

Xi, who is considered President Hu Jintao's heir apparent, said Russia's Far East and China's northern frontier provinces were important trading partners and should enhance bilateral cooperation. This would not only promote economic and social development and improve the livelihoods of people in the neighboring regions, but also inject energy into the strategic cooperative partnership between the two countries, he said. Xi, speaking to Russian Primorsky Territory Gov. Sergei Darkin, said that since both economies were developing quickly, he hoped China and Russia could seize the opportunity to obtain early achievements through interregional cooperation.

Russian Governor Darkin said Chinese companies were welcome to invest in Primorsky Territory, which is immediately to the north of China on the Pacific coast, and to see it as a bridge for their products to reach Europe. He expected further cooperation in agriculture, energy, finance, and service industries.

Russians Advancing on High-Speed Rail Plans

March 18 (EIRNS)—Russian President Dmitri Medvedev signed a decree today "On Measures to Develop High-Speed Railway Transport in Russia," in furtherance of the government's plan to expand modern rail infrastructure in the nation. In a statement on the event, Russian Railways President Vladimir Yakunin said: "The signed decree will support Russian Railways in developing high-speed railway transport, which is one of the priority goals of the 'Strategy for Developing Rail Transport in the Russian Federation up to 2030,' and one of the most important aspects of the breakthrough development of Russia's railway system."

Yakunin also reported that the high-speed rail line between Moscow and St. Petersburg, in operation for about three months, has been functioning at 90-100% capacity, and is plans to increase its frequency.

Southwest Asia News Digest

Mitchell Delays Visit to Israel

Quartet Statement Condemns Israeli Settlements

Mitchell Invites Netanyahu to White House

Israel Continues Provocations Toward Palestinians

Obama to Iran: Offer of Dialogue Still Stands

Iran Makes New Offer for Nuclear Fuel Exchange

U.S. Reportedly Shipping Bunker-Buster Bombs to Diego Garcia

Mitchell Delays Visit to Israel

March 19 (EIRNS)—U.S. special peace envoy George Mitchell postponed his scheduled visit to Israel during the week of March 14, waiting for the Netanyahu government to respond to the demands made by Secretary of State Hillary Clinton for a halt to the expansion of Jewish settlements in Palestinian territory. When no response was immediately forthcoming, Mitchell instead flew to Moscow to meet with the Quartet of Middle East peace mediators—the U.S., Russia, EU, and UN.

Among Clinton's demands is that Israel halt settlement activity in East Jerusalem. Prime Minister Benjamin Netanyahu has not only refused the demands, but said, in a statement read before the Knesset, "For the past 40 years, no Israeli government ever limited construction in the neighborhoods of Jerusalem." The Israeli government chose the occasion of a visit to Israel by U.S. Vice President Joe Biden to begin construction of a new block of settlements in East Jerusalem.

State Department spokesman P.J. Crowley explained: "We want to make sure that we have the commitment from both sides, that when [Mitchell] travels, we can make progress."

"We have to have guarantees that these kinds of things will not happen again," a senior U.S. official told the *Washington Post*, speaking on condition of anonymity. "If [Netanyahu] is unwilling to make that kind of commitment, it raises the question of how committed he is to negotiations—and it raises the question of how committed he is to the relationship between Israel and the United States."

Netanyahu did not respond until March 18, when he finally called Clinton for a 40-minute conversation. While no details were officially made public, reports were that Netanyahu did not agree to cancel the 1,600 housing units in East Jerusalem, but offered to remove some West Bank checkpoints and to release some Fatah prisoners. Regarding the Jerusalem settlements, Israeli Ambassador Michael Oren said the Ramat Shlomo construction project would be suspended, but not cancelled.

Netanyahu's continuing insults to the U.S. were taken up by Israeli commentator Yoel Marcus, in the March 16 daily *Ha'aretz*. "It's not just the personal insult to Biden, our only friend in the White House today. It's the insult to the institution of the Presidency, which no American can forgive," Marcus wrote. "The Presidency is sacrosanct in the American democracy, and when Bibi rolls his eyes and says the incident should not have occurred and that in any event it happened in good faith ... he cannot begin to grasp the damage he is causing the U.S.-Israeli relations with the whole settlements issue.... Bibi's casual attitude toward his scandalous conduct calls into question his fitness to continue serving as prime minister."

Quartet Statement Condemns Israeli Settlements

March 19 (EIRNS)—The Middle East Quartet concluded its meeting in Moscow March 19, with a statement which condemned Israel's decision to expand housing in East Jerusalem. The statement said, in part:

"The Quartet reiterates its call on Israel and the Palestinians to act on the basis of international law and on their previous agreements and obligations—in particular adherence to the Roadmap, irrespective of reciprocity—to promote an environment conducive to successful negotiations and re-affirms that unilateral actions taken by either party cannot prejudice the outcome of negotiations and will not be recognized by the international community. The Quartet urges the government of Israel to freeze all settlement activity, including natural growth, to dismantle outposts erected since March 2001, and to refrain from demolitions and evictions in East Jerusalem. The Quartet also calls on both sides to observe calm and restraint and to refrain from provocative actions and inflammatory rhetoric especially in areas of cultural and religious sensitivity. Noting the significant progress on security achieved by the Palestinian Authority in the West Bank, the Quartet calls on the Palestinian Authority to continue to make every effort to improve law and order, to fight violent extremism and to end incitement. The Quartet emphasizes the need to assist the Palestinian Authority in building its law enforcement capacity.

"Recalling that the annexation of East Jerusalem is not recognized by the international community, the Quartet underscores that the status of Jerusalem is a permanent status issue that must be resolved through negotiations between the parties and condemns the decision by the government of Israel to advance planning for new housing units in East Jerusalem.

"Recognizing the significance of the Arab Peace Initiative, the Quartet looks forward to closer cooperation with the parties and the Arab League and urges regional governments to support publicly the resumption of bilateral negotiations."

Mitchell Invites Netanyahu to White House

March 22 (EIRNS)—U.S. Middle East Envoy George Mitchell delivered an invitation Israeli Prime Minister Benjamin Netanyahu yesterday in Tel Aviv, to meet with President Obama and other U.S. officials while Netanyahu is in Washington for a conference of the American Israel Public Affairs Committee (AIPAC). The meeting with Obama will take place March 23 at the White House. Israeli Defense Minister Ehud Barak will travel to Washington with Netanyahu. Both Netanyahu and Barak will meet Secretary of State Hillary Clinton and Defense Secretary Robert Gates, and Netanyahu will also meet a group of U.S. Congressmen.

Both Clinton and Netanyahu were scheduled to address the AIPAC meeting on March 22.

Israel Continues Provocations Toward Palestinians

March 22 (EIRNS)—Two Palestinian cousins, both 18, were killed March 21 by Israeli fire south of Nablus in the West Bank, bringing the Palestinian death toll in the area to four within 24 hours. Two other teenagers, ages 16 and 19, were shot during a confrontation with the military on March 20. One died immediately and the other overnight. The Prime Minister of the Palestinian Authority, Salam Fayyad, said in a statement that he "strongly condemned the Israeli military escalation," and that it "puts in jeopardy the Palestinian Authority's achievements of security and stability." Nabil Abu Rudeineh, a spokesman for the Palestinian Authority President, Mahmoud Abbas, said, "The Israeli escalation and the killing of Palestinians on a daily basis is the actual response of the Israeli government to the Palestinians, the Arabs and to American efforts."

On March 19, Israel conducted airstrikes on six sites in Gaza, calling this retaliation for a rocket attack on a southern Israel

town that killed a Thai worker.

Obama to Iran: Offer of Dialogue Still Stands

March 20 (EIRNS)—U.S. President Barack Obama, in a videotaped statement to mark the observance of Nowruz, an Iranian festival celebrating the arrival of Spring, said: "We are working with the international community to hold the Iranian government accountable because they refuse to live up to their international obligation. But our offer of comprehensive diplomatic contacts and dialogue stands.... The United States believes in the dignity of every human being and an international order that bends the arc of history in the direction of justice—a future where Iranians can exercise their rights, to participate fully in the global economy and enrich the world through educational and cultural exchanges beyond Iran's borders."

Iran Makes New Offer for Nuclear Fuel Exchange

March 17 (EIRNS)—Iran offered yesterday a one-shot nuclear fuel exchange on its own soil, in contrast to its previous offer to deliver it only in smaller portions. Iran's atomic chief, Ali Akbar Salehi, revealed the offer in an interview with the hardline daily *Jawan*, signalling a major change in Tehran's long-standing position on the nuclear fuel plan first drafted last October. Salehi said Iran is ready to deliver 1,200 kilograms of low-enriched uranium (LEU) at one time, in return for 120 kilos of 20% enriched uranium for its Tehran medical research reactor, but the exchange must be inside the country, and simultaneously. According to the IAEA, Iran currently has around 2,065 kilograms of LEU.

U.S. Reportedly Shipping Bunker-Buster Bombs to Diego Garcia

March 17 (EIRNS)—The Scottish daily *The Herald* reports that hundreds of U.S. "bunker-buster" bombs are being shipped from California to the British island of Diego Garcia in the Indian Ocean, in preparation for a possible attack on Iran. It is reported that the U.S. government signed a contract in January to transport ten ammunition containers; a Florida shipping company, Superior Maritime Services, will be paid \$699,500 to carry many thousands of military items from Concord, Calif., to Diego Garcia. The cargo includes 195 smart, guided, Blu-110 bombs, and 192 massive 2,000-lb. Blu-117 bombs.

"They are gearing up totally for the destruction of Iran," said Dan Plesch, director of the Centre for International Studies and Diplomacy at the University of London, coauthor of a recent study on U.S. preparations for an attack on Iran. "U.S. bombers are ready today to destroy 10,000 targets in Iran in a few hours," he added.

Asia News Digest

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China-India Cooperation Is Taking Root

March 16 (EIRNS)—Despite Western analysts' disbelief that China and India can work together to become economically stronger, and provide security to make the region safer, more and more Chinese and Indian officials are identifying each other as good partners and good neighbors.

Speaking at the Woodrow Wilson Center in Washington on March 15, India's Foreign Secretary Nirupama Rao told the American geopoliticians that the relationship between India and China has improved significantly in the last two decades. "We have a broad spectrum, multidimensional relationship that covers many areas; which is not just focused on the boundary question." She also pointed out that "the rise of China and the rise of India has become an object of world attention. I think, in both the countries, we see a competitive edge but we also see a greater degree of collaboration between the two countries."

In Beijing, responding to the Indian Foreign Secretary's statement, Chinese Foreign Ministry spokesman Qin Gang said that China today is ready to work with India as "good partners" and "good neighbors" to resolve pending issues like the border dispute. Qin Gang said "the two countries have maintained high-level contacts and cooperation and exchanges in various fields and made significant progress." "Both the countries are committed to bilateral, good neighborly, and friendly relations on issues facing the 21st Century for common prosperity," he added.

China and Russia Strengthen Anti-Drug Cooperation

March 14 (EIRNS)—China and Russia agreed March 12 to strengthen cooperation in combatting drug trafficking. The agreement was reached during a meeting between Viktor Ivanov, head of Russia's drug control agency, and Chinese Ambassador to Russia Li Hui. It is within the framework of the Shanghai Cooperation Organization. Ivanov and Li also called for the international community to crack down on drug production and trafficking in Afghanistan.

British Issue Assassination Threat Against Thai Crown Prince

Mar. 19 (EIRNS)—Given the British history of killing foreign leaders who oppose the Empire, the assassination threat issued by *The Economist* this week against Thailand's Crown Prince Vajiralongkorn, should therefore be considered both real and active.

In an unsigned article in its March 18 issue, *The Economist* reviews the current upheaval on the streets of Bangkok, as hundreds of thousands of Thais are demanding the resignation of the current government—headed by a Prime Minister and a Treasury Minister who were both born and educated in London—and immediate new elections, which would certainly result in a return to office by the supporters of deposed Prime Minister Thaksin Shinawatra. But the problem, says *The Economist*, is that the 82-year-old King, the longest-reigning and richest monarch in the world, is dying, and Crown Prince Vajiralongkorn has made clear that he will not be a servant to the British Crown and its interests in Thailand. The article retails a series of slanders about the Crown Prince—that he has a "salacious" private life, and "ties to the criminal underworld," and is "widely loathed and feared" in Thailand.

But the Empire's real concern is that the Crown Prince has ties to the deposed Thaksin: "One reason why Prince Vajiralongkorn is distrusted in military circles is his past association with Mr. Thaksin, who was ousted by a military coup in 2006.... That may have been the real reason for the coup, which appeared to have the blessing of Prem Tinsulanonda, the chairman of the Privy Council and thus the King's chief adviser. The fact that Mr. Thaksin, who is living in exile in Dubai, is still in contact with the prince, is deeply troubling for those same royalists."

The Empire's journal calls on London's Thai assets to do whatever is necessary to change the succession to a Princess whom they consider more passive. Then the threat: "Life in exile in Europe might suit the prince, who would not want for money or diversions. Inevitably there are other, bloodier, predictions of how he might be removed from the succession."

This might explain why soldiers in his personal guard are not allowed to wear guns in his presence."

China Sees Its Space Program Pushing It to New Height

March 17 (EIRNS)—Lt. Gen. Zhang Jianqi, deputy chief of the General Armament Department of China's People's Liberation Army and director of the Jiuquan Satellite Launch Center, said in an interview that, "As an industry, the return on investment of the space program is pretty good. In other countries, the ratios are around 1 to 8, or 9. In China, this ratio is even higher. Many discoveries made during space programs have become part of our daily life." He was speaking to China's *GlobalTimes*.

Last year, China sent a multi-astronaut craft into orbit and the crew performed a space-walk. The next major manned mission goals include dockings, long-term space habitation, and a space station.

Zhang added: "Beside the economic returns, the program is also important for national unity. The US and the USSR fiercely competed in space over who would be the first into space, who would be the first on the Moon, and so on. The space race was used to unite society. The return on national unity is immeasurable."

"China's research institutes have been lagging behind for some time," he noted, "and our space programs have helped them a lot with research. To be honest, the funding to them is still limited, but a good research infrastructure has been built. That is the basis for China's development."

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