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**LaRouche:**  
**'Put the System Into Bankruptcy Now, You Damn Fools!'**  
**by John Hoefle**

Nov. 28 (EIRNS)—

“You damn fools, you should put this thing into bankruptcy. You don't have enough money in the universe to pay this bill!” Lyndon LaRouche said in response to the latest, multi-trillion-dollar bailout schemes announced over the past week by Treasury Secretary Henry Paulson, Fed chairman “Helicopter” Ben Bernanke, and the rest of that ship of fools formally known as the President's Working Group on Financial Markets, or, more accurately, the Parasite Protection Team.

“We're about to launch the greatest hyperinflationary burst in modern history, unless we stop this,” LaRouche said. “We're on the verge of a hyperinflationary explosion; they've been trying to conceal this hyperinflation by various tricks so far. Now it can't work any more! So they've got to put the thing into receivership! Put it into bankruptcy now! There is nothing to do with this thing except put it into bankruptcy. Paulson, stop being a Christian Scientist! Take your medication! Don't be a Christian Scientist all your life; take your medicine!...

**Please note: There is no *EIR* published the week of December 1.**  
**A double issue (49-50) will be published Friday, December 12.**  
**However, the weekly news digests are updated.**

***In-Depth articles from EIR, Vol. 35, No. 47***

**...Requires Adobe Reader®.**

## LaRouche Webcast

- **Greatest Crisis in Modern History:**  
**The Last Chance for Civilization?**

**Lyndon LaRouche** stated that the post-Bretton Woods financial-monetary system is in a terminal breakdown crisis, and that any effort to rescue it will destroy the planet. 'You have to choose: Replace the system, or get a new planet.' He said the world is now operating under an imperialist system, based in London, but which operates globally. The way out of this crisis, LaRouche added, is to replace the British-inspired money system with a credit system; go back to the U.S. Constitution, and create a 'credit-based dollar' on which to build a new system, after putting the present system through bankruptcy reorganization. The full transcript of the Nov. 18 webcast, including questions and answers.

## Economics

- **Brutish Empire Calls for a New Hjalmar Schacht**

The clear intent of the British is to use this financial crisis to return the world to the way it existed before the American Revolution. The alternative, as Lyndon LaRouche has indicated, is a return to the credit system established by the U.S. Constitution.

- **Business Briefs**

## International

- **The Tsunami Is Coming:**  
**We Need FDR's Policies!**

In a leaflet for circulation in Germany, **Helga Zepp-LaRouche** writes that the present crisis is just the beginning of the financial collapse: The worst is still to come. She indicates that the catastrophe could be avoided, but only if the huge volume of outstanding derivatives contracts are frozen, and a new financial architecture, in the tradition of Franklin Roosevelt, is implemented.

- **Mexican Nationalist Leader Backs PHLINO:**  
**Northwest Hydraulic Plan**
  - **'One Mexico for All':**  
**Pro-PLHINO Committee Welcomes Cárdenas**
- **International News**

## National

- **A Four-Power Bloc Can Break the Opposition to Reform**

Lyndon LaRouche's opening remarks to a private meeting on Nov. 19. The only way out of an otherwise almost hopeless situation, he said, is for sovereign governments to put the entire financial system into bankruptcy reorganization, and replace it with a fixed-exchangerate credit system. This will require the combination of four sovereign governments: the United States, Russia, China, and India.
- **National News**

## History

- **In the Footsteps of Giovanni Boccaccio**

In a January 2006 webcast, LaRouche showed how to uplift the population, at a time when all leaders have failed, and the people themselves must take the responsibility: the understanding of history with great irony, through the eyes, or in the footsteps, of a great figure such as Italy's Giovanni Boccaccio. The collapse of the Lombard banking houses and the resultant New Dark Age began at the middle of his life.

  - **The 14th-Century Dark Age:**  
**Boccaccio's Classic Tale of the Plague**

A translation of an excerpt from Boccaccio's *Decameron*.

## Editorial

- **When They Say Snow Is Black . . .**

## U.S. Economic/Financial News

## **Existing Home Sales Crash, Average Price Plummets**

## **Durable Goods Orders Down 6.2%; Consumer Spending Down 1%**

## **Total Bailouts To Reach More than \$7.7 Trillion**

## **FDIC Plan: Another \$400 Billion in New Government Debt**

### **Existing Home Sales Crash, Average Price Plummets**

Nov. 24 (EIRNS)—Existing home sales, which constitute 90% of the housing market, fell by 3.1% in October, while the median sale price fell by 11.3% from a year ago—the most since the National Association of Realtors began collecting data in 1968. The median price is at 2004 levels, \$183,300.

The number of previously owned unsold homes on the market at the end of October represented a 10.2-month supply at the current sales pace, up from 10 months at the end of the prior month.

Builders are scaling back residential projects. Construction of new homes plummeted 65% through October, from a peak in January 2006. The number of building permits issued last month fell to the lowest level since record-keeping began in 1960.

### **Durable Goods Orders Down 6.2%; Consumer Spending Down 1%**

Nov. 26 (EIRNS)—Orders for durable goods fell by 6.2% in October, twice as much as forecast, the Commerce Department reported today. Non-defense capital goods, excluding aircraft, dropped by 4%; transportation equipment fell 11%; commercial aircraft fell 4.7%; and auto orders dropped by 4.5%.

Consumer spending, as reported by the Commerce Department, fell by 1% for October, bringing the total decline for the third quarter to 3.7%—the first drop in 17 years, and the largest in 28 years.

### **Total Bailouts To Reach More than \$7.7 Trillion**

Nov. 24 (EIRNS)—The U.S. government is now on the hook for more than \$7.76 trillion in combined bailout monies, Bloomberg News calculates. Bloomberg tabulated data from the Federal Reserve, the Treasury, and the Federal Deposit Insurance Corp., and interviewed regulatory officials, economists, and academic researchers, to derive the figure. Bloomberg has requested details of the Fed's lending under the U.S. Freedom of Information Act, and filed a Federal lawsuit against the Fed on Nov. 7, seeking to force disclosure of the borrowing banks and their collateral.

### **FDIC Plan: Another \$400 Billion in New Government Debt**

Nov. 24 (EIRNS)—Goldman Sachs and Citigroup plan to sell bonds under a new Federal Deposit Insurance Corp. (FDIC) plan as soon as this week, "starting a wave of issuance that some analysts said will exceed \$400 billion," according to Bloomberg. Although the plan for FDIC-backed corporate bond issues was announced in September, the FDIC last week changed the terms to give the debt the "full faith and credit of the U.S. government" and reduce issuing fees, giving the securities an implicit AAA rating. Because of the collapsing market, banks haven't been able to sell dollar-denominated

bonds since September. Banks dominated corporate bond sales last year, accounting for 71% of \$1.02 trillion of investment-grade new issuance, according to Bloomberg. U.S. corporate debt sales so far this year total \$733.1 billion, compared with \$1.07 trillion in the same period in 2007.

The new FDIC rules assure that creditors of these banks will get paid first and in a timely manner if the banks fold, rules which "match those of the U.K., where banks have sold about \$34 billion of debt since Oct. 22," says Bloomberg.

## Global Economic Special Report

### LaRouche: Put the System Into Bankruptcy Now, You Damn Fools!

by John Hoefle

Nov. 28 (EIRNS)—"You damn fools, you should put this thing into bankruptcy. You don't have enough money in the universe to pay this bill!" Lyndon LaRouche said in response to the latest, multi-trillion-dollar bailout schemes announced over the past week by Treasury Secretary Henry Paulson, Fed chairman "Helicopter" Ben Bernanke, and the rest of that ship of fools formally known as the President's Working Group on Financial Markets, or, more accurately, the Parasite Protection Team.

"We're about to launch the greatest hyperinflationary burst in modern history, unless we stop this," LaRouche said. "We're on the verge of a hyperinflationary explosion; they've been trying to conceal this hyperinflation by various tricks so far. Now it can't work any more! So they've got to put the thing into receivership! Put it into bankruptcy now! There is nothing to do with this thing except put it into bankruptcy. Paulson, stop being a Christian Scientist! Take your medication! Don't be a Christian Scientist all your life; take your medicine!

"This is not just the U.S.," LaRouche continued. "This is international. As I had warned, this is now going into a hyperinflationary phase. And if you don't want to blow out the world system, you're going to put the damn thing into bankruptcy now! You're going to put the legitimate banks under bankruptcy protection, *now*! No protection for derivatives, none! But the banks which may be put normally into bankruptcy as a result of that, are put under bankruptcy protection, and the derivatives payments are suspended.

"What that does, that's life and death time," he emphasized. "If you don't do it, you're going to lose the country! Are you going to do it?—That's the whole point!

"Bush may not like it," he noted, "but that's what you have to do! And, if you don't like the result, mail the bill to Bush! The Bush Administration itself, is going totally with the British line. And don't let this lame duck shit on your economy!

"The policy must be to put Citibank and other banks under bankruptcy protection of their normal banking functions, which means freezing all claims based on the speculative investments called derivatives. No bailout for derivatives! Freeze them! Put the whole thing into bankruptcy and supply the protection to the regular functions of the banks. Then you don't have to pay out all that money, you damn fools! You don't have to put a nickel more into bailouts! Just put the thing under bankruptcy protection as I've told you all along, you damn fools!

"Now, you damn fools, do as I told you!" LaRouche concluded. "You did it your way, and that was wrong, and now it's a hopeless case! You've got to do it now my way!"

## A Surge

While LaRouche singled out the bailout of Citigroup and its lead bank, Citibank, that was just one of a series of actions taken between Nov. 21 and 25, which added a collective \$3 trillion to the size of the bailout. The emergency lending facilities and related measures, which started at \$40 billion last December, have now grown to over \$8 trillion in Federal loans, guarantees, and purchases, with new schemes being added so fast it is difficult to keep up with it all.

The speed with which these bailout schemes are proliferating is itself an indicator of the accelerating rate of collapse in the multi-quadrillion-dollar global derivatives market, and in the securities which the derivatives casino spawned. Since August, the balance sheet of the panicked Federal Reserve has doubled, as Bernanke revved up the electronic "printing presses" in a desperate effort to plug the growing hole.

Another reflection of the desperation of the parasites and their protection team, is the drawing of the FDIC deeper into the quicksand. On Nov. 21, the FDIC announced that, subsequent to a "determination of systemic risk" by Secretary Paulson, the FDIC would begin insuring new debt issued by banks, and would provide 100% guarantees on bank deposits held in non-interest-bearing transaction accounts. The FDIC will guarantee up to \$1.4 trillion in new debt issued by banks, as a way of helping the banks borrow money. Over the next couple of years, the banks have some \$386 billion in debt payments coming due, on top of the massive write-offs coming down the pike. The expansion of deposit insurance to these transaction accounts could cost the FDIC another \$500 billion or so, raising the potential cost of these two measures to nearly \$2 trillion. This, at a time when bank failures are soaring and the FDIC has just \$35 billion (as of Sept. 30) in its deposit insurance fund.

Then, on Nov. 23, the Treasury, Fed, and FDIC reached a joint agreement to bail out Citigroup, to the tune of some \$270 billion. Under the agreement, the Treasury would use \$20 billion from the TARP (Troubled Assets Relief Program) fund to buy stock in Citi, and the Treasury, Fed, and FDIC would eat up to \$250 billion in potential losses on a portfolio of \$306 billion in the bank's loans, securities, and derivatives hedges. This is on top of the \$25 billion already given to Citigroup under TARP.

The third act of this trifecta of insanity came Nov. 25, with the announcement of \$800 billion in new bailout initiatives designed to boost the asset-backed securities and mortgage markets. \$600 billion of that would go toward buying mortgage-backed securities and debt from government-sponsored enterprises such as Fannie Mae, Freddie Mac, and the Federal Home Loan Banks.

## British Financial Warfare

Within the overall collapse of the Anglo-Dutch Liberal financial system, there is virtually open warfare, as competing factions fight for survival. Citigroup, as the flagship American bank internationally, has been targetted by the British, who wish to eliminate it as a rival. Citigroup is active in 106 nations, compared to 85 for the flagship British bank, HSBC, the latest incarnation of the notorious 19th-Century opium-financing Hongkong and Shanghai Bank, and the Brits would dearly like to sink Citi, and perhaps have HSBC or another bank in the British stable take over its international operations. The demise of Citigroup would also greatly improve the position of Britain's main U.S. bank, JP Morgan Chase (JP Morgan began as the U.S. branch of London's JS Morgan & Co.)

As a result, Citigroup has been under assault by British forces for the past year, beginning with a report from Canadian Imperial Bank of Commerce analyst Meredith Whitney, who said that Citigroup faced billions of dollars of losses and should be broken up into pieces. This report was given significant play by Rupert Murdoch's *Wall Street Journal*, and provided cover for an orchestrated run on Citigroup's stock. Then HSBC took \$45 billion of its SIV assets onto its balance sheet, putting pressure on Citi, with its substantial SIV vulnerabilities. The furor led to the ousting of Citi CEO Chuck

Prince. The most recent move was the breakup, by British-linked Wells Fargo, of Citigroup's agreement to buy the banking deposits and some assets of Wachovia; that, in turn, led to a new assault on Citigroup's stock price, which caused it to lose half its value in the week prior to the bailout.

While British-linked analysts and media have been quick to criticize Citigroup, JP Morgan Chase has been generally treated as if it were sound, despite the fact that it has more than twice Citi's derivatives holdings and has more hedge fund assets than any other institution in the world. *All* of the major international banks are bankrupt, and the targeting of Citi is political, designed to reduce America's power in world affairs.

By forcing a bailout of Citigroup, the British are luring the U.S. deeper into the hyperinflationary trap, and further baiting that trap in their press. HSBC's Stephen King wrote in the London *Independent* that "the printing press has to be turned on" to offset the deflationary "liquidation" now underway, while the *Economist* decried the supposed "cautious incrementalism" of the current bailout frenzy. It's time to put the system through bankruptcy, and defeat the British once and for all.

*johnhoe@larouchepub.com*

## Global Economic News

### HSBC Official: Turn on the Money Presses

### Greece Kills Its Sick To Pay Public Debt

### World's Largest Shipbuilder Sees Orders Drop 57%

### German Government in War with Private Banks

### Iceland Backs Down to IMF

### HSBC Official: Turn on the Money Presses

Nov. 24 (EIRNS)—Describing the primary problem facing the global financial system as "a shortage of money," HBSC managing director of economics Stephen King, writing in his column in the London *Independent* today, asserts that the solution "has to be monetisation. The printing press has to be turned on."

"[T]he financial crisis is mutating.... It is fast becoming a crisis of liquidation.... we're edging toward a world of deflation," King says, adding that "the overall volume of lending is inevitably coming down" and that "companies, households and investors fear a shortage of cash. Any cash they've got, they hang on to. Any cash they need, they raise via the sale of other assets which can be swapped into money. Panic takes over."

That is a fair description of the reverse-leverage blowout now under way, which is centered in the multi-quadrillion-dollar derivatives market. The problem facing the derivatives speculators is that there is nowhere near enough money in the world for them to cash out their fictitious winnings. Whereas the obvious solution is to shut the derivatives markets down, King views the matter from the parasite's perspective, and demands that the central banks take charge and print as much money as necessary to cover the derivatives claims.

King admits that his policy could cause "hyperinflation, as Germany's Weimar Republic discovered in the 1920s and Zimbabwe has discovered today," but dismisses that danger by arguing that "these, though, are exceptional times" (unlike 1923?). King further states that "to make the policy credible," it "should not come from finance ministers but, instead, from the world's central bankers."

In effect, King is demanding that the central banks save the speculators by printing as much money as is necessary to save them, leaving it for the rest of the citizens to pick up the tab. This is a prescription for both a global bankers' dictatorship and savage, crushing austerity. No wonder HSBC is calling for a new Hjalmar Schacht (see "Brutish Empire Calls for a New Hjalmar Schacht," *EIR*, Nov. 28, 2008). The old fascists need a new Nazi to implement their plan.

## **Greece Kills Its Sick To Pay Public Debt**

Nov. 28 (EIRNS)—The Paris daily *Le Figaro*'s correspondent in Greece reports today on the rapid destruction of the nation's health-care system; the health-insurance system was virtually shut down after the government decided to cut off all public funding one week ago.

Hospitals and pharmacies are running out of cash to operate. Hospitals, managing their Eu4 billion in debt, and having to pay for supplies, decided to reduce their service to a "minimum service." Several urgent medical interventions are delayed every day, since surgical suites sometimes lack such basic equipment as gloves and syringes. The companies leasing orthopedic equipment are facing over Eu700 million of unpaid debt. As a result, they decided to confiscate the equipment and remove it from the hospitals! U.S. Ambassador to Greece Daniel Speckhard threatened that U.S. pharmaceutical companies might leave Greece if they don't get paid.

The ugly truth is that the Greek government stole the money from the Health Ministry to repay part of Greece's public debt, one of the highest in Europe, at 93.8% of GDP! Other ministries, such as education and environment were also looted.

The entire health system is being taken apart. Greek doctors reportedly will launch a protest action soon, since, starting Dec. 1, they are obliged to have patients make immediate and total payment for their services.

## **World's Largest Shipbuilder Sees Orders Drop 57%**

Nov. 23 (EIRNS)—South Korea's Hyundai Heavy Industries Co., the world's largest shipbuilder, said Nov. 20 that its orders in October were down 57% from a year earlier.

The company said it did not receive any new orders for ships this month. Contracts for marine engines plunged 99% to \$2 million last month, and those for construction equipment fell 35% to \$169 million. Orders for offshore oil platforms more than doubled to \$15 million.

South Korea, which is home to seven of the world's ten largest shipbuilders, has seen shipbuilding orders virtually disappear.

## **German Government in War with Private Banks**

Nov. 28 (EIRNS)—For reasons not entirely clear yet, the government of Germany has been driven into a state of warfare with the private banks—the most spectacular aspect of that being the Nov. 25 attacks by Chancellor Angela Merkel on the banks' credit boycott of *Mittelstand* firms, and her threat that if the banks don't change, the government and industry might consider founding a new bank for industrial investments.

The fact is that the banks, led by Deutsche Bank, actually do have some liquidity but do not wish to invest even a minimal portion of it, but rather carry to the European Central Bank in the range of Eu200-220 billion daily (sometimes on a one-week basis), thus enabling the ECB to continue bailing out the banks and their hedge funds. In an interview with the *Süddeutsche Zeitung* today, Wendelin Wiedeking, the CEO of Porsche, attacked this insane banking practice.

Therefore, the German government should found a new national bank, or expand the operation of the government-owned Kreditanstalt für Wiederaufbau, say goodbye to the EU's Maastricht Treaty monster, and supply that new bank with capital so that it can begin granting long-term loans at low interest to the *Mittelstand*.

## **Iceland Backs Down to IMF**

Nov. 21 (EIRNS)—Iceland was forced into an agreement with the International Monetary Fund at great cost, but still upheld the principle of bankruptcy proceedings. On Oct. 6, Iceland was the only country in the world to implement a law to take over management of the banks without taking responsibility for their debts.

In the Letter of Intent to the IMF, which is the basis for the agreement, the government on Nov. 17 explained what was done: "The strategy for intervening the banks was driven by the need to secure continued domestic operations and downsize the banking sector to a level consistent with the size of the economy. To achieve this objective each of the three banks was split into a new bank and an old bank. The new banks included the domestic operations funded by local depositors. The old banks included activities in foreign branches and subsidiaries, mainly funded through the issuance of bonds and foreign deposits. Derivatives were left in the old banks. In each of the three banks, the FME [similar to the U.S. FDIC—ed.] replaced the board with a resolution committee and named a team of professional auditors from three of the major international auditing firms to be in charge of a preliminary assessment about asset quality. In this regard, appropriate loan provisions were made in the new banks, bringing loan values in line with expected market values."

The IMF loan was only approved after Iceland assumed responsibility for some additional debts of the banks. The British and Dutch governments demanded that Iceland's taxpayers pay the depositors' guarantee for the Iceland-owned banks on their territory, which normally each country pays. The U.K., the Netherlands, and Germany approved an additional US\$6.3 billion loan to Iceland to finance that. This principle could, however, backfire on Britain, whose banks have many more customers abroad.

Iceland will now increase its state debt from 29% of GDP to 109%. However, because of the bankruptcy procedure, the country escapes most of the bank debt, which was ten times the GDP, minus remaining bank assets.

But the IMF loan to Iceland is premised on a loss of sovereignty that could force Iceland to pay much more in real terms.

## **United States News Digest**

**[LaRouche: Dump Soros Agent from Transition Team](#)**

**[Pelosi Piles on Dirty Attack on Rangel](#)**

**[Guilty Plea Entered in Denver Assassination Plot vs. Obama](#)**

**[40,000 Scour Colorado Farm for Harvest Leftovers](#)**



## **Brits Still in All-Out War Against the Clintons**

### **LaRouche: Dump Soros Agent from Transition Team**

Nov. 29 (EIRNS)—On Nov. 7, Lyndon LaRouche demanded that Soros/Malloch-Brown agent Samantha Power not be allowed any position in the incoming Obama Administration. LaRouche's demand was based on the fact that Power has long been on the payroll of speculator and drug-legalization pusher George Soros, and is a close ally of British Commonwealth Office official Lord Mark Malloch-Brown, who is currently running the British Empire's genocide campaign in the Democratic Republic of Congo. Soon after that demand was issued, Power's name appeared on the list of members of the Obama transition's national security team, as part of a review team for the State Department. According to the transition website, the review teams' duties are to "ensure that senior appointees have the information necessary to complete the confirmation process, lead their departments and begin implementing signature policy initiatives immediately after they are sworn in." Power became infamous during last Spring's Democratic primary battle between Barack Obama and Hillary Clinton, for calling Clinton "a monster," and was forced to formally resign as a result.

Now, with Clinton expected to lead the State Department, transition officials told the *Washington Post* that Power has moved to "bury the hatchet," and that Clinton has agreed. The *Post* plays down her presence on the transition team, claiming that her name has not surfaced recently for a top post and that she is not a top official on the State Department review team.

### **Pelosi Piles on Dirty Attack on Rangel**

Nov. 27 (EIRNS)—Speaker of the House Nancy Pelosi, in a statement released last night, called for the early completion of a House Ethics Committee report on corruption charges against Rep. Charles Rangel (D-N.Y.), the senior African American leader of Congress, and chairman of the House Ways and Means Committee, who has been targetted for removal by the dirty-tricks media and politico networks associated with Felix Rohatyn et al., who pull Pelosi's strings.

In her statement, Pelosi resorted to common, false friendly formulations, saying that, "In September, I called on the House Ethics Committee to look into issues raised by news reports on Chairman Rangel. This followed up on the chairman's own request for an investigation by the committee." Pelosi then said that she has been "assured the report will be completed by the end of this session of Congress, which concludes on January 3, 2009." Most such Ethics Committee investigations take far longer.

Today, *The Hill*, the Capitol Hill journal, wrote about Pelosi's maneuver: "If the ethics committee finishes its investigation into a series of allegations against Rangel by Jan. 3, it would have acted much more swiftly than its usual pace of taking months or years to review charges...."

"The point is, get rid of Pelosi," was Lyndon LaRouche's response, in reply to the recent, renewed attacks on Rangel by the *New York Times* and *New York Post*. "Pelosi should be thrown out. Her behavior in the Rangel case is typical of the immorality that she has exhibited as House Speaking."

### **Guilty Plea Entered in Denver Assassination Plot vs. Obama**

Nov. 25 (EIRNS)—The three men arrested in Denver, Colo. during the Democratic Convention, under suspicion of planning to kill Barack Obama during his acceptance speech on Aug. 28, face Federal criminal charges, and are in custody of Federal and state authorities. On Nov. 16, the London *Independent* continued the City of London's pattern of hyping up

the threats to Obama by "racists," with a lengthy article entitled, "White Rage: The Rednecks Out to Kill Obama," which profiles the plotters, Tharin Gartrell, 28, Shawn Adolph, 33, and Nathan Johnson, 32. None of the three men in custody have been charged with a plot against Obama.

According to a spokesman for the Colorado U.S. Attorney's office, the three are charged with possession of weapons, body armor, and methamphetamines, and these charges, compounded by their prior felony convictions, actually carry longer sentences than if they had been charged with making threats against the candidate. One person has pleaded guilty, and the other two are expected to plead guilty on Dec. 9. The spokesman said that senior agents from the FBI, ATF, and Secret Service had investigated the three men, and concluded there was not enough evidence of threats against the candidate to bring the charges before a grand jury. But, court and police records confirm that one of the three, Shawn Adolph, had made threatening racial comments against Obama.

Experienced former intelligence professionals told *EIR* that there is a very high level of concern about the threats to the President-elect, but the concern is about a "Jackal" assassin, i.e., a highly trained professional, not from the proliferation of low-level white-supremacist criminal types.

### **40,000 Scour Colorado Farm for Harvest Leftovers**

Nov. 24 (EIRNS)—Some 40,000 people poured over the remnants of the harvest on a 600 acre Colorado farm on Nov. 22, gleaning free potatoes, carrots, and leeks. A Weld County farm couple offered the leftovers to any who wanted to pick the remains after the harvest, before a freeze would destroy the vegetables. The couple said they opened the family farm northeast of Denver to the free harvest, after hearing reports of food being stolen from local churches.

Farm owner Chris Miller said they had expected between 5,000 and 10,000 people to show up. A scheduled second day of the free gleaning was cancelled, because the farm had been picked clean. "People obviously need food," Miller told the *Rocky Mountain News*.

In Lakewood, west of Denver, the Jeffco Action Center helped 5,141 people who lined up early for a Thanksgiving food box giveaway, the biggest demand in 40 years.

### **Brits Still in All-Out War Against the Clintons**

Nov. 24 (EIRNS)—The City of London's *Financial Times* today issued new instructions to President-elect Barack Obama, in its second editorial: Get rid of Hillary Clinton. After reviewing and praising Obama's selections for top economic posts, the *FT* comes to the point:

"Economics aside, the biggest surprise among Mr. Obama's rumoured appointments is Hillary Clinton, whose selection as secretary of state is said to be 'on track.' This is a far more questionable choice, since Mrs. Clinton is so lacking in foreign policy experience. The appointment gives rise to unhelpful speculation about the new President's motives. Is he attempting to bind his party's wounds? His victory already did that, and governing well would assure a full recovery. Is he attempting to neutralise her as a rival for the Presidency in 2012? If things go badly for him, it will take more than this to quell another Clinton bid.

"Could Mrs. Clinton subordinate herself to Mr. Obama, and devote herself to making his Presidency a success? That is doubtful and, with many far better qualified candidates available, is a risk there is no need to take."

When such prominent City of London interests, inherently committed to the destruction of the United States, and fairly

suspected of planning the assassination of the incoming President to facilitate that aim, weigh in so heavily against a leading personality, the listener would do well to beware.

## Ibero-American News Digest

### Zedillo: Soros's Nazi Work Is Irrelevant to Push for Drug Legalization

### Dominicans Upset at Invitation To Soros

### The Truth Behind the Dope-Run Financial Pyramids in Colombia

#### **Zedillo: Soros's Nazi Work Is Irrelevant to Push for Drug Legalization**

WASHINGTON, Nov. 24 (EIRNS)—Former Mexican President Ernesto Zedillo, co-chair of George Soros's Latin American Commission on Drugs and Democracy and director of Yale University's Center for the Study of Globalization, declared here today that Soros's unrepentant defense, to this day, of his working with the Nazi regime against his fellow Jews in Hungary, is "of total irrelevance to me," and to what he considers the urgency of forcing the United States to discuss radical changes in its anti-drug policies, in favor of legalization.

Zedillo made his shocking defense of Soros in answer to a question from *EIR*'s Gretchen Small, during a Brookings Institution event releasing the report of its Partnership for the Americas Commission, titled "Rethinking U.S.-Latin American Relations; A Hemispheric Partnership for a Turbulent World."

The commission report does not name "legalization," but it spouts the "harm reduction" fraud which Soros pushes in his drive for dope legalization internationally. The two commission co-chairs, Zedillo and U.S. Amb. Thomas Pickering, made clear today that *they*, at least, are determined to place drug legalization on the hemispheric agenda of the Obama Administration, even if some members of the commission refused to go along with a return to the days of the British Empire's legal dope trade and opium dens.

*EIR*'s Small noted Zedillo's role in chairing the Latin American Drugs and Democracy Commission, "which was created, financed, and is directed by George Soros, who is the leading financier of legalization internationally, and who has stated on the record, repeatedly, that his own outlook on life came from his early days working for the Nazis in Hungary against his fellow Jews."

Small then raised what no one else had dared touch: "the great elephant in the living room ... that the gigantic derivatives financial bubble has blown apart," and *EIR* founder Lyndon LaRouche's solution.

After Pickering and Zedillo denounced "protectionism" and argued for bailouts without end, Zedillo acknowledged angrily, that raising Soros's role in the drug debate could sink the entire project.

Zedillo complained that in the United States, "when we start talking about this issue, immediately some firewalls around this topic are built," and charged that *EIR*'s comments were "a best example of that. You raised aspects of Mr. Soros's biography which I would say are of total irrelevance to me to discuss this issue." Here, the Drugs and Democracy group, "spearheaded by President Cardoso of Brazil, and President Gaviria of Colombia, and of which I am also a member," hasn't even issued its final report, and "that work is beginning to be disqualified, supposedly on the basis of an association with Mr. Soros. I think that if that's the level of discussion that we are going to have, then we are not going to get anywhere."

## **Dominicans Upset at Invitation To Soros**

Nov. 28 (EIRNS)—Dominicans were not happy with the participation of pro-Nazi megaspeculator George Soros at a forum Nov. 22-23 on the global financial crisis, sponsored jointly by Dominican Republic President Leonel Fernández and the Economic Commission on Latin America (ECLA). The event was entitled "The global financial order: A regional perspective," and its keynote speakers were Soros, former senior vice president and chief economist of the World Bank Joseph Stiglitz, and the IMF's Western Hemisphere director, Nicolas Eyzaguirre.

On Nov. 25, central committee member of the opposition PRD party Ramón Emilio Concepción raised cane over the presence of Soros, on the radio program "The Truth." How is it possible that Soros was brought here, even after former Democratic Party Presidential candidate Lyndon LaRouche had warned against doing so? If we're talking about a moral crisis, how is it possible that they brought here a man who openly promotes drug legalization; who is, as LaRouche said, a pawn of the British and a known megaspeculator, who has caused precisely the kinds of economic disasters we are seeing today? During the Second World War, he supported the Nazis and, to save his own skin, denounced other Jews. That meeting was disqualified by the presence of this person, Concepción concluded.

You reap what you sow. The day after the Dominican event, the IMF mission in the D.R. released a communique demanding a new fiscal adjustment, and calling for punishment of those who are stealing electricity, trying to make the population believe that it is not the privatized system that is responsible for the country's energy crisis, but rather Dominicans who are stealing electricity. The Fund mission also said the fall in oil and food prices posed a "great opportunity."

## **The Truth Behind the Dope-Run Financial Pyramids in Colombia**

Nov. 26 (EIRNS)—Maximiliano Londoño Penilla, president of the Lyndon LaRouche Association of Colombia, issued the following statement today:

"There are white-collar pyramids, and there are others that are less elegant, but in the end, they are all equally bad. This crisis of the world economy is due to speculative money promoted by Wall Street, in effect a pyramid,' said Colombian President Alvaro Uribe on Nov. 15, just two days before declaring a state of economic emergency, to dismantle scores of financial pyramids, or Ponzi schemes that have infested the Colombian economy. In the past three years, 240 of these pyramid schemes have been set up in Colombia as legal entities. In the states of Putumayo, Narino, Huila, and Cauca, among others, these pyramids controlled 40-70% of all economic activity. According to preliminary reports, more than 2 million people got caught up in these pyramid schemes. These investment confidence scams eventually mobilized financial flows that ranged between 2-5% of Colombia's Gross Domestic Product.

"When the 28-year-old former baker from Colombia, David Murcia, was captured last week in Panama, authorities seized his private jet, three yachts, and a fleet of luxury cars. Now, this founder of the DMG empire, which attracted at least \$435 million this year alone from investors who received 150-300% return on their investments in just six months, finds himself behind bars, accused of illegal accumulation of capital and asset laundering. Murcia was deported from Panama to Colombia, as he was about to flee to Costa Rica where there is no extradition treaty with Colombia.

"Murcia is the new icon of the several hundred pyramid schemes that have just been dismantled on the orders of the Uribe government. DMG has operated since 2003, and had branches in Ecuador, Venezuela, and Panama, and was in the process of establishing itself in Mexico and Brazil, as far as is known. The imprisonment of Murcia and of other pyramid schemers has triggered serious rioting in some 30 towns, and civic strikes are being mobilized at this time in defense of Murcia. There are even two Congressmen from the states involved who have come out in his defense, while members of Uribe's

own political faction have voted against the possibility of Uribe's reelection in 2010 in a Congressional commission—all because of Murcia's influence.

"It is no accident that the pyramid schemes are particularly prevalent in the southern and eastern parts of the country, where the drug trade and terrorism have deep roots, for these pyramids have served as ideal instruments for laundering drug dollars while handing out narco-crumbs to win local support among the poor of these areas. This is one of the scenarios of the British Opium War that confessed Nazi collaborator George Soros hopes to emulate in imposing the legalization of illegal narcotics on the pretext of 'humanizing' the conflict, at the upcoming United Nations ten-year review of the war on drugs that will take place next March.

"Thus far, President Uribe is the only head of state in the region who has publicly—and directly—attacked the decriminalization of drugs and the establishment of a legal 'minimum dose,' which have served to increase drug consumption, especially among children."

## Western European News Digest

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#### **German President Renews Call for Bretton Woods II**

WIESBADEN, GERMANY, Nov. 24 (EIRNS)—In a speech to the European Finance Week Congress of international bankers in Frankfurt on Nov. 21, German President Horst Köhler renewed his recent call for a New Bretton Woods agreement. The Bretton Woods conference "laid the foundation for a market-economic world economic order based on division of labor after the Second World War, Köhler said, it "brought back confidence, and provided wealth and progress to the industrial nations." Concerning Germany, he added that the agreement "provided ... urgently required flow of capital from abroad, enabling us to build up an export economy that is outstandingly successful to this day. The dimensions today's crisis "calls for a Bretton Woods II," he said, "a gathering of the best, who with expertise, morality, and political commitment, can systematically review the crisis."

This most important, and most useful, section is being censored by most of the media here, which instead focus on his lambasting of bankers' and fund managers' irresponsibility. Unlike his earlier interviews and speeches, Köhler omitted any reference to the pro-fascist John Maynard Keynes.

#### **Czech Court Gives Green Light to Lisbon Treaty**

PARIS, Nov. 26 (EIRNS)—Under tremendous pressure, the Czech Constitutional Court declared today that the EU's Lisbon Treaty is in conformity with the Czech Constitution, opening the gate for Parliament to approve the Treaty. However, ratification by Parliament remains uncertain.

Meanwhile, Prime Minister Mirek Topolanek, in an interview with the weekly *Respekt*, said that many members of Parliament want to make their approval of the Treaty conditional on the approval by Parliament of the anti-ballistic-missile shield agreed on with Washington.

The Czech Republic and Ireland are the only two EU member countries that have not ratified the poisonous Treaty. Its implementation requires unanimous approval by all EU member states.

As *EIR* has reported, the Lisbon Treaty goes far beyond the Maastricht Treaty in establishing supranational government in Europe and eliminating national sovereignty, including obliging member states to conduct military interventions whether they like it or not.

### **Fascist George Soros in 'Der Spiegel'**

Nov. 24 (EIRNS)— This week's German *Der Spiegel* granted former Nazi employee and international drug promoter George Soros an interview, allowing him to call for unlimited money-printing and environmentalist genocide, while insisting yet again that he has no problem with his conscience. Soros called the current crisis "dramatic and overwhelming—it has gone beyond my wildest imagination."

Backing up his pal Al Gore, Soros called the current collapse a "great opportunity to finally deal with global warming and energy dependence. He also praised his sponsors: "The Bank of England was a very successful regulator by cooperating with market participants. This cooperative spirit was broken by the market fundamentalists," naming Ronald Reagan as the one responsible for this fundamentalism.

As he has done before, Soros defended his predatory actions, claiming that he "always play[ed] by the rules," and that had no problems with his conscience. "I am very proud to be a successful speculator," he told the magazine.

### **Contraction in West Hits East**

Nov. 25 (EIRNS)—Producers in Eastern and Southeastern Europe have begun to feel the effects of the contraction of the real economy under the impact of the financial system's collapse in the West, for which they have been a leading supplier of prefab goods or raw materials. Automakers, steel producers, and other industrial producers in the West, have reacted to the drastic drop in orders in Black October with abrupt cancellations of imports from the East. Arcelor-Mittal already shut down a steel plant it has operated in Ukraine. Mass layoffs in the East are on the horizon.

### **French Cities De-Privatize Water Utilities**

PARIS, Nov. 24 (EIRNS)—In 1984, Paris Mayor Jacques Chirac privatized the distribution of drinking water in Paris (population, 8 million), handing a significant part of this municipal utility to France's two private water management giants, Veolia and Suez. Private companies are currently managing 72% of the water needs of French local communities.

On Nov. 21, Paris Mayor Bertrand Delanoë decided to act according to his election promise: to de-privatize the municipal water management system. The city will create a utility company, Eau de Paris, hire the 900 workers from the private companies and buy their technology. The decision follows that of some smaller cities such as Castres, Chatellerauld,

Cherbourg, and the larger city of Grenoble. The Paris decision, still to be confirmed by the Paris Great Council on Nov. 24, is being denounced by the opposition as "political coup"; in fact, it indicates a trend toward a return to sane economic policies.

*L'Expansion*, one of the main national economic weeklies, reported two weeks ago that this trend goes back to a year ago, when city and regional officials whose water was becoming more and more expensive, began to realize the how big the profits were that were being made by the private companies to which France had entrusted 72% of its water management. Greater Lyons, for instance, discovered that Veolia's pre-tax profit margins were 21%, while the community's water was one of the most expensive in France despite its abundant water resources. Since then, many officials started looking into and renegotiating the contracts. According to the Association of Major City Mayors of France, 52% of the cities are already renegotiating their contracts, and fully one-third are considering de-privatizing the water utilities. And this trend is occurring as two-thirds of the contracts are coming up for renegotiation in the next three years.

Several years ago, Solidarité & Progrès, the party of the LaRouche movement in France, exposed and denounced the offensive of hedge funds and private groups to grab vital municipal infrastructure. At that time, some 50 mayors from all over the country signed S&P's petition opposing such water privatization and calling for re-nationalization.

## **Former Economics Minister Warns vs. Germany's 'Deindustrialization'**

Nov. 25 (EIRNS)—Former Federal Economics Minister Wolfgang Clement left the Social Democratic Party (SPD) today, after having been a member since 1970, creating maximum political impact, by defining the danger of "deindustrialization" as the battle line for Germany. Yesterday evening, an SPD federal commission had confirmed its censure of him, while not expelling him, as some had wanted to do.

Last January, shortly before the Hessian election, Clement had sharply criticized the anti-nuclear policy of SPD-Hessian leader Andrea Ypsilanti, which was seen as an encouragement to not vote SPD. Moreover, Clement also opposed any collaboration with Die Linke (the Left Party).

This is a clear attack on the Green Party as such, without explicitly mentioning it. Clement's step, as far as it goes, strengthens the pro-growth elements in Germany.

## **Russia and the CIS News Digest**

### **Medvedev Provides Explanation of Protectionism**

### **LaRouche Is on the Minds of Russians Debating the Financial Crisis**

### **Russia Appears To Welcome Rice's Message**

### **Mayor of North Ossetian Capital Assassinated**

### **Soros's Saakashvili Finds His Usefulness Is Running Out**

## **Medvedev Provides Explanation of Protectionism**

Nov. 24 (EIRNS)—At a press conference in Lima, Peru, after the meeting of the Asian Pacific Economic Cooperation Forum (APEC), Russian President Dmitri Medvedev made the following statement (as posted today on the Kremlin website) in response to the question, "Will Russia follow the APEC recommendations about halting protectionist policies for at least a year?":

"That is a delicate question. I still have in my pocket a sheet of paper, which I brought from Washington. There are four points listed on it. The last one is 'rejection of protectionism.' Why do I mention that? Because where rejection of protectionism ends and the defense of one's own producers begins, is a question of taste and measure, of that is adequate in one situation or another, because all countries today agree that we should give up crude protectionism, which would damage the world economy and the world financial system. At the same time, not a single country, not a single head of state, will ever be so bold as to state that they will never act to defend their own producers, their own real sector.

"Therefore, measures taken to defend one's own producers and production, industry, the real sector, need to be sensible and adequate. But what those measures are, is a decision for each nation to make in its own way. Therefore, I don't think we have to see some kind of contradiction here. I think this just has to be determined, depending on the specific situation in the market of one country or another. For our part, we have assumed the obligation not to indulge in protectionism such as I just mentioned. But, of course, we shall do what we need to do, in order to protect our real sector, and help it, by providing supplementary credits, and some other measures which may be justified."

### **LaRouche Is on the Minds of Russians Debating the Financial Crisis**

Nov. 26 (EIRNS)—When radical Mont Pelerin Society follower Andrei Illarionov, formerly an economics advisor to the President of Russia, gave a written online interview to readers of the business daily *Kommersant* over several days last week, one of the first questions put to him was, "Do you think the world financial crisis is becoming an economic one, how effective are the measures taken by governments so far, and what do you think of Lyndon LaRouche's proposals for getting out of this crisis?" Claiming not to be familiar with LaRouche's policies, the Cato Institute-affiliated Illarionov replied that governments should leave people alone and do nothing.

In another widely circulated article, nationalist commentator Maxim Kalashnikov wrote this week that the least auspicious sign about the economics team named by U.S. President-elect Barack Obama, is that "it includes no representatives of Lyndon LaRouche's school of Physical Economy." Kalashnikov has noted that "LaRouche was right," in several of his recent writings in the weekly *Zavtra* and elsewhere.

LaRouche's current articles and speeches on the British Empire, the American "credit system" model vs. British monetarism, and related policy contingencies, are the subject of intense—though not always well-informed—debate in numerous Russian online forums and blogs.

### **Russia Appears To Welcome Rice's Message**

Nov. 29 (EIRNS)—In reply to U.S. Secretary of State Condoleezza Rice's statement Nov. 26 that there was no need for any discussion of extending NATO membership to Georgia and Ukraine at this time, Russia's Foreign Minister Sergei Lavrov stated that Russia is fully prepared to move forward with the Russia-NATO Council dialogue, as soon as NATO wishes, according to RIA Novosti.

### **Mayor of North Ossetian Capital Assassinated**

Nov. 26 (EIRNS)—At the top of the news in Russia today is the assassination of Vitali Karayev, mayor of Vladikavkaz,



who was mortally wounded by a sniper's single bullet as he left his house this morning, and died in the hospital a few minutes later. Vladikavkaz is the capital of North Ossetia, the Russian North Caucasus autonomous republic bordering South Ossetia, the former district of Georgia whose independence Russia recognized after the Georgia-initiated war there last Summer.

On Oct. 22, the deputy mayor of Vladikavkaz was injured in a car bombing, and earlier this month, 11 people died when a suicide bomber attacked a bus in the city. President Dmitri Medvedev, currently on a state visit in Brazil, ordered a high-level investigation, which was immediately launched under the prosecutor general's Office agencies for the Southern Federal District.

There were no obvious motives for killing Karayev, who was known as being efficient and non-corrupt. A shaken Taymuraz Mamsurov, president of North Ossetia, said on television that he sees the murder as "a challenge by forces who want to destabilize the situation in North Ossetia," going no further than to allude to "criminal elements."

On Nov. 25, Lyubov Drozdova, chief judge in the Samara Region (on the Volga), was attacked with automatic weapons fire as she entered her car. She is fighting for her life, with bullet wounds to the abdomen. The Prosecutor General's Office is investigating that assassination attempt, as well.

## **Soros's Saakashvili Finds His Usefulness Is Running Out**

Nov. 28 (EIRNS)—Georgian President Mikhail Saakashvili, a puppet of British asset George Soros, ordered the armed invasion of South Ossetia on the night of Aug. 7, in an attempted bluff against Russia which was launched under the direction of Soros's superiors in the British Foreign Office of Lord Mark Malloch-Brown. The Russian leadership called Britain's bluff, and won that round. Now the knives are out for Saakashvili.

On the fifth anniversary of the Soros-financed Rose Revolution which brought Saakashvili to power, former Parliamentary Speaker Nino Burjanadze, a leader in the original Rose Revolution, celebrated that anniversary by announcing on Nov. 23 the formation of a new opposition party, the Democratic Movement-United Georgia.

On Nov. 25, another former key figure in the Rose Revolution, who served as Saakashvili's Ambassador to Russia until September 2008, Erosi Kitsmarishvili, testified before Georgian parliamentary hearings on the South Ossetia war, that Saakashvili and his inner clique were responsible for starting the war, and had planned their invasion months before, in the mistaken conviction that they had a green light from the United States to do so. His testimony was televised, and Saakashvili today had to appear before the hearings to answer questions about Kitsmarishvili's charges.

Stories are being put out that Saaksashvili and Co. are sending money out of the country and preparing to flee, and Russia's envoy to NATO, Dmitri Rogozin, told Vesti television that Saakashvili is well aware that his days as President are numbered, saying that Washington has prepared another leader for Georgia.

"Musical chairs," Lyndon LaRouche commented on the story.

## **Southwest Asia News Digest**

**[Israeli NSC Calls for Urgent Peace Talks with Syria](#)**

**[Israeli Finance Minister Unveils Bailout Plan](#)**

## **Olmert Faces Imminent Indictment**

## **Larijani: Iranian Parliament Has Not Rejected U.S. Call for Talks**

## **IAEA Confirms Non-Diversion of Iran's Nuclear Material**

### **Israeli NSC Calls for Urgent Peace Talks with Syria**

Nov. 24 (EIRNS)—According to Israeli press reports cited by Reuters, the Israeli National Security Council, which is part of Prime Minister Ehud Olmert's office, has issued a report asserting that Israel should negotiate peace with Syria, and that the incoming U.S. Obama Administration should sponsor the talks.

Reuters cites a senior Israeli official involved in preparing the report as saying, "The most important actor for Israeli-Syrian peace talks speaks English, and his name is Obama. Without very positive and significant U.S. involvement, the Syrian track, like the Palestinian track, will go nowhere. We favor speeding up the talks with Syria, in hope of a breakthrough." Then he added that for Israel to return the Golan Heights to Syria "is not too high a price to pay" if Syria cuts off support to Hamas and Lebanon's Hezbollah guerrillas, and "scales back" its ties with Iran. While Syrian President Bashar Assad rejected such preconditions, some believe he would be more flexible if there were an U.S. involvement.

### **Israeli Finance Minister Unveils Bailout Plan**

Nov. 25 (EIRNS)—The Israeli Treasury announced the details of its bailout plan for the Israeli economy. The 11 billion shekel (NIS, New Israeli Shekel, equivalent to US\$3 billion) package includes NIS 6 billion of government guarantees for raising capital in the banking sector, on top of NIS 5 billion for setting up investment funds to bolster shareholders. It will also include a tax reform that would encourage cash flow into the stock market. Treasury officials claim that the NIS 11 billion guarantees would facilitate transactions worth tens of billions of shekels.

Meanwhile, Bank of Israel governor Stanley Fischer lowered the bank's key lending rate to its lowest level ever, 2.5%, on Nov. 24.

The Israel Securities Authority (ISA), for its part, is currently setting up special funds, to be jointly owned by the government and private investors, that would buy up several billion shekels' worth of corporate bonds. Many of these bonds are now trading at junk-bond levels, making it hard for companies to raise money to finance new activity. Buying them would theoretically encourage economic activity by making additional funds available. *Ha'aretz* reports that the ISA move resembles a proposal made by Likud party chairman Benjamin Netanyahu to Prime Minister Ehud Olmert at their meeting on Nov. 18.

The Finance Ministry, meanwhile, is working on a safety net for pension savings. The plan, which would cost some NIS 10 billion, will apparently cover only a few tens of thousands of savers: those aged 60 and older who earn less than twice the minimum wage, or about NIS 7,700 a month.

### **Olmert Faces Imminent Indictment**

Nov. 27 (EIRNS)—Israeli Attorney General Menachem Mazuz announced today that he has informed Israeli Prime Minister Ehud Olmert that he is considering filing an indictment against him. This has triggered calls by Olmert's own

Kadima party for Olmert to declare himself incapacitated and suspend himself from the Prime Minister's office. New elections are already scheduled for February.

The possible indictment centers on the Rishon Tours affair, which involved allegations of corrupt use of funds from public bodies to finance the Olmert family's private travel. Olmert's former bureau secretary Shula Zaken was also advised that she could be indicted.

The Rishon Tours affair is only one of several ongoing investigations. One involves alleged payments from American businessman Morris Talansky, and another centers on alleged interference in the privatization of Bank Leumi, in favor of one of the parties involved in bidding for the bank. Another case lurking in the background is related to the time that Olmert was industry minister.

Foreign Minister and Kadima chairwoman Tzipi Livni, speaking before an emergency meeting of the party's Knesset faction, called on Olmert to suspend himself as Prime Minister, saying, "There is no other option." She referred to the de facto resignation of Prime Minister Yitzhak Rabin in 1977, when an illegal joint account he and his wife Leah had held in a Washington, D.C. bank came to light. "In 1977, Rabin did not hesitate and immediately announced he was taking a leave of absence. The PM, just as any other citizen, is innocent until proven guilty, but the citizen Ehud Olmert must conduct the battle [to clear his name] from home and not from his Knesset seat."

Livni, who replaced Olmert as party chief, is now the party's candidate for Prime Minister in the Feb. 10 elections. It is believed that Olmert's hanging onto the office while under criminal investigation is hurting the party's election chances.

### **Larijani: Iranian Parliament Has Not Rejected U.S. Call for Talks**

Nov. 29 (EIRNS)—Speaker of the Iranian Majlis (parliament) Ali Larijani has indicated that the country's lawmakers have received a request from the U.S. Congress on parliamentary negotiations, and have not rejected it.

"We are studying the letter. We have not rejected it, but we have not given a positive response, either," he said in an interview, according to PressTV. The letter requesting talks had been delivered to an Iranian parliamentary delegation that attended the IMF-World Bank meetings in Washington in October, and Larijani explained that a decision had been taken to postpone a response until after the U.S. elections.

### **IAEA Confirms Non-Diversion of Iran's Nuclear Material**

Nov. 29 (EIRNS)—Mohammed ElBaradei, the director general of the International Atomic Energy Agency, reported to the IAEA Board of Governors on Nov. 27, that the agency has been able to continue to verify the non-diversion of declared nuclear material by Iran. However, he said, both Iran, and those countries accusing Iran of having a covert nuclear weapons program, need to improve their cooperation with the agency.

ElBaradei called on Iran to implement the Additional Protocol, which, he said "is essential for the Agency to provide credible assurance about the presence of undeclared nuclear material and activities." ElBaradei had noted that only 88 of the 163 states with safeguard agreements have implemented the Additional Protocol. He also called on Iran to be more cooperative in providing information, and verifying the relevant documentation provided to the agency on the possible "military dimensions" of Iran's program.

ElBaradei also expressed regret that the IAEA has not been able to share with Iran documentation "provided by member states," and called on those member states to authorize the agency to do so. Iran's official Islamic Republic News Agency

said that ElBaradei was referring to a laptop computer that the U.S. claims to have in its possession that, it says, proves Iran was carrying out studies on how to build a bomb. The United States refuses to turn it over to the IAEA, claiming that leakage of the data would help Iran achieve its goal.

The whole "laptop" story is suspect, with many believing that it is a fraudulent concoction of the U.S.-backed MeK Iranian anti-government terrorist organization.

## Asia News Digest

**Thai Mob Exposed as Fascists, Backed by Army and Monarchy**

**BHP Drops Hostile Takeover of Rio Tinto**

**Renewed Fight Over Japan's Postal Bank Privatization**

**China To Expand Euro-Asia Rail Network to Xinjiang**

**Laos Rail Network To Connect China, Vietnam, Thailand**

**Philippines To Lose 1 Million Export and Overseas Jobs**

### **Thai Mob Exposed as Fascists, Backed by Army and Monarchy**

Nov. 26 (EIRNS)—The fascist mob that has closed down the international airport in Bangkok, in addition to beating and shooting government supporters across the city, has finally been labeled for what they are by someone other than *EIR*. A leading political commentator, Chulalongkorn University professor Giles Ji Ungpakorn, writes today in the *Asia Sentinel*: "Suvarnabhumi International Airport in Bangkok has now been closed by fascist thugs from the anti-government People's Alliance for Democracy (PAD), which is demanding that the elected government resign. This is despite the fact that the government has the backing of the majority of the Thai population and even the majority of Bangkok citizens.... Thai airports are controlled by the Thai military. It is obvious that the Thai military, which staged an illegal coup in 2006, has quietly supported the PAD's actions. It is obvious that the military is unwilling to provide basic security to air travelers and air crew.... The PAD is a royalist fascist mob which has powerful backing. Apart from the army, they are supported by the Queen, the so-called Democrat Party, the courts, the mainstream media and most university academics. What these people have in common is a total contempt for the Thai electorate, who are poor. They are angry that the Thai people voted for a government that gave the poor universal health care and other benefits. They want to turn the clock back to a dictatorship which they call 'the New Order.'"

In fact, the Army Chief today went on television to demand that the government accede to the mob's demand to resign, while insisting that "this is not a coup" (the last coup and military dictatorship in 2006-07 didn't turn out so well). Prime Minister Somchai Wongsawat, who returned from the APEC Summit in Peru on Nov. 26 had to land in Chiang Mai Airport, where he rejected the Army demand, insisting he was democratically elected and would serve his term to the end.

Professor Ungpakorn is clearly risking arrest for *lèse majesté*. He asks: "Where is the king in all this? Throughout the three-year political crisis, the king has never attempted to diffuse the problem. Many Thais believe he supports the PAD, but it is more likely that the monarch has always been too weak to intervene in any crisis." It is widely reported in Thailand that the

once nearly universal respect for the institution of the monarchy has been severely eroded, especially among the working classes.

## **BHP Drops Hostile Takeover of Rio Tinto**

Nov. 25 (EIRNS)—BHP Billiton, one of the world's big-three mining firms, had been attempting to take over Rio Tinto, another of the big three, in a hostile deal that at one time was valued at \$100 billion. Consummation of the deal would have given the combined Australian/Commonwealth firms a stranglehold on world markets for iron ore, copper, and other metals.

The deal was called off because of the collapse of the commodity markets for metals, the stock market values of both companies, and the collapse of the credit markets.

The hostile bid had angered iron ore customers around the world, including Posco, Korea's biggest steelmaker, and Japan's JFE Steel Corp., ranked third worldwide. The acquisition would have raised iron ore prices and should have been blocked by regulators, the steelmakers said. Sajjan Jindal, managing director of JSW Steel Ltd., India's third-biggest producer, said, "The steel industry has many players, but there are few in iron ore, so it would have created a monopolistic market."

No producers were as upset as those in China, which is the largest purchaser of Australian iron ore. Chinalco, the Aluminum Corp. of China, last February paid \$14.1 billion for a 12% stake in Rio Tinto's London-listed shares, giving it a 9% share of the Rio Tinto Group (some shares are listed in Australia). Chinalco's buy was seen as an attempt to spoil the BHP-Rio Tinto merger so as to protect China's access to the iron ore supplies of Australia that is controlled by the companies.

"This is definitely good news," Lu Youqing, Chinalco's vice president, said today. "We respect BHP's decision."

## **Renewed Fight Over Japan's Postal Bank Privatization**

Nov. 24 (EIRNS)—Japanese Prime Minister Taro Aso's support for an opposition bill before the Diet (parliament) to freeze the privatization of the Postal Bank, reported last week, has, as expected, given a renewed sense of fight to those who fought this travesty in 2005, when former Prime Minister Koizumi rammed it through on behalf of global speculators. *Yomiuri* reports today under the title, "LPD Feud Over Postal Privatization Re-Ignites," that, "The LDP will shortly establish a project team to discuss the issue of full postal privatization ahead of a three-yearly reexamination of related services in March required under the postal privatization law."

A meeting of the LDP parliamentary league on postal services was held Nov. 19, chaired by Shunichi Yamaguchi, an advisor to Prime Minister Aso, who was one of the "postal rebels" who fought Koizumi's sellout of the system which had channeled nearly all of the nation's savings into safe, but low-interest accounts which were used to sustain and expand infrastructure across the country. Koizumi used globalization arguments of "high returns" to justify the privatization.

*Yomiuri* reports: "Some members of the study group believe postal privatization has been a failure. As such, it is not ruling out the possibility of a sweeping review."

## **China To Expand Euro-Asia Rail Network to Xinjiang**

Nov. 26 (EIRNS)—Construction is to begin next year on a second railroad for the vast northwestern Xinjiang Uighur Autonomous Region of China.

The new line will be parallel to the existing 1,892-kilometer (1,175-mile) Lanxin Railway, which links Gansu, Qinghai, and Xinjiang. Only passenger trains will run on it. The old Lanxin railway, when the new line is completed, will be used by cargo trains only.

Railway officials said the new rail line will break the transport bottleneck for Xinjiang's economic development, ease the pressure on the Euro-Asian continental bridge, and facilitate exchanges between China and its western neighbors. The cost is estimated at \$17.6 billion. Almost as much is to be spent on improving Xinjiang's highway network between 2009 and 2013.

## **Laos Rail Network To Connect China, Vietnam, Thailand**

Nov. 23 (EIRNS)—The Lao government announced plans to develop a nationwide railway to support the growing mining sector and heavy goods delivery. It will cover 2,500 km (1,500 miles) and cost more than US\$13 billion to build. China has completed a design for a rail link from the Chinese border to the existing line in Thailand, creating a connection to the Thai ports. Vietnam is designing a second rail connection to Vietnamese ports.

The proposed network would be linked to Cambodia, Vietnam, and Thailand. The railway would mainly provide service for projects such as the mining of iron ore, copper, aluminum, and gold. "We can't use roads because they aren't good enough at present. They are not designed for heavy transport and will rapidly deteriorate," said Phetsamone Viraphanth, Laos's Planning and Cooperation Department Deputy director general. Road surfaces are already deteriorating from use by trucks loaded with minerals.

"The study was completed and reported to us but we are now searching for investors willing to fund the project," Viraphanth said.

## **Philippines To Lose 1 Million Export and Overseas Jobs**

Nov. 24 (EIRNS)—The Philippines Department of Labor and Employment (DoLE) considers that at least 1 million jobs in export industries and overseas are at risk in the economic crisis.

Of the 9 million overseas Filipino workers, 129,000 who work in the United States under temporary working visas are at risk of being sent home. Also at risk are 130,000 seamen working on cruise ships, 268,000 factory workers in South Korea, Taiwan, and Macau, plus 48,000 domestic workers in Singapore, Macau, and Hongkong.

In all, the DoLE estimates that 590,000 oversea workers will likely get laid off as the economic collapse spreads. This is almost certainly a gross underestimate.

The Department pinpointed four major export sectors running the risk of either closing shop, downsizing operations, reduced working hours, freezing hiring, and/or cutting wages. On top of its list was the garments industry, with 120,000 workers. Other sectors are electronics, auto parts, and coconut oil.

## **Africa News Digest**

### **Malloch-Brown Continues Congo Destabilization**

## Crisis in Congo Worsens

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### **Malloch-Brown Continues Congo Destabilization**

Nov. 26 (EIRNS)—The British Minister for Africa, Asia and the United Nations, Lord Mark Malloch-Brown, on his Nov. 17-20 visit to the Democratic Republic of Congo (D.R.C.) and neighboring Rwanda, blamed the D.R.C. government of and military for what he termed the "prospect of ethnic conflagration on a very large scale going beyond the Congo into neighbouring countries," if peace were not restored. But after a meeting with Rwandan President Paul Kagame, Malloch-Brown refused to hold former Gen. Laurent Nkunda, who triggered the latest unrest when he broke a ceasefire in August, as uniquely responsible for the crisis. Nkunda was an associate of Kagame in 1994, and has doubled the amount of territory he is holding in the eastern D.R.C. province of North Kivu, since he broke the ceasefire.

Malloch-Brown's actions, on behalf of the London-based globalized financial system, are putting in place a large-scale destabilization in central Africa, prior to the inauguration of the next U.S. administration.

The real story about how this humanitarian crisis, in which as many as 250,000 residents have reportedly been forced to flee their homes, and others civilians have been summarily executed, is now coming to light. Citing government sources, the Kenyan daily *East African*, reported Nov. 24 that the integration of former rebel forces into the D.R.C. army, following a 2002 agreement that led to a government of national unity, brought former friends of Nkunda into the D.R.C. army. The paper reported that most of the Congo army forces deployed to stop Nkunda's advances were formerly soldiers of a rebel operation, backed by Uganda and Rwanda, which was launched in 1998 in an attempt to overthrow the present Congo President's father, who was then President.

The sources told the *East African* that some these Congo army commanders have been leaking information about the army's position and strength, to Nkunda. In an effort to rectify this situation, Congo President Joseph Kabila this past week appointed Gen. Didier Etuymba as the new Chief of the General Staff. This reshuffle came after the Congo prime minister toured eastern Congo. He discovered a major misappropriation of funds meant for the army. This factor, plus little training, and the leaked information to Nkunda about the Congo military effort, gave Nkunda a big advantage.

Playing into Malloch-Brown's crisis scenario, UN secretary-general Ban Ki-moon said the human rights situation in eastern D.R.C. was a "cause for concern," and blamed the Congo army, and pro-government militias, as well as Nkunda's force for "mass killings, torture, abductions, forced recruitment of children, forced displacement and destruction of [refugee] camps, forced labor, and other crimes." The UN report placed most of the blame for abuses on government forces.

However, since so many of the Congo army's personnel were associated with Nkunda in the past, and have been corrupted into selling minerals they have mined, as Nkunda has, the violence that Malloch-Brown and Ban are blaming on the D.R.C. is a classic inside-outside operation that is not controlled by the D.R.C. government, but the financial cartel that wants to destabilize the region.

The D.R.C.'s only hope, reports the *East African*, is that France wants the UN Security Council to double the number of troops to be sent there, as a buffer between the protagonists, and cites sources who say that France has been urging Angola to deploy troops to eastern Congo to prevent Nkunda from overthrowing the government, which Nkunda has announced as one of his goals.

## **Crisis in Congo Worsens**

Nov. 28 (EIRNS)—New fighting has driven more people into neighboring Uganda (the refugee total in Uganda is 15,000 since rebel Laurent Nkunda broke a ceasefire agreement three months ago), and has been accompanied by reports of massacres. The London press reports that 250,000 have been driven from their homes by the violence, and George Soros has instigated a call for EU military intervention (see below).

The UN has warned that more massacres are possible, in a situation which Secretary General Ban Ki-moon has termed "nearly hopeless." The European press is reporting "new convulsions" and warning that the war could spread outside the D.R.C.

## **Soros Calls on U.K. To Approve EU Troops To Congo**

Nov. 28 (EIRNS)—Billionaire British agent George Soros issued an open letter today calling on British Prime Minister Gordon Brown to approve an invasion of the Democratic Republic of Congo (D.R.C.) by troops of the European Union. The Soros letter is co-signed by 18 other public figures.

The letter replays the recent public statements by Baron Malloch-Brown and the United Nations, calling for British troops to invade the D.R.C., as a "solution" to the humanitarian disaster caused by British-inspired rebel troops tearing up the region. Lord Malloch-Brown is a long-time political partner of Soros, and a former executive of Soros's financial and political agencies.

The letter, issued through the British relief organization Oxfam, says that the "UN Special Representative to the D.R.C. has called for an interim force to deploy immediately to protect civilians and support the UN peacekeepers until reinforcements can arrive. It is increasingly clear that the EU is best placed—through its standing battle groups—to play this role and deploy now. We urge you to speedily agree to the temporary deployment of an EU force."

Several of the co-signers are serial signers of Soros propaganda. For example, a statement issued Oct. 12, 2008 by Soros called for an Israeli-Arab accord on water use based on the genocidal principles of the Club of Rome, accepting water as permanently scarce was co-signed by former Czech President Vaclav Havel, former South African President Frederik Willem De Klerk, former World Trade Organization director Mike Moore, South African cleric Desmond Tutu, and Jordanian Prince El Hassan bin Talal, all signers of the Nov. 28 call for an EU-led invasion.

Desmond Tutu is a member of the Soros group known as The Elders, whose executive director is the longtime Soros employee, Princess Mabel of the Netherlands.

The British-bred Prince El Hassan bin Talal was president of the Club of Rome from 1999 to 2007.

Other signers of the invasion call are:

Lloyd Axworthy, former Canadian foreign minister—notorious as a Soros-linked political hit man against South America;

Jorge Castañeda, former Mexican secretary of foreign affairs—notorious as a Soros agent;

Richard Goldstone, former Chief Prosecutor of the UN International Criminal Tribunals for the former Yugoslavia and for Rwanda. Soros pushed Goldstone for that post, and Soros's Open Society Institute financed the Court;



Mary Robinson, former President of Ireland and UN High Commissioner for Human Rights—a director of Al Gore's London hedge fund, Generation Investment Management;

Lord Bishop Michael Scott-Joynt, prelate of the British monarchy's Order of the Garter;

Richard Dowden, executive director of Queen Elizabeth's Royal African Society;

Tom Stoppard, British author;

Juan Mendez, president of the Soros-stooge International Center for Transitional Justice, with such directors as Richard Goldstone, Kati Marton (wife of Soros business partner Richard Holbrooke), and Samantha Power (an agent of Malloch Brown and George Soros in the U.S. Democratic Party); and

Lt.-Gen. Romo Dallaire (ret.), Canadian Senator and former Force Commander of the United Nations Assistance Mission to Rwanda; Jan Egeland, director of the Norwegian Institute of International Affairs, former UN Undersecretary-General for Humanitarian Affairs and Emergency Relief Coordinator; Joschka Fisher, former German foreign minister and vice chancellor; Bishop Monsengwo Pasinya Laurent, head of the Catholic Church in Kinshasa, D.R.C.

## **Ban Ki-Moon Backs Soros on Sending EU Troops to Congo**

Nov. 30 (EIRNS)—UN General Secretary Ban Ki-Moon has picked up on George Soro's "humanitarian" call to send an "interim" European military force to the Democratic Republic of Congo. On Nov. 27, Soros and others issued an open letter calling for the EU to send military troops until the United Nations can assemble the 3,000 additional "peacekeepers" the Security Council has approved (see above).

Belgium, which used to loot Congo directly, and France, last month proposed sending troops to North Kivu province, the key battleground of the Congo conflict, to support the humanitarian efforts of the UN Mission there. After that French proposal, a spokesman for Soros's International Crisis Group, Neil Campbell, said on Nov. 6 that the EU should commit troops, but they should not come from France. Campbell maintained that a French presence would antagonize Rwanda, which backs the anti-Congo rebels led by Laurent Nkunda, since France backed the previous Rwandan government, which is charged with genocide during the civil war in Rwanda. At the time the French proposal for intervention into the D.R.C. was made, President Nicolas Sarkozy pledged full support for D.R.C. President Joseph Kabila, while Malloch-Brown is blaming the Congo government and the rebels for the humanitarian crisis. France is now reportedly encouraging Angola to intervene, to pre-empt an EU intervention. Such a move would upstage Malloch-Brown's crisis scenario.

Other EU countries, including Germany, oppose the military support, and want to back humanitarian organizations and political mediation, instead.

AFP reports that the question of sending EU troops will be discussed this week at the ministerial level, at NATO headquarters in Brussels, as well as at the Organization for Security and Cooperation in Europe meeting in Helsinki.

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