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The Season of a Twentieth Anniversary:
Now, October!
by Lyndon H. LaRouche, Jr.

Sept. 30—*During the recent days, I have presented a series of reports bearing on the matter of the nature and causes of the presently onrushing October crisis of both the U.S.A.'s and the world's current entry into the crucial phase of a global economic-breakdown crisis. I have indicated the first half of October as a crucial period of phase-shift into the actuality of the already looming, initial onset of that actual breakdown. Here, I restate the case with special emphasis on identifying the probable forms in which the present inevitability of that phase-shift might be expressed during the weeks immediately ahead.*

Now, that Germany's parliamentary elections have just been concluded, the citizens of the U.S.A. should be reminded, that today's continuing political mass-strike against both the Obama Administration and the membership of the increasingly despised cur that great mass strike in East Germany which brought about the fall of the Berlin Wall about twenty years ago. How, then, would the alleged "ordinary citizen" expect to recognize the signs of such a development during its opening phase?...

In-Depth articles from EIR, Vol. 36, No. 39

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This Week's Cover Story

- **The Season of a Twentieth Anniversary:**
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'During the recent days,' he writes, 'I have presented a series of reports bearing on the matter of the nature and causes of the presently onrushing October crisis of both the U.S.A.'s and the world's current entry into the crucial phase of a global economic-breakdown crisis. I have indicated the first half of October as a crucial period of phase-shift into the actuality of the already looming, initial onset of that actual breakdown. Here, I restate the case with special emphasis on identifying the probable forms in which the present inevitability of that phase-shift might be expressed during the weeks immediately ahead.'

Economics

- **The Empire Crumbles:**
This Tower of Babble

Lyndon LaRouche states that the economic collapse which will cause the disintegration of the entire world system of nationstates, is a result of the spread of 'free trade,' and globalization.

- **Now, Commercial Real Estate Collapse Is On**

As the economy collapses, so do the values of the office buildings, shopping centers, and commercially owned residential properties. This is creating a panic about the huge quantities of debt represented by commercial mortgages and the derivatives piled atop them.

National

- **Administration Moves To Ram Through Fascist Health Bill**

The Baucus bill, stage managed by the White House, not only includes the establishment of the council of 'experts,' modeled on Hitler's T4 euthanasia council, to make rulings on who should get treatment, and who should die, but is also riddled with provisions for cutting hundreds of billions of dollars from health-care providers, while delivering hundreds of billions into the coffers of the Wall Street and City of London sharks who control the major insurance companies in the United States.

Feature

- **As Easy as Falling Downstairs:**

- General McChrystal's Folly**

Lyndon LaRouche reports that the case of the proposals associated with Lieutenant-General Stanley McChrystal's stated intention, is to be seen as one more, ignorant step typical of the consequences of ignoring the violation of constitutional principle expressed by the concept of the 'unitary' principle.

- **The British Plan:**

- Send More Troops, To Partition Afghanistan**

While some of the top officials of the Obama Administration fear getting trapped in an endless conflict with no possible positive outcome in Afghanistan, the White House is under pressure from Generals McChrystal and Petraeus, and particularly from the British, to put more troops into Afghanistan and slog it out for years.

International

- **An Election in Germany:**

- Death Under the Brutish Boot**

Lyndon LaRouche writes that Europe has come under the British imperial boot, and that this will not change until there is a complete transformation from a monetarist system, to a credit system of the type specified by the U.S. Federal Constitution.

- **German Election a Pyrrhic Victory for Merkel, FDP**

- **Helga Zepp-LaRouche Webcast:**

- What Will Follow October Crash:**

- A New Dark Age or a New Credit System?**

Mrs. LaRouche's opening statement at her Sept. 22 webcast, before the Sept. 27 election. She was the Chancellor candidate of the Civil Rights Solidarity Movement (BüSo). Contrary to the government parties, the 'experts,' and the media, she states, Germany is not in an economic recovery mode, but is sinking deeper into crisis. But there is a solution, and it is based on Germany's almost-unknown history of collaboration with the American System of political economy.

- **Israel Accused of War Crimes in Gaza**

The blacked-out report by the UN Fact-Finding Mission on the Gaza Conflict, headed by a Jewish South African jurist, Richard Goldstone.

Editorial

- **Employ the Forgotten Man!**

This Week's News

U.S. Economic/Financial News

Credit Crunch to Small Business Is Getting Worse

2009 U.S. Consumer Bankruptcies Rise Above 1 Million

Bank Credit Collapse Crunches Construction

Wagoner Was Right: Obama Policy Destroyed GM and Chrysler

FDIC Urgently Needs \$45 Billion More for Bank Failures

Credit Crunch to Small Business Is Getting Worse

Oct. 2 (EIRNS)—Wall Street analyst Meredith Whitney has discovered a "second-wave credit crunch." Despite the massive bailouts to the mega-banks and firms, small businesses, which primarily fund themselves through credit cards (82% of small businesses, according to Whitney) and loans from local lenders, are facing the same cut-off of credit as consumers. Credit-card lines have been cut by over \$1.25 trillion in 2009, she says, and she forecasts another \$1.5 trillion in these cuts coming in the near-term. Small business bank lending has been cut \$113 billion in 2009—the first contraction since 1993.

Whitney notes that small businesses employ one-half of the workforce (when they are working), and produce 38% of the Gross Domestic Product.

2009 U.S. Consumer Bankruptcies Rise Above 1 Million

Oct. 2 (EIRNS)—The rate of personal bankruptcies reached the highest level since the laws were changed in 2005 to make bankruptcy far more difficult for individuals. Personal bankruptcies totaled 1,046,449 for the period, according to the American Bankruptcy Institute and National Bankruptcy Research Center. For the first nine months of 2005, the figure was 1.35 million.

Bank Credit Collapse Crunches Construction

Oct. 2 (EIRNS)—The case of Minneapolis-based Schwing Construction is a microcosm of the collapse of U.S. construction activity, the failure of the American Recovery and Reconstruction (Obama "stimulus") Act, and the intensifying contraction of bank credit in the current economic collapse. The story was reported yesterday in the

Schwing, one of the country's largest makers of concrete mixer trucks and concrete pumps for construction sites, has been forced into Chapter 11 bankruptcy, in significant part, by Wells Fargo bank severing its credit lines.

The company played a major part in rebuilding the Minneapolis-St. Paul I-35 bridge one year after it collapsed, and is now working on the New York City "Freedom Tower." It would be a significant player if any major public infrastructure works, like those in FDR's New Deal recovery, were being carried out by the "stimulus." But instead, Schwing's orders are have largely collapsed. Its workforce is down 80% in two years, from 660 to 130. Its revenue is 80% down from \$276 million in 2007 to \$65 million in 2009.

In addition, Schwing has been driven into bankruptcy by Wells Fargo Bank, which has eliminated credit lines to the company, even though they were not and had not been delinquent. First, Wells Fargo forced Schwing to pay down the main credit line, from \$45 million to \$21 million. Then the bank began to "sweep" Schwing's operating accounts, pulling out cash, to cut the lines further or eliminate them. Schwing went into Chapter 11 to protect itself from Wells Fargo, to try to continue to meet payroll and pay suppliers, and to be able to accept new orders without Wells Fargo seizing the prepayments.

Wagoner Was Right: Obama Policy Destroyed GM and Chrysler

Oct. 2 (EIRNS)—Rick Wagoner, the CEO of General Motors who was forced by Obama's economic geniuses to resign, is turning out to have been right on one thing: The Obama-pushed bankruptcy has ruined GM and Chrysler sales, just as Wagoner said it would. Ford's sales were down 5% year-on-year, in the September "post-clunker" collapse. GM, which a few years ago sold 350,000 units a month, went down 51% year-on-year to 150,000. Chrysler went down 53% from September 2008 to 60,000, about even with Nissan.

Lyndon LaRouche was again proven right, in that the traditional American predilection to buy American cars is finished with this collapse: The five Japanese and Korean companies now outsell the Detroit Three. Overall sales were 25% down from September 2008, 40% down from August, and heading for 10 million for the year, down 30%.

FDIC Urgently Needs \$45 Billion More for Bank Failures

Sept. 29 (EIRNS)—Facing what it expects to be perhaps 100 more bank failures in the next three months, the Federal Deposit Insurance Corporation (FDIC) today demanded \$45 billion in more or less immediate cash to insure those failures, from the very banking sector in which they're occurring.

The FDIC says its funds for insuring deposits of failed banks will be exhausted by the end of the year; it raised its estimate for its costs of those failures to \$100 billion from \$70 billion; and it projected \$50 billion in those costs in the next quarter.

Chairman Sheila Bair and the FDIC board, at its quarterly meeting, adopted a Notice of Proposed Rulemaking to make banks prepay their estimated quarterly risk-based assessments for the fourth quarter, and for all of 2010-12, right away; also to raise those fees for 2011 and 2012 by 0.03%. The rule is stayed 30 days for public comment.

Bair said, "This proposal is a vote of confidence for the banking industry's resilience.... The banking industry has substantial liquidity," which she estimated at \$1.3 trillion excess reserves. It is notable that at latest, nearly two-thirds of this is in interest-bearing deposits at the Federal Reserve, avoiding lending into the U.S. economy.

The FDIC acknowledged that its insurance fund will be in the red already by tomorrow, the end of the third quarter. It has said it has set aside bank-loss reserves of \$22-24 billion, and Bair continues to state publicly that the FDIC has "plenty of cash" for bank failures. But this will obviously go quickly. Even the FDIC staff estimate is that the agency will have no such cash left by very early 2010. A further acceleration of bank failures in the ongoing crash of commercial real estate securities and derivatives, for one example, would blow the reserves out much sooner.

Global Economic News

Economic Breakdown in Germany; IMF Spreads 'Recovery' Delusions

Worldwide Automobile Sales Take Another Nosedive

Former Icelandic Ambassador Slams Legality of IMF and British Demands

Economic Breakdown in Germany; IMF Spreads 'Recovery' Delusions

Sept. 30 (EIRNS)—While the IMF is predicting a global economic upturn for 2010—3.1% increase of growth for the world economy, of which especially Germany would profit—the ugly reality of the breakdown is becoming clearer by the day:

The German Federal deficit in the first six months climbed to more than EU57 billion. This is 50 billion more than last year, which is due to the enormous costs of "fighting" the financial and economic crash. This includes the costs for the financial rescue package, reduced hours for workers, and both "conjunctural programs" (which do not really work, with municipalities not able to get access to the funds, since they are not able to put up their share, among other problems). At present, German state indebtedness is a whopping EU1.6 trillion.

Siemens has announced a 20% drop in orders in their core areas of industry, health, and energy compared to last year. Shipbuilding is cut, with the city of Emden losing more of its capacities. The Nordseewerke of Thyssen Krupp will be sold to a wind energy machine producer. Much wind for nothing or worse.

On Sept. 30, the new unemployment figures were presented, which are slightly better than expected. But mass layoffs are expected soon. The unsustainable 1.4-1.5 million workers on reduced hours has already taken a heavy toll: so far this year, EU14 billion in extra expenses. The state pays 6 billion, firms 5 billion, and workers 3 billion (in loss of income). Unit labor costs (the relation of labor cost to productivity) have increased in industry by 25%—making the reduced hours instrument much too expensive for firms, especially those with no perspective of getting new orders.

Also, now, after the Sept. 27 election, it is admitted that there is a credit crunch. According to the IFO Institute, 54.4% of all big firms in manufacturing are suffering from this, and of very small firms (less than 50 employees), 43%.

Worldwide Automobile Sales Take Another Nosedive

Oct. 2 (EIRNS)—The car-scrapping bonus in many countries (cash-for-clunkers), which provided the automobile sector with an artificial "boom" during Spring and Summer, has expired, and leading car producers suffered a disastrous month once again in September. In Germany, new car sales dropped by 48.7%; in the United States, GM sold 45% fewer and Chrysler 42% fewer cars. Also German car sales in the United States dropped by 16-22%, with the Daimler-Benz firm

selling no more than 814 of its Smart compact cars last month.

Former Icelandic Ambassador Slams Legality of IMF and British Demands

Sept. 30 (EIRNS)—Olafur Egilsson, former Icelandic Ambassador to Great Britain and the Netherlands, posted a comment in the London *Guardian* criticizing the paper's coverage of Iceland's conflict with the IMF over forcing the country to accede to demands that they pay the British and Dutch depositors of the Icelandic banks that collapsed.

Olafur writes: "I am surprised to see no mention of the opinion of leading European law experts that the relevant EU regulations are, to put it mildly, far from being clear on the obligation of Icelandic taxpayers to refund customers of Icelandic private banks operating internationally. Or the fact that Nordic loans are being withheld and normal procedures not being adhered to by the International Monetary Fund in the case of Iceland, because of pressure from the UK and Netherlands governments."

The three Icelandic banks that collapsed were all private, and some of them had British nationals as major shareholders. According to press reports, Icelandic criminal investigators have been looking into whether these shareholders were getting preferential treatment in receiving loans. If this is proven to be the case, then the banks collapsed because of fraud, which has as its source British nationals, and a British liability. This would call into question demands by the British and Dutch governments to hold Iceland liable for a fraud made in the City of London.

United States News Digest

BAE in Big Trouble with U.S. Justice Department

New U.S. Bill, EPA Rules Announced for 'Clean Air/Anti-Warming'

H1N1/09 Pandemic on Course for Damage and Death in North America

Obama's Prof Says President Is Depressed About Being a Dictator

Retired Officers Press Administration To Close Guantanamo

BAE in Big Trouble with U.S. Justice Department

Oct. 4 (EIRNS)—The British defense cartel, BAE Systems, is in even deeper trouble with the U.S. Department of Justice, following the announcement last week by Britain's Serious Fraud Office (SFO), that it intends to prosecute BAE on bribery charges, involving defense contracts with Tanzania, Romania, the Czech Republic, and South Africa. While the SFO continues to cover up the BAE role in the mega-slush-fund scheme with Saudi Arabia—the so-called al-Yamamah program—the fact that it does intend to prosecute other bribery cases has spilled over into the U.S.A., where prosecutors have been probing the alleged \$2 billion in al-Yamamah bribes that BAE paid to former Saudi Ambassador to Washington, Prince Bandar bin-Sultan, through U.S. banks.

The DOJ has now asked the SFO to turn over documentation of the other BAE bribes, to consider whether any American laws were violated in those deals. As the result, all efforts by BAE to shut down the U.S. investigation, by reaching an out-of-court settlement and paying a fine, are at least temporarily off the table. One immediate consequence of the SFO and

DOJ actions is that BAE's stocks plunged, and the company is now in danger of losing many of its contracts with the Pentagon, which comprise more than half of its revenue stream.

According to British press accounts today, BAE is trying to revive plea talks with the SFO, before formal criminal charges are presented to the British Attorney General for approval. At one point, the SFO offered to settle with BAE for nearly a \$1 billion fine and some admissions of criminal guilt, but that deal is now excluded.

As *EIR* has exclusively reported, beneath the surface of the BAE bribery scandal is the much more significant Anglo-Saudi secret intelligence program, funded through the al-Yamamah oil-for-weapons offshore slush fund, estimated at over \$100 billion at minimum. And, should the U.S. Department of Justice extend the BAE probe to include money laundering, it could open up an even bigger scandal: the role of the Saudis in the 9/11 attacks. As *EIR* has reported, Prince Bandar and his wife funneled money to two Saudi intelligence officers, who passed it along to at least two of the California-based 9/11 hijackers, at exactly the same time that Bandar was getting his cut of the BAE al-Yamamah kickbacks.

New U.S. Bill, EPA Rules Announced for 'Clean Air/Anti-Warming'

Oct. 1 (EIRNS)—A 821-page (!) bill was introduced in the Senate yesterday, called the "Clean Energy Jobs and American Power Act," which purports to combat climate change and move the country to a "clean energy" economy. Its sponsors are Barbara Boxer (D-Calif.) and John Kerry (D-Mass.). On the same day, the White House moved to push for anti-CO₂ action through the Executive Branch, with or without Congress.

The Environmental Protection Agency announced that it will seek to issue a rule that the nation's biggest greenhouse gas emitters must install advanced pollution-control technology to operate any facility they plan to construct or significantly modify. This affects hundreds of power and other facilities. This EPA initiative, and the Boxer-Kerry bill, can be seen as attempts to create political arguments for the Administration at the Kyoto II climate meeting in December in Copenhagen, that the U.S. is acting to curb carbon emissions, etc., and the rest of the world should follow suit, by strangling their own industry and agriculture.

Apart from providing a pretense of momentum, pre-Copenhagen, some of the details of the Boxer-Kerry bill are apparently "up in the air." For example, Kerry said that the exact details of carbon cap-and-trade or other funding and gas emission programs, would be left to the Senate Finance Committee to work out—the same Committee now wrestling with the fascist Obamacare proposals.

H1N1/09 Pandemic on Course for Damage and Death in North America

Sept. 30 (EIRNS)—The "Fall Wave" of the H1N1/09 flu is now gathering speed in North America, as expected by epidemiologists, and as downplayed by the Obama Administration, bent on imposing health-care "reforms" to cut infrastructure and population; not to treat and protect people.

In the United States, the new flu is now widespread in at least 26 states, where there are hundreds of clusters of cases, along with "hot spots" of cases showing up in outlying areas. In Mexico, the number of flu cases reported last week was above the level of last April, in Round One of the new influenza. In Canada, flu is present in all provinces.

The de facto U.S. public health policy for dealing with the new flu—as stated by local leaders—is that: We hope and pray it won't hit lots of nearby places all at the same time, because we can't cope. Already, hospitals in St. Louis, Atlanta, Nashville, several locations in Texas, and elsewhere, have activated their parking lot tents, and other expediences to try to deal with the surge of emergency visits, especially for the fraction of severe cases—usually the young—that develop

complications. The new flu favors youth. So far, more than 50 children have died, directly or indirectly from the virus, in the United States.

These emergency tents, mobile hospital vans, and other makeshift arrangements are just the manifestation of what has been lined up by local hospitals and state governments over the past six months, to try to handle the Fall Wave they knew was coming. There was no other recourse, given the rate of takedown of beds and facilities under the last 35 years of HMO policy. Added to that, the Obama Administration has refused to intervene, except for a pretense amount of funding and "guidelines." Instead, the White House has focussed on commercial vaccine production, the first batches of which are going out in the first week of October, but whose impact may not take place until *after the peak* of the Fall Wave.

Obama's Prof Says President Is Depressed About Being a Dictator

Sept. 30 (EIRNS)—President Obama's alma mater, Occidental College, ran a front-page story in its current issue, about Prof. Roger Boesche's meeting with President Obama in the White House last month. (The professor taught Obama in 1979, and Obama had mentioned him as a positive influence.)

The article gives the professor's account of his meeting with Obama, as discussed with the student reporter, quoted below.

"Besides pleasantries, what did you guys talk about?" I asked.

"I gave him my Tyranny book and told him that if everybody in the State Department read it, they would completely understand places like North Korea. He was looking at the book, studying the cover.' "

The cover has the word "Tyranny" in bright bold letters against a background of famous tyrants: Mao Zedong, Stalin, and Hitler. "[Obama] said, thoughtfully, "'Some people would think that my photo should be on this,' Boesche recalled.

" 'You try and get something like health care and you get called all sorts of names. I found myself trying to cheer him up,' said Boesche."

The Boesche-Obama meeting was a total of 12 minutes, and the only thing the professor could report, was that he had to cheer up Obama about belonging in the picture gallery with Hitler!

Retired Officers Press Administration To Close Guantanamo

Sept. 30 (EIRNS)—A group of 15 retired flag officers, pressing the Obama Administration to follow through on its commitment to close the Guantanamo prison camp, met with Attorney General Eric Holder Sept. 28, and were to meet with other top defense and intelligence officials over the next two days. The retired generals and admirals spoke out forcefully against the system of preventive detention being proposed by President Obama.

In a press conference and interviews yesterday, the officers accused former Vice President Dick Cheney and others of scaremongering about the dangers of closing the prison camp. "It's up to all of us to say these arguments advanced by Cheney and his acolytes are nonsense, and that really what they're doing is undermining our national security by delaying the date at which Guantanamo is closed," retired Brig. Gen. James Cullen said. The officers charged Cheney and his daughter Liz with exaggerating the risks of bringing Guantanamo prisoners to the United States. "Can you imagine getting a terrorist from Guantanamo convicted and put in a federal penitentiary in your town?" retired Gen. David Maddox, former commander of U.S. Army forces in Europe, asked. "Have you ever checked who the hell's in there already? Have any of them gotten out? The person who we're putting in is probably a heck of lot less dangerous than most of them who are

already in there."

Some of the officers said they are less concerned about meeting the Jan. 22 deadline set by Obama, than about completing the review process, and ensuring that Guantanamo will be closed as soon as possible. They said that they were "encouraged" by Holder's commitment to close the prison by the January deadline set by the Administration. Maddox said all detainees at Guantanamo should be either prosecuted or released, and the goal should be that none of the prisoners remain in preventive detention. Maddox added that Attorney General Holder "shared that goal."

Also participating in the officers' visit to Washington, which was organized by Human Rights First, was retired Army Gen. Anthony Taguba, who conducted the ground-breaking investigation of Abu Ghraib prison in Iraq. The officers are planning to speak at events across the country to present their case for closing Guantanamo.

Ibero-American News Digest

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[Mexico Braces Itself for Worsening A/H1N1 Pandemic](#)

[Drug Holocaust Spreads Across Argentina](#)

To the Moon and Mars, Says Argentine Engineer

Sept. 29 (EIRNS)—Argentine media is abuzz with the news that the U.S. National Aeronautics and Space Administration (NASA) has just awarded a grant to Argentine aerospace engineer Pablo de León, to build a prototype system—laboratories, lunar rover, inflatable housing, and spacesuits, among other things—to be used for manned exploration of the Moon.

De León, a longtime admirer of Lyndon LaRouche, is the director of the Spacesuit Laboratory in the Department of Space Studies at the University of North Dakota. He emphasized in several interviews that the goal of all his work is a manned mission to Mars. NASA proposes to test the equipment De León has designed for a 180-day manned lunar mission, for later use on Mars. He has already designed and produced for NASA the NDX-1 space suit, a prototype of what would be used on Mars, and will finish the NDX-2 prototype suit for use on the Moon, by the end of the year.

De León's proposed system for a Moon/Mars mission includes a motorized vehicle with a pressurized module, in which astronauts can travel and sleep, without having to wear bulky space suits. This would give them the ability to travel fairly far from the lunar base, exploring and conducting experiments that were impossible during the much shorter Apollo missions.

De León proposes covering the habitat structure with lunar dust, to protect it, and its human inhabitants, from dangerous solar radiation.

Zelaya: Lousy Acting in a Grade-B British Flick

Sept. 29 (EIRNS)—Injecting some plain speech and reality into what passes for political leadership in the Americas these days, the U.S. Ambassador to the Organization of American States (OAS), Lewis Anselm, blasted George Soros's deposed asset, former Honduran President Manuel Zelaya, for acting like a cowboy in a Grade-B movie.

Anselm was addressing an emergency OAS session on Honduras, called after the current Honduran government imposed a state of siege on Sept. 27, in response to Zelaya's call for demonstrators to converge on the capital, Tegucigalpa, on Sept. 28, to launch "a final offensive" to reverse his ouster as President, exactly three months earlier.

Zelaya, who was thrown out of office, and the country, for violating the Constitution, has been holding court at the Brazilian Embassy, where he took refuge on Sept. 21, after sneaking back into the country. Posturing as a revolutionary martyr, he has plied the media with macho speeches, warning that it's "insurrection or death."

Zelaya's "Bolivarian" antics are part of the dangerous British game for the region, which seeks to turn desperately impoverished Honduras into a flashpoint for upheaval in the Americas. Some other Ibero-American governments that have played willing pawns in the British game, weren't too happy about Anselm's remarks.

Zelaya's provocative return was "irresponsible and foolish. He should cease and desist from making wild allegations and from acting as though he were starring in an old movie," Anselm told the OAS. "Having chosen, with outside help, to return on his own terms, President Zelaya and those who have facilitated his return, bear particular responsibility for the actions of his supporters." Anselm also slammed the state of siege as "deplorable," and insisted that Honduran parties come to a negotiated agreement to settle the crisis.

He added later, reportedly when he thought the microphones were off, that the way things were going at the OAS, not even a dose of Viagra could restore its potency.

Mexico Braces Itself for Worsening A/H1N1 Pandemic

Oct. 1 (EIRNS)—The Mexican government is bracing itself for an accelerated rate of A/H1N1 infection, as Winter comes on.

Auguring what is to come, in September, the total number of diagnosed cases shot up to 9,231, significantly higher than the monthly high of 6,838, when the swine flu first hit last April. Four thousand cases out of the September total appeared just in the last week of the month, indicating that the infection rate is increasing. Northern and central states have been hardest hit.

According to public health and other government officials, as of Sept. 28, the number of diagnosed cases in most of the affected states had doubled, and even quadrupled, in less than a month. Health Secretary José Angel Córdova estimates that during the height of the seasonal flu, during the coming Winter, there could be as many as 5 million A/H1N1 cases, and 2,000 deaths.

This presents the country with a huge challenge for which it lacks resources. At the point that demand for medical services and hospital beds starts to really increase, Córdova said, the health system is going to have to set aside 12% of hospital beds—10,000 to 12,000—to admit expected flu patients. Surgeries and other services that are not urgent, will have to be postponed.

Córdova announced on Sept. 28 from Washington that the government has been in talks with the World Bank for a 5 billion peso loan that would allow it to purchase the vaccine it needs, and complete construction of the new building

housing the National Epidemiological Reference Institute (INDRE). Mexico will not receive donated vaccine from the U.S., U.K., Brazil, and France, because it doesn't qualify as a "poor" country. But Cordova said that foreign labs are offering Mexico a reduced price for vaccine, since it provided them with the virus strain needed to produce the vaccine.

Drug Holocaust Spreads Across Argentina

Oct. 3 (EIRNS)—Anti-drug activists in Argentina are sounding the alarm about a new, more lethal drug—"paco loco"—which leaders of the Mothers Against Paco describe as a "drug of annihilation."

George Soros can take credit for that. President Cristina Fernández de Kirchner's government is about to introduce legislation that Soros's agents have lobbied for throughout the continent: legal drug consumption for "personal use."

Personal use? "Paco" is the highly addictive crack cocaine, which initially swept through the country's urban slums, luring impoverished youth and adults into addiction. It then moved into the middle and upper classes. Normally dealers sell it for six pesos a hit, but to stretch out their supply, and sell to more people at a somewhat lower price, they are now mixing it with prescription drugs such as clonazepam and drugs used to treat Parkinson's disease, or with cough medicine, analgesics, and anti-flu medication.

This is "crazy paco," and the result is deadly. "The level of addiction is tremendous," says Alicia Romero of the Mothers Against Paco in Buenos Aires. "Kids go from just one dose to a huge number in just a few days." In poorer sections, addicted kids, who consume 30-40 hits daily, die at a rate of 40 a month.

Criminologist Roberto Locles reports that "some die from overdose, literally blown apart. The addiction causes others to lose all control, and they're killed by the same dealers, or when they go out to rob someone when they can hardly stand up.... We're reaching an extreme situation, because now family finances are organized around paco. There are little [paco] factories set up in some garages, or in people's dining rooms."

For the first time, in Buenos Aires's poorer neighborhoods, turf wars are occurring, causing about ten deaths per week. Local dealers give automatic weapons or rifles to teens, with orders to kill anyone who tries to invade their turf. Kids are killing kids to protect the dealers who supply them.

Western European News Digest

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French Rationalists Declare War on Malthusians

Irish Turnaround on Lisbon Treaty Questioned

Oct. 3 (EIRNS)—According to the official results, Irish voters approved the Lisbon Treaty by a margin of 67.1% "yes" to 32.9% "no." This is quite a turnaround from the June 2008 referendum when 53.4% of Irish voters voted "no" and the treaty was defeated. While the ruling parties in Dublin are reported to be overjoyed at the result, along with Eurocrats, the London *Daily Telegraph* gives a different picture of the result.

"I'm here because I have a vote and, basically, I've been told what to do with it," one Irish voter told the *Telegraph*. "Every time I turn on the television some politician tells me that only the EU can save this country. I don't want to do it. I feel disloyal, but today I am voting yes. It isn't how I voted 16 months ago, but I've been left feeling I have no choice." The *Telegraph* story makes much of the economic collapse that has devastated Ireland since the June 2008 vote. Much of the electorate that voted "no" in 2008 "clearly felt they now had no choice but to switch allegiance and reluctantly come out in support of the European Union—presumably in the hope that it can help its failing fortunes."

Meanwhile, British Tory Party leader David Cameron vowed, today, to hold a referendum on the Lisbon Treaty if it's still being debated by the time of the next general election, expected by June of next year. More important, however, might be the opposition of Czech President Vaclav Klaus, who said Prague's ratification of the treaty was "not in the cards" any time soon, because the Czech constitutional court has yet to rule on the matter. One can expect enormous pressure to come down on Klaus, in the aftermath of the Irish vote, and if he breaks, Tony Blair will soon be president of Europe and Cameron's promise of a referendum will be irrelevant.

Tories Say They Will Block Blair

Oct. 3 (EIRNS)—Former British Prime Minister Tony Blair might find resistance in Britain to his mad dash to become president of the European Union, if the Lisbon Treaty is passed. Speaking at the Conservative Party conference, William Hague, Shadow Foreign Secretary, told the *Times* that his party will work to block Blair from becoming "president" of Europe. "There could be no worse way to sell the EU to the people of Britain."

Obama Meets His Mustache in Copenhagen

COPENHAGEN, Oct. 2 (EIRNS)—President Barack Obama and First Lady Michelle Obama came to Denmark to put their reputations on the line, to try to make sure that Chicago would be the city where the Olympics would take place in 2016.

Three LaRouche activists held a demonstration close to the building where the conference was taking place. They featured a 2x1.5-meter poster with the picture of Obama and his Hitler mustache, captioned, "I've Changed," and the EIRNS logo underneath.

The media carried live pictures of the whole process, where the poster was briefly shown (however, in the replays, that clip was removed). Another part of the U.S. delegation also drove by the poster on their way into the Congress building.

Depression Threatens Europe's Social Stability

Oct. 2 (EIRNS)—Unemployment in the 16 eurozone countries is reaching a ten-year high, with 15.2 million now officially

recorded. Spain, with unemployment at almost 19%, tops the list.

In this light, a memorandum prepared for today's Goeteborg meeting of the 27 European Union finance ministers tells a bit more about the difference between what the normal population is being told about alleged "recoveries," and what the EU experts know is really the situation: The memorandum, which was leaked to the London *Financial Times*, voices concern over the future of Europe's social systems, if the crisis deepens and erodes the budgets of the member states further, through decreasing tax revenues and increasing expenses for labor market support.

"The continued high joblessness with its potentially long-term effects on the labor markets and potential growth could threaten the European social state models, which already now are burdened by the aging of the populations," the report says.

Swedish Astronaut Promotes Manned Mars Mission

STOCKHOLM, Sept. 28 (EIRNS)—Swedish astronaut Christer Fuglesang hopes to be part of a project for new manned landings on the Moon, and, after that, Mars. This is what he said upon his return to Sweden, following his trip on the Space Shuttle *Discovery* two weeks ago. Both yesterday, at the airport, and at a special reception, and then again this morning in a TV interview, he used his time to not only discuss his two space trips, which probably are his last, but to promote the Mars project.

Answering a question on what now motivates him to go to work, he said: "I hope that the space program will have some more challenging goals: to go to the Moon and maybe to Mars." He then discussed a 1.5-year trip to Mars, and compared it to the discoverer Magellan, who was at sea for three years.

The 1.5 year-figure is based on a projected inertial trajectory. Lyndon LaRouche has proposed fusion energy-based propulsion, to permit a constant acceleration/deceleration of 1-gravity, which would make it possible to complete the trip in 2-3 days.

City of London Mouthpiece Demands Depopulation

Sept. 30 (EIRNS)—In an editorial appearing in its Sept. 25-26 edition, the *Financial Times* called for a renewed drive for population control, in the name of Parson Malthus. The piece, entitled "Malthus Redux," cites a study of Optimum Population Trust, which argued that the most "cost-efficient" manner to cut carbon dioxide production, was to reduce population. In fact, the *Financial Times* says, "it is hard to think of any aspect of life on earth that would be improved by having more people."

The *Financial Times* claims this could all be voluntary—and a lot easier with the Obama Administration than the previous Bush team. In fact, they are enforcing the very economic policies which are guaranteed to force massive depopulation, including in their own British Isles.

The Optimum Trust report was also hyped in the U.S., by the *Washington Post*, shortly after its release, two weeks ago.

French Rationalists Declare War on Malthusians

PARIS, Sept 28 (EIRNS)—Jean Pierre Chevènement, the President of the Parti radical de gauche (Radical Left Party), and former Research and Education Minister, has mounted an offensive against the Green fad rocking France since, in particular, this year's European elections. Chevenement had already attacked the Malthusian cult, at his party's summer

school in August. In an interview with the *Marianne* website yesterday, he goes much further, blasting Sarkozy and the Socialist Party, the first out of "perversity," the second out of "stupidity," for having "created a vast media bubble around [Green leader] Daniel Cohn-Bendit, that no other political official has ever enjoyed. 'It's a sacred cow. Let me genuflect.' But, despite the efforts of Mr. Sarkozy to give CPR to the Greens, it is likely ... that this bubble will collapse at the upcoming regional elections."

Russia and the CIS News Digest

Russian Scientists Raise Alarm Over Destruction of Science

Putin To Visit China in October

Ukrainian Conference Proceedings, Featuring LaRouche, Published

Russian Scientists Raise Alarm Over Destruction of Science

Oct. 2 (EIRNS)—The Russian daily *Vedemosti* today published a letter to President Dmitri Medvedev from a group of prominent Russian scientists working abroad, who warn of the collapse of Russia's science capabilities. Similar to the repeated warnings of U.S. economist Lyndon LaRouche, on this issue, the letter laments the "catastrophic state of theoretical science" in Russia and calls on President Medvedev to put forward proposals to ensure the country's scientific and technological development. In particular, they warn of the tremendous "brain drain" of Russian scientists abroad.

The scientists call on the President and Prime Minister Putin to rectify the situation by "ensuring transparent financing of science projects, integrating Russian science into global research efforts, introducing international assessment standards and resorting more often to the practice of independent grants." They also urge the Russian government to host a major project, for instance, in high-energy particle physics, which might attract international participation and promote scientific careers in the country. "We believe that urgent measures to prevent the looming collapse of science in the country, and efforts to draft and implement a new model of scientific and technological development, must be among the Russian leaders' top priorities," the letter said. The 40 signers agreed to lend their advice to the government on the necessary measures to be taken.

Similar concerns had been voiced in a recent article in the popular weekly *Argumenty i fakty* by a Russian physics professor, who noted the diminished prestige of scientific pursuits in Russia and the loss of the Classical humanist curriculum in the education system, which he considered to be the necessary basis for the promotion of scientific careers among young people.

Putin To Visit China in October

Sept. 29 (EIRNS)—The international financial crisis will be on the agenda when Russian Prime Minister Vladimir Putin and other heads of government from the Shanghai Cooperation Organization (SCO) member countries visit China Oct. 12-14, Chinese Foreign Ministry spokesman Jiang Yu announced in Beijing today. Putin will hold bilateral discussions with Chinese Prime Minister Wen Jiabao and President Hu Jintao, who invited him to China when Hu was in Russia in June; Putin will then attend the SCO meeting Oct. 14. Jiang said that the leaders would discuss ways of addressing the international financial crisis and deepening regional economic and humanitarian cooperation.

Putin could use some intelligent discussion about the crisis: Today, he told the VTB Capital Bank investment forum in

Moscow that, despite the private sector's demands for increasing government bailouts, his government would go for even more privatization. "Russia had preserved the free movement of capital and the convertibility of the ruble," he said. "Russia will remain a liberal, free-market economy."

Ukrainian Conference Proceedings, Featuring LaRouche, Published

Oct. 1 (EIRNS)—The proceedings of the conference on "Physical Economy: Research Methodology and the Global Mission of Ukraine," held in Kiev this past April, have been published in limited-edition book form. The 532-page volume begins with statements and greeting messages by the conference organizers, as well as by Ukrainian President Victor Yushchenko, Academician A.F. Pavlenko, and American economist Lyndon LaRouche. LaRouche's statement is his message to the conference, "Science and Society Now," which was read at the event by Rachel Douglas, and published in *EIR* of May 1, 2009.

Also included in the book is LaRouche's essay for the occasion, "The Principle of Mind" (*EIR*, April 3, 2009). It appears in full in the original English, and in a Russian translation of a large part of the article. Sky Shields' conference presentation, "The Pedagogical and Political Mission of the LaRouche Youth Movement," appears in the same opening section of the book as LaRouche's article, on "The Theoretical and Methodological Foundations of Physical Economy."

The conference was co-sponsored by the Kiev National Economics University (KNEU) and the S.A. Podolynsky Scientific Society. They, together with the Ukrainian Ministry of Education and Science, have brought out the book of the proceedings.

Besides LaRouche's and Shields' presentations, the conference discussion and many other presentations underscored the importance of LaRouche's economic ideas for addressing the current crisis. Notable, in the conference papers which have now been published, are those of KNEU lecturer Lyudmila Vorobyova, who situated LaRouche's work on physical economy as a sequel to that of Academician Vladimir Vernadsky, and Vernadsky expert A.A. Ignatenko, senior scientific advisor at the Regional Museum in Kremenchuk, Poltava Region. Ignatenko, calling for renewed study of Vernadsky's concept of the Noösphere, also highlighted LaRouche's writings on transforming the Biosphere, including through infrastructure development corridors.

The volume concludes with "Recommendations of the Conference," which incorporated—though not by name—the proposal which Schiller Institute founder Helga Zepp-LaRouche conveyed to the meeting, that, in the current crisis, the conference should urge scientists, governments, and citizens of all countries to demand solutions based on physical economy, drawing on the work of Leibniz, Alexander Hamilton, Henry Carey, Friedrich List, Dmitri Mendeleyev, Vladimir Vernadsky, and Lyndon LaRouche (in addition to the conference's announced emphasis on S.A. Podolynsky and Mykola Rudenko).

Only 150 copies of the proceedings were printed, for distribution to the conference participants, Ukraine's libraries, and a number of prominent figures in the government and scientific community. KNEU staff are studying the possibility of further disseminating the proceedings online, or in a commercial edition of the book.

The April conference was also publicized in the August issue of *Ekonomika Ukrainy* (The Ukrainian Economy), monthly journal of the Ministry of Economics, Ministry of Finance, and the Ukrainian Academy of Sciences. Lyudmila Vorobyova's three-page report on the conference included the full text of LaRouche's "Science and Society Now" greeting.

Southwest Asia News Digest

Geneva Talks a Positive Step Away from War

Clinton Calls Iran Talks Productive

British Intelligence Contradicts U.S. on Iran Nuclear Program

Brits Play Their Temple Mount Card Once Again

Geneva Talks a Positive Step Away from War

Oct. 2 (EIRNS)—A senior U.S. intelligence source confirmed to *EIR* today, that yesterday's negotiations in Geneva, between Iran and the P5-plus-one group, represented a positive step forward, that has "stopped the clock" on sanctions and possible military action. According to the source, the 45-minute private conversation between the top U.S. negotiator, William Burns, and his Iranian counterpart, Saeed Jalili, was fruitful, and showed a shift in attitude on the part of the Iranian government—as well as a willingness of the U.S. Administration to follow through on pledges to engage in direct diplomacy with Tehran.

The fact that International Atomic Energy Agency inspectors will be allowed to visit the newly revealed Qom enrichment facility, will mean that the IAEA will get a much more up-to-date window into Iran's centrifuge technology. But, the source emphasized, most important is that the Iranians will ship an as-yet-unknown portion of their 4,000 to 4,500 pounds of low-enriched uranium (LEU) to Russia and France for reprocessing into material needed for a medical reactor; and this means that Iran no longer has sufficient material to potentially build a bomb. This deters the British and the Israelis from claiming that Iran is on the verge of having a nuclear weapon.

The source explained that there is now a consensus among the top American, European, and Russian analysts, that Iran has decided, for the time being, to abandon, or at least delay, any further work on a weapons program. Furthermore, the current Iranian regime, including Jalili, represents the faction in the Islamic Republic that is most ideologically committed to obtaining a nuclear weapons capability. Thus, their decision to make the deal in Geneva is of particular significance. At minimum, they are looking to win international recognition, while they attempt to consolidate their grip on power, after the post-election demonstrations, and the international reaction against the crackdown on the protesters and reformers.

Briefed on this report, Lyndon LaRouche added his own assessment that the U.S. national security team did an overall good job, in pursuing a war-avoidance policy in Geneva. They have now minimized the short-term risk of a British-engineered Israeli "breakaway ally" attack on Iran. LaRouche further observed that President Obama is facing a pile-up of real policy problems at this moment, and this has minimized his adventurism. That, too, was helpful, LaRouche said.

Clinton Calls Iran Talks Productive

Oct. 1 (EIRNS)—The P5+1 talks with Iran in Geneva on Oct. 1 have been seen, as Secretary of State Hillary Clinton said, as productive, and as opening the door to progress. Most notable is the one-on-one discussion over lunch between U.S. Undersecretary of State William Burns and Iranian Supreme National Security Council representative Saeed Jalili. The direct U.S.-Iran discussion, which covered a variety of issues, was the first such discussion in 30 years, since the Iranian Revolution in 1979.

At a press conference at the conclusion of the Geneva meeting, EU Secretary General Javier Solana announced that three areas of agreement had been reached:

1. A follow-up meeting will be held at the end of October, with the agenda being worked on by representatives of all participants in the coming days;
2. Iran says it will cooperate fully and will invite inspectors to visit the newly announced Fordu facility within weeks. After the meeting, the IAEA announced that its General Secretary, Mohamed ElBaradei, will travel to Iran this weekend to personally work out the details;
3. Low-enriched uranium produced in Iran will be transported to third countries and fabricated into fuel assemblies for the Tehran research reactor which produces isotopes for medical application. A senior U.S. diplomat, in a press conference, said Iran had requested this and that the U.S. and Russia had reached a proposal that Russia would perform the processing with France proceeding with the fabrication of the fuel assemblies.

Another diplomatic breakthrough was the U.S. permission to allow Iranian Foreign Minister Manouchehr Mottaki to visit the Iranian interest section in the Pakistani Embassy in Washington, for the first time since Iran's revolution. The visit occurred on the day before the Geneva talks.

Iran's Press TV reported that the British attempted to undermine the talks by scheming to remove Iran's proposals from the agenda. The British attempt was evidentially unsuccessful, as U.S. officials, speaking at a press conference after the day's events, described discussions between all participants as free flowing.

British Intelligence Contradicts U.S. on Iran Nuclear Program

Sept. 30 (EIRNS)—The *Financial Times* reveals on its front page today that British intelligence, in explicit contradiction to the U.S. 2007 National Intelligence Estimate, claims that Iran made the decision in 2004 to weaponize its nuclear program. This decision, they claim, was made by Supreme Leader Ayatollah Ali Khamenei. This "leak" was published on the eve of talks between the U.S. and Iran which involves the first one-on-one talks since 1979. The British scare story is an attempt to prevent the talks, or feed a U.S. faction that wants to prevent U.S.-Iranian normalization.

U.S. Secretary of Defense Robert Gates and Director of National Intelligence Adm. Dennis Blair have upheld and updated the 2007 National Intelligence Estimate, which found that Iran does not have a nuclear weapons program. And, on Sept. 27, 2009, Gates told ABC-TV that even recent revelations of a new Iranian nuclear facility do "not necessarily" contradict the 2007 NIE.

Recall that the British war party in 2002-03 through then-Prime Minister Tony Blair, was infamous for "sexing up" the Iraq weapons of mass destruction dossier in order to launch the Iraq war. Such *Financial Times* spin is a step in the direction of creating a similar false record for a future military strike against Iran.

Brits Play Their Temple Mount Card Once Again

Sept. 28 (EIRNS)—Yesterday, the British Masonic-steered Temple Mount Faithful fanatics, with Israeli military and police escorts, staged a violent provocation at the Islamic holy sites on the Haram al-Sharif (Temple Mount) in Jerusalem. The Jewish fanatics, who enjoy extensive political and financial backing from the Quatuor Coronati Grand Lodge of British Freemasonry and the American and European "Christian Zionists," attempted to enter the al-Aqsa Mosque to stage a Jewish ceremony. Muslim youth threw rocks at the Israeli soldiers and the Temple Mounters, and a violent confrontation erupted, in which dozens were injured, and, possibly, two killed.

The incident was a replay of the Sept. 28, 2000 invasion of the Temple Mount by Ariel Sharon (who was then the chairman of the Likud party), accompanied by over 1,000 Israeli police and soldiers. That incident sparked weeks of rioting and triggered the second Palestinian intifada. It also brought down the Israeli government, and paved the way for Sharon's election as Prime Minister six months later. *EIR* documented that 2000 incident, and provided in-depth background on the British control over the entire Temple Mount apparatus, in a December 2000 Special Report, "Who Is Behind the New Religious War in the Middle East?"

Arab governments and the Organization of the Islamic Conference issued strongly worded protests against the Temple Mount provocations, which are clearly aimed at sabotaging any efforts at a two-state solution to the Israeli-Palestinian conflict. Sources in Washington have reported growing support for a binding UN Security Council resolution, creating a Palestinian state on the 1967 borders. Briefed on this, Lyndon LaRouche commented, "The British will never let it happen." The reactivation of the Temple Mount provocations show just how right LaRouche was.

Asia News Digest

U.S. Begins Serious Diplomatic Talks with Myanmar

India, Africa Threaten Walkout at Copenhagen Summit

U.S. Begins Serious Diplomatic Talks with Myanmar

Oct. 1 (EIRNS)—In the same week that U.S. talks with Iran are beginning, the United States, under the direction of Secretary of State Hillary Clinton and Assistant Secretary for Asia Kurt Campbell, initiated a dialogue with the military government of Myanmar, part of the "reassessment," announced last week, of U.S. relations toward that Asian nation. The British effort to drag the U.S. along in treating Myanmar, like Iran and North Korea, as a "rogue nation" and a "brutal dictatorship" that must be confronted rather than engaged, is beginning to crumble under the direction of the saner foreign policy forces within the Obama Administration.

Campbell testified Sept. 30 before a Senate committee hearing chaired by Jim Webb (D-Va.), who opened the dialogue unofficially with his historic trip to Myanmar in August. Webb confirmed that official administration policy is that sanctions have been a miserable failure, and that the [British-run] opposition in Myanmar is being told by the U.S. that it should drop its support for sanctions, and join in the 2010 election process, no matter how flawed the newly adopted constitution, or the electoral process, may be in the eyes of Western nations.

Webb challenged a professor from Indiana, who ranted about the Myanmar regime as "killers" and "rapists," who must be confronted, not engaged, by reporting on his own initial opposition to lifting sanctions against Vietnam, where he had fought as a Marine officer, until he visited the country and saw the damage done against the population by the sanctions policy. Now, he said, Vietnam is progressing rapidly, while Myanmar looks the way Vietnam did before the U.S. lifted sanctions and allowed the country to engage with the rest of the world. Does the professor, he asked, wish to keep the population of Myanmar in a state of backwardness?

It was of note that the name "Obama" was never mentioned at the hearing, as all the witnesses discussed the new policy as a State Department project, with no reference to the White House.

India, Africa Threaten Walkout at Copenhagen Summit

Sept. 30 (EIRNS)—India's Minister for Environment and Forests Jairam Ramesh yesterday asserted that India will walk out of the Copenhagen Climate Change summit, to be held in December, if the Western world insists on enforcing any kind of legally binding agreement on carbon emissions. He charged European nations with adopting a fundamentalist approach, which was destroying the Copenhagen agenda. Ramesh said India would not take on legally binding emission reduction targets "because our per-capita emissions are low."

Earlier this month, at the African Union summit, leaders and environmental ministers discussed what Africa's "minimum demands" will be at the climate talks. Ethiopian Prime Minister Meles Zenawi, elected to speak on behalf of the AU, outlined a series of demands, and said that if these demands are not met, the African nations will walk out of the Summit.

Ramesh pointed out that the developed nations' demands, which are reflected in the Copenhagen agenda—of monitoring, reporting, and verification for domestic projects—are totally unacceptable. There is no question of monitoring, reporting, and verification (MRV) for domestic projects and actions. We are open to this idea for internationally funded projects, something that has been stated by Prime Minister Manmohan Singh time and again. There is no weakening of India's position and our initiatives will only give us the required strength to negotiate in the international forum, Ramesh added.

Africa News Digest

Sudan Presidential Advisor Sees Huge Potential for U.S.-Sudan Relations

20 Million People Without Food in Horn of Africa

Chinese Bid for Big Stake in Nigerian Oil Alarms Brits

Sudan Presidential Advisor Sees Huge Potential for U.S.-Sudan Relations

Sept. 29 (EIRNS)—Sudanese President Omar al-Bashir's most senior advisor, Ghazi Salaheddin, while on a short working visit to Washington, answered questions today from *EIR*, on the potential for economic development of the former colonial, unindustrialized nations, and on relations between the United States and Sudan. A transcript follows:

EIR: Lyndon LaRouche has called for a return of the United States to its Constitution to establish a new worldwide credit system based on a four-power agreement among China, Russia, India, and the United States. If such a shift could be made, how would you envision the potential for development in Sudan, Africa, and the world?

Ghazi: Any system which establishes a just and equitable world economic order will be to the benefit of developing countries, and Sudan in particular. You must remember that countries like Sudan have huge resources, and the thing that has stood in the way of their development has been the unfair international economic relations, as exemplified by the Bretton Woods institutions, the IMF, and World Bank, etc.

So we are very much for a new world economic order that can achieve equality between the countries, and unleash and unblock the potential of countries, like my country, Sudan.

So I hope this advice is heeded, and we can begin debate on what kind of system we will employ.

EIR: If the United States were to break with traditional British policies toward Sudan and Africa, what potential would

exist for U.S.-Sudanese relations?

Ghazi: We have a huge potential for relations. I think we both draw upon huge resources, both human and natural resources. We believe that the American people basically are generous people, and open, and very keen on having productive relations with others. So are the Sudanese. What is standing in the way is American policy of successive administrations, especially the previous administration, the Bush Administration. And if we could allow the two peoples to interact, and to join hands together, I think we can work miracles, both for Africa and for the United States.

20 Million People Without Food in Horn of Africa

Sept. 29 (EIRNS)—Somalia, southern Ethiopia, Northern Kenya, Uganda, and Sudan have been hit with drought, due to shifts in the rainy season. An official from the Lutheran World Association reported upon returning to Sweden, on Swedish radio, that "the corn fields are just brown, with no corn at all."

Famine conditions such as this have been consciously created, and make African nations vulnerable to British imperial destabilization campaigns which will wreck them as sovereign nations. Such conditions could have been prevented if Lyndon LaRouche's policy proposals had been implemented. Most immediately, for this region, if the insane policies of sanctions and isolation of Sudan had not been perpetrated, Sudan would already in a position to export food to its neighbors in the region.

Staffan de Mistura, deputy head of the World Food Program (WFP), warned that "the situation is critical," telling *Dagens Nyheter* Sept. 26 that 20 million people are in acute need of food in the Horn of Africa. Besides the years-long drought, he lists several reasons for the hunger, including the long conflict in Somalia, high food prices, and the global financial crisis.

This is "a dangerous mix," he said, but didn't want to compare it to the starvation catastrophe in Ethiopia in the 1980s. "But then, we learned what could happen if we did not act in time," Staffan de Misutra said. The WFP needs another \$977 million to tackle the situation in the Horn.

Sukhri Ahmed, an economist at the WFP, discussed food prices with Swedish radio. "They are on a higher level today, compared with the situation *before* the price increases and the food riots two years ago. This means that many people, in a situation of food insecurity, are becoming more desperate." As more people are dependent on food aid today, he said, "food aid has to be combined with investment in economies, agriculture and technology, because the dependence on food aid cannot continue."

Chinese Bid for Big Stake in Nigerian Oil Alarms Brits

Sept. 30 (EIRNS)—A Chinese oil company is bidding for the rights to explore and exploit such a large number of Nigerian prime oil blocks that—if the bid is completely successful—it would increase China's access to Africa's proven reserves from 3% to almost 7%.

The bid has sufficiently alarmed the British, to occasion three articles and an editorial in the *Financial Times*, Sept. 28-30. China's "latest and boldest bid to gain a strategic position in Nigeria's oil industry sets the stage for a showdown with western oil companies," according to the *Financial Times* article Sept. 29. The editorial that day says the same.

The Chinese deal could be between \$30-50 billion, according to the *Financial Times*, which reveals that the Chinese oil bids would be competing for 23 oil blocks which are presently controlled by western oil companies, which include Royal Dutch Shell, Chevron, Total, and Exxon-Mobil. CNOOC, one of China's three major energy companies, would be

attempting to lock up 6 billion barrels of oil, equivalent to 1 of every 6 barrels of oil in Nigeria.

The leases on 16 of the 18 on-shore blocks expired last year. The *Financial Times* reports that Royal Dutch Shell has filed an injunction against any change in ownership of the blocks, for which the licenses of many have apparently already expired.

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