

[return to home page](#)

**Several Observations:**

**On Russia Now**

**by Lyndon H. LaRouche, Jr.**

October 12, 2009 ...To address the global situation in which Russia finds itself today, the following introductory considerations must be laid out summarily, as follows. There has been much written, and otherwise said, on the continuing array of justified, or other disappointments left over from both the former Soviet Union, in Russia today, and in other former parts of that Union. The presently essential fact of those matters is to be summed up in three points. These points typify the characteristics of the current state of the process of degeneration of the world economy, when that process is considered as a physical economy as a whole, as since the immediate aftermath of the 1963 assassination of U.S. President John F. Kennedy.

**First:** in 1966-1968, as, in part, a consequence of the effects of the Kennedy assassination, the world as a whole had already been sent into a plunge triggered by the schemes of the British Harold Wilson government, pushing the world at large into early phases of what became not a merely deep economic depression, but a presently onrushing, accelerating, general, physical-economic breakdown-crisis of the entire planet....

**In-Depth articles from EIR, Vol. 36, No. 42**

**...Requires Adobe Reader®.**

## **This Week's Cover**

- **Several Observations:**

- **On Russia Now**

- **by Lyndon H. LaRouche, Jr.**

In response to a report from Russia, the author highlights three major points to be considered to understand the global situation today: 1) the trend since the death of President Kennedy toward a globalized form of physical and financial decline internationally; 2) the rise of globalization, and its forceful enslavement of nations; and 3) the critical consideration: the embedded belief of the majority of people today in universal entropy. This belief is opposed to the reality that both human economies and the human species develop anti-entropically. As an appendix to his report, LaRouche includes a discussion of his Triple Curve forecast, distinguishing the three curves of a monetary economy, with the two curves of a credit economy.

## **International**

- **LaRouche on Russia-China Cooperation:**

- **'A Potential Stepping Stone to a Four-Power Agreement'**

Lyndon LaRouche termed the Oct. 13 agreements between Russia and China a significant, smart move in the setting of the global

systemic economic crisis, because these agreements mean that China's U.S. dollar reserves are now worth something real, despite the fall of the dollar, because China is investing its dollars in infrastructure and other physical production.

- **Yakunin:**

### **LaRouche Warnings Were Crucial for Us**

- **LaRouche Sends Greetings:**

### **Vernadsky Museum Marks 250th Anniversary**

LaRouche said that the significance of the V.I. Vernadsky State Geological Museum today lies in the need to return the postponed scientific questions of physical economy to the head of the agenda, 'both for life on our planet itself, and the broader issues of the conditions of life bearing on human life, and life itself, in nearby regions of our Solar system.'

## National

- **Obama White House Unravels in Face of Depression Reality**

President Obama's popularity has undergone a more dramatic decline, during these last nine months, than any U.S. President in more than 50 years. Voter distrust that Washington has their interests at heart is increasing, as the physical economy ratchets downward since the Sept. 30 end of the fiscal year.

## Economics

- **Forget Speculators;**

### **We Need Machine-Tool Operators**

Production of the machine tools in America is all but dead, as sales of these and related technologies plunged 68% in the first eight months of this year. That means not only layoffs, but the decimation of a skilled labor force.

- **The LaRouche Plan Can Get Us Out of California Water/Food Crisis**

- **Momentum Grows for New Glass-Steagall**

- **Natalia Vitrenko Briefs LaRouche Movement on Crisis and Hope in Ukraine**

Dr. Natalia Vitrenko and Vladimir Marchenko, national chairwoman and deputy chairman of the Progressive Socialist Party of Ukraine, and signers of Helga ZeppLaRouche's 'Call for a New Bretton Woods' more than ten years ago, gave a seminar in Wiesbaden, Germany, to members and friends of the LaRouche movement.

## The LaRouche Show

- **General McChrystal's Folly:**

### **Britain's Afghanistan Game: Historical Cockpit of War**

*EIR* Counterintelligence Director Jeffrey Steinberg and South Asia specialist Ramtanu Maitra give a strategic and historical overview of this complex region of the world, which almost nobody in the United States understands.

## Editorial

- **Listen to the Wise Words of LaRouche!**

# This Week's News

## United States News Digest

### Medicare Premiums To Rise; Social Security Frozen

### Why They Want To Get Rid of Chairman Rangel

### California Nurses Set One-Day Strike Over H1N1 Unreadiness

### Britain's Global Euthanasia Directorate Inside U.S. Government

#### **Medicare Premiums To Rise; Social Security Frozen**

Oct. 20 (EIRNS)—Medicare premiums will increase next year, while Social Security payments will be frozen at their current levels.

The rise in Medicare premiums will affect the prescription drug plan (7% increase), the Medicare Advantage program (22% increase), and Part B Medical Insurance (15% increase for those making over \$85,000 a year). Yet, because of the fraudulent manner in which the government calculates inflation, Social Security beneficiaries will not receive a Cost-of-Living Adjustment (COLA) in 2010, on the spurious rationale that there has been no increase in the Consumer Price Index over the past 12 months.

Instead, the Obama Administration is offering seniors a one-time payment of \$250, a tiny fraction of what seniors will lose throughout their retirement. The Senior Citizens League calculates that seniors will lose over \$10,000 over the course of 20 years, due to the loss of the compounding effect of the average annual COLA.

Rep. Walter Jones (R-N.C.) has introduced the Emergency COLA Bill (H.R. 3557), which would provide a 2010 COLA equal to the average of the COLAs for the past ten years—about 3%. This would give the average beneficiary an additional \$415 in 2010; it also would prevent the loss of the compounding effect of annual COLA increases. "Because Social Security benefits are calculated using faulty methods that fail to account for the true cost of inflation, COLAs have been less than actual inflation and seniors' purchasing power has been dramatically eroded as a result," Jones said in a Sept. 17 statement.

The Senior Citizens League estimates that seniors have lost 20% of their purchasing power since the beginning of the decade, and they calculate that seniors' living expenses have risen almost twice as fast as the annual COLAs.

#### **Why They Want To Get Rid of Chairman Rangel**

Oct. 20 (EIRNS)—Congressional sources report that President Obama and Sen. Kent Conrad (D-N.D.) are meeting to discuss a fascist budgetary scheme which would seize the taxation and spending powers granted to Congress by the U.S. Constitution. The sources say that the talks on what is euphemistically called a "special legislative process," are being coupled with the Baucus health-care bill.

Last week, nine Democratic Senators, plus Sen. Joe Lieberman (I-Conn.), sent a letter to Senator Majority Leader Harry Reid calling for adoption of "a special process to deal with our nation's long-term fiscal imbalances," which, they assert, cannot be confronted "under the regular order in Congress."

The reference is to legislation introduced in both houses of Congress, known as the Securing America's Fiscal Economy (SAFE) Commission Act; the bills would create a commission to take over Congress's budgetary powers, to order massive budget cuts and slashes in Social Security, Medicaid, and Medicare, and require Congress to adopt or reject their dictates with a simple up or down vote.

As with the proposed nazi Independent Medicare Advisory Council (IMAC), the "death panel," which its defenders demand must be allowed to kill people without interference from elected representatives, Lieberman and his cohorts are moving to adopt dictatorial budgetary powers in order to implement genocide against the American population. *The Hill* reports that more than two dozen Senators have now backed the idea of a "special process," including a bill pushed by Sens. Kent Conrad (D-N.D.) and Judd Gregg (R-N.H.), a similar bill by Lieberman and George Voinovich (R-Ohio), and one by Reps. Frank Wolf (R-Va.) and Jim Cooper (D-Tenn.)—all demanding what *The Hill* calls "politically perilous changes to entitlement programs, particularly Medicare, Medicaid and Social Security."

*The Hill* identifies House Ways and Means Committee chairman Charles Rangel (D-N.Y.) as one of the foremost opponents of this scheme to circumvent "regular order" and the committee structure in the House. Which sheds light on the ferocious attacks on Rangel, as a desperate effort to deprive him of his committee leadership.

## **California Nurses Set One-Day Strike Over H1N1 Unreadiness**

Oct. 20 (EIRNS)—Some 16,000 registered nurses, at 39 Catholic hospitals in California and Nevada, will join in a one-day strike and picket Oct. 30, to protest poor readiness by hospitals to confront the H1N1 swine flu pandemic. The strike is also an outreach to the public, in conjunction with the nurses' contract negotiations with a Catholic hospital chain, where the swine flu situation is a big part of the dispute.

In California alone, swine flu has hospitalized over 3,000 people and killed over 200, including an RN infected on the job. Since August, the California Nurses Association (CNA) has cited as proof of unreadiness: nationwide problems with poor segregation of infectious patients; lack of sufficient N95 surgical masks; numerous hospitals where nurses have been infected; inadequate training for hospital staff; and punitive sick-leave policies.

The CNA became increasingly concerned after an oncology nurse (a triathlete and marathon runner) at Mercy San Juan Medical Center in Sacramento died July 17 of a severe respiratory infection, pneumonia, and H1N1. The hospital is one which the nurses will strike Oct. 30. The *Los Angeles Times* quoted a CNA spokesman saying, "We have a global pandemic of swine flu, and we need the hospitals to do a better job preparing. If the hospitals don't do a better job, they become incubators."

Glendale Memorial Hospital and Health Center officials released a statement Oct. 19 stating they will have enough backup staff to remain open, should nurses strike. In a statement quoted in the *Los Angeles Times*, they called the union's salary and benefit demands "unrealistic," adding, "Given the current economic environment and the challenges Catholic Healthcare West faces, the CNA's demands, if agreed to, would add to the ballooning cost of providing care and threaten our ability to meet our community's needs."

## **Britain's Global Euthanasia Directorate Inside U.S. Government**

Oct. 23 (EIRNS)—A top official of the U.S. National Institutes of Health (NIH) is the president of the British-based, Crown-approved group directing the promotion of global health-care rationing (euthanasia), the killing of the elderly, and other vulnerable population categories.

The American official, Marion Danis, heads the NIH Bioethics Department's Section on Ethics and Health Policy. Her unit works to apply to public policy the euthanasia strategies of Dr. Ezekiel Emanuel, chairman of the NIH Bioethics Department, and the leading health-care policy advisor in the Obama Administration. Florida, Utah, and other states have promulgated "in-case-of-pandemic" guidelines for hospitals to refuse or remove certain categories of patients from medical treatment, guidelines developed in accord with the explicit advice of Emanuel and his deputy Marion Danis over the past several years.

Danis is president of the International Society on Priorities in Health Care, Ltd. (ISPHC), headquartered at the University of Birmingham, England. This is the global group promoting rationing, and scheming how it may be implemented against the known public hatred of rationing.

Danis's ISPHC was founded in 1996. The group's orientation was set by its founding chief executive, Birmingham University's Chris Ham, who was ISPHC chairman from 1998 to 2000. Chris Ham is a longtime paid operative of the King's Fund, the British medical policy-setting unit of the Royal Family, headed by Prince Charles. From 2001 to 2004, under Prime Minister Tony Blair, Ham was head of the Strategy Unit of the U.K. Department of Health. He worked in tandem with Blair's health-policy aide Simon Stevens, who established an experimental euthanasia killing policy (the Liverpool Care Pathway) that Prince Charles' King's Fund subsequently adopted as standard practice for the National Health Service.

Ham edited a book published in London in 2003 called *Reasonable Rationing: International Experience of Priority-Setting in Healthcare*. The contributors to the book included others from the King's Fund and from Danis's ISPHC, along with genocidal bioethicist Peter Singer. The book was a preview of the rationing regime the British Crown and its associates wish to impose on the United States, and which the ISPHC has been advising countries from Peru to Israel to adopt.

## Ibero-American News Digest

### Major Hit vs. Mexican Drug Cartel Announced in Washington

### British Royals Claim Brazil's Lula as Their Own

### Brazil Pays for Letting Cartels Run Its Slums

### Genocide in Mexico: Electricity Workers Told to 'Drop Dead'

## Major Hit vs. Mexican Drug Cartel Announced in Washington

Oct. 22 (EIRNS)—Attorney General Eric Holder and Acting DEA Administrator Michele Leonhart announced today that, over the past two days, more than 3,000 Federal, state, and local law enforcement officials operating in 19 U.S. states had moved in coordinated fashion to arrest over 300 people linked to the La Familia drug cartel based in Michoacan, Mexico. Weapons, cocaine, methamphetamine, marijuana, and two clandestine drug labs were seized.

The operation, described as the largest single strike yet against "Mexican" drug cartel operations inside the United States, demonstrates what serious people within the U.S. institutions, when permitted, are capable of doing against the global drug trade run, top-down, from Britain.

The busts were the culmination of a 3.5-year investigation named "Project Coronado," in which more than 1,100 people have been arrested, including the latest 303. Dallas, Atlanta, and Los Angeles were the centers of this cartel's operations in the United States, but Holder noted that operations of the bestial La Familia extend to nearly every state in the United States. Holder emphasized that he, and other senior Department of Justice officials, have been coordinating with their Mexican counterparts.

## **British Royals Claim Brazil's Lula as Their Own**

Oct. 19 (EIRNS)—Brazilian President Lula da Silva has been chosen as winner of the Chatham House Prize 2009, beating out Saudi Prince al-Faisal and Liberian President Ellen Johnson-Sirleaf, the other nominees. The prize is awarded to the statesman deemed by members of Britain's Royal Institute for International Affairs (Chatham House) to have made the most significant contribution to the improvement of international relations in the previous year. The winner is presented with "a crystal award and a scroll signed by our Patron, Her Majesty The Queen." Lula is to receive these awards from HRH Prince Edward, Duke of Kent, at a banquet on Nov. 5.

Lula was deemed worthy of this imperial honor as a poor boy made good, a modern-day Sancho Panza good at negotiating "consensus" around oligarchical policies, in Brazil, in Ibero-America, and in "multilateral trade and economic forums." Lula, says Chatham House, adopted "innovative and responsible economic policies that have maintained fiscal balance and avoided an increase in inflation."

Lyndon LaRouche raised the question a few years ago: Is Lula da Silva a British agent? The British Empire would appear to view him so.

## **Brazil Pays for Letting Cartels Run Its Slums**

Oct. 18—Brazilian narcos shot down a military police helicopter over Rio de Janeiro on Oct. 17, during a three-way battle among police and two drug gangs fighting for control of one of Rio de Janeiro's gigantic *favelas* (slums). The incident is being investigated, but the likelihood that the drug gangs which control the *favelas* in several Brazilian cities have anti-aircraft weapons is sending shock waves through the governing institutions—and among the wealthy who thought they were safe by traveling in helicopters above the misery that millions of Brazilians live in. Not to mention the Lula government's concern that its portrait of Rio as a "safe" city for the 2016 Olympics will be spoiled.

After the downing, police squads began an offensive in several slums around the city, killing certain drug lords and arresting others. Some bystanders were wounded, and slum residents were thrown into of panic at what took on the colors of a civil war.

## **Genocide in Mexico: Electricity Workers Told to 'Drop Dead'**

Oct. 23 (EIRNS)—Sixty-six thousand Mexican electricity workers, who just lost their jobs at the Central Light and Power Company (LFC) liquidated by the Calderón government, have now also been told to "drop dead"—literally!

The state-run Mexican Social Security Institute (IMSS), which provides medical care for its affiliates, is denying any coverage at all to these tens of thousands of workers and their family members, even those requiring dialysis, urgent

surgery, treatment for life-threatening illnesses, or pre- or post-natal care. All scheduled surgeries have been cancelled.

In almost all cases, the workers, who belong to the Mexican Electricity Workers Union (SME), have paid into the IMSS monthly for years, to guarantee they would always have access to care. Now they're being told to fend for themselves—or just find a hole to crawl into and die.

Leaders of the SME are filing a complaint with the National Human Rights Commission, and will also sue the IMSS for having cut off medical care to union members—something the government promised would never happen. The SME is documenting hundreds of cases of serious illnesses which require immediate attention, not to mention now widespread depression among workers who were suddenly kicked out of their jobs and left with nothing.

Moreover, the IMSS daycare centers have kicked out the children of electricity workers, while IMSS clinics are throwing out SME workers who were being treated for on-the-job accidents. As an emergency measure, the National Autonomous University's (UNAM) Medical School is offering to provide SME members with what medical care it can, for the moment.

Also, although the government has said that the state-run Federal Electricity Commission (CFE) will take over LFC's operations, SME president Martin Esparza points out that the government has already called in small *private* companies to deal with electricity blackouts or problems with LFC's substations. The stench of privatization is in the air.

## Western European News Digest

### Fight Erupts over Blair's EU Candidacy

### LaRouche Plan, U.S. Mass Strike Brought to Paris

### Danish Schiller Institute Campaign Kicks Off

### Tremonti Calls Berlusconi's Bluff: Threatens To Resign

### German Coalition Plan for Funding Will Not Work

### More Drastic Cuts in German Steel Production

### Closure Threatens 1 Million Italian Firms

## Fight Erupts over Blair's EU Candidacy

Oct 24 (EIRNS)—A coalition against Tony Blair's candidacy for European president has emerged in recent weeks, leading a few commentators to believe that his candidacy is already dead. Jean Quatremer, journalist for the French daily *Libération*, who specializes in European Union affairs, indicates how the war front has evolved against Blair since early October: Germany, which has been opposing him from the beginning, continues to do so, and the Benelux countries, Austria, and several heavyweights in France are in opposition as well. In Britain too there is opposition, coming from the Conservatives (who may well be in power by the time the European election comes around), with Foreign Affairs spokesman William Hague warning European diplomats stationed in London that it would be an "error," if their countries

supported Blair's candidacy.

## **LaRouche Plan, U.S. Mass Strike Brought to Paris**

PARIS, Oct. 22 (EIRNS)—Some 100 people attended the presentation by Lyndon LaRouche's West Coast spokesman, Harley Schlanger, in Paris this evening, hosted by France's LaRouche movement, Solidarity and Progress (Solidarité et Progrès). There were many young people in the audience; many came in response to the invitation on the S&P website, and from literature distributions at nearby metro stations. Schlanger discussed developments from LaRouche's July 25, 2007 forecast of the financial meltdown, to the mass-strike process in the United States that began this Summer. He presented the entire 40 years' crisis from the perspective of the LaRouche Triple Curve. He said that Frenchmen must educate everyone with LaRouche's ideas, to lift the political level of the different resistance movements, as the *EIR* and LaRouche PAC websites and he personally are doing in the United States.

## **Danish Schiller Institute Campaign Kicks Off**

COPENHAGEN, Oct. 23 (EIRNS)—Today, the campaign started for the Danish local elections on Nov. 17. The LaRouche movement is on the ballot in the two biggest cities, Copenhagen and Aarhus, and the smaller Halsnaes Commune, with electoral lists labeled "Friends of the Schiller Institute."

In kicking off the campaign, one of the national TV networks, TV2, held a morning show roundtable with Danish Schiller Institute chairman Tom Gillesberg and candidates from the five other small parties.

## **Tremonti Calls Berlusconi's Bluff: Threatens To Resign**

Oct. 23 (EIRNS)—Italian Economy Minister Giulio Tremonti decided to call his enemies' bluff, and threatened Prime Minister Silvio Berlusconi with resignation yesterday. Tremonti phoned Berlusconi, while the prime minister was in St. Petersburg, Russia, and demanded a clarification of Berlusconi's role in a plot to drive him out of the government, before the cabinet meeting that was supposed to take place this morning. Tremonti has earned the anger of the City of London by his support for a New Bretton Woods system and his endorsement of other ideas of Lyndon LaRouche.

Tremonti's action is motivated by a visible plot to dump him from the government, which he suspects Berlusconi to be part of. The plot is led by the so-called "Britannia faction," and aims at replacing him with Bank of Italy director Mario Draghi. Berlusconi met with Draghi privately two weeks ago. Last week, Berlusconi's daily *Il Giornale* opened a salvo against Tremonti. Two days ago, Berlusconi's main ally, Gianfranco Fini, chairman of the Chamber of Deputies, attacked Tremonti in an interview, after a meeting with Berlusconi, and several cabinet members have raised opposition against Tremonti's initiative for a Banca per il Mezzogiorno—a funding mechanism for development of Italy's impoverished South.

The straw that broke the camel's back was Berlusconi's announcement from St. Petersburg that the government will cut taxes. This is unacceptable for Tremonti, because it will destabilize the budget.

Tremonti relies on the support of Lega Nord (Northern League), the third government coalition partner. Without the Lega, Berlusconi has no majority. And the condition for continued Lega support is to have Tremonti in the government. Before Berlusconi's arrival in Rome today, Lega Nord leader Umberto Bossi stated: "Someone wants to oust Tremonti, but I protect him."

In the evening, Tremonti's office denied that he had ever threatened to resign.



## German Coalition Plan for Funding Will Not Work

Oct. 21 (EIRNS)—The new CDU/CSU and FDP coalition government apparently intends to create a special fund of about EU50-60 billion, outside from the regular budget. It is obviously afraid of the social explosion, if brutal budget cuts are implemented right away. The special fund is supposed to make up for the holes in budget of the Federal Labor Agency (now projected at minus EU20 billion until the end of 2010) and the upcoming EU1 billion shortfalls in the public health insurance sector; also the citizens' share for pension payment are to be kept from rising over 3%. Coalition spokesmen argue that one should differentiate between "regular costs," and those that came about through the financial crisis.

While it is not a wrong impulse to seek to create some maneuvering room outside the EU's insane Maastricht straitjacket and Germany's self-imposed "debt brake," which was recently included in the German Basic Law (constitution), this will not be the problem of the collapsing economy. Especially, since the plan probably is to be financed by loans from private banks (which were just rescued by taxpayers money, anyway!). And since the poisonous debt of the banks is not being written off first, this all is perpetuating the hyperinflationary austerity cycle, with more debt incurred, which the taxpayers have to pay off, while the bottom falls out.

## More Drastic Cuts in German Steel Production

Oct. 19 (EIRNS)—Suffering from the collapse of the real economy on several fronts at the same time (automobiles, ship-building, machine-building), German steel output is down by 50% as compared to 2008, and the leading steel producer, Thyssen-Krupp, announced additional job cuts in the range of 15,000 to 20,000 this morning. This also hits the supply sector, endangering up to 80,000 jobs there, which means that no fewer than 100,000 jobs are at stake.

Today's *Financial Times* sheds light on the fact that one-third of the world's container shipping, which the economic collapse has driven into a catastrophic situation, is in the hands of German owners. These firms are organized in 120 shipping funds, all of which are basically bankrupt and are calling for government and EU support. The EU, however, is just about to sign a free-market deal with South Korea which will open Europe to ships built (if at all, amidst this crisis) at much lower cost in Korea, so the EU Commission is not very likely to support these shipping funds in Hamburg and other German port cities.

## Closure Threatens 1 Million Italian Firms

Oct 24 (EIRNS)—One million small firms in Italy are threatened with closure in the short term, said an official of the National Association of Industry (Confindustria) yesterday. Italy has 5 million enterprises, 98% of which have fewer than 250 workers and fall under the category of PMI (Piccola e Media Industria, or small and medium industry). PMIs are reporting a collapse in activity of 50-70%. Trade union leader Guglielmo Epifani (CGIL) said that Confindustria's warning means there could soon be 4 million more unemployed. (Italy's population is 59.6 million.)

Today, a four-hour general strike called by some national trade unions brought thousands of workers out to demonstrations in Rome and other cities.

## Russia and the CIS News Digest

[Russian Weekly Zavtra Publishes Interview with LaRouche](#)

### **Russian Weekly Zavtra Publishes Interview with LaRouche**

Oct. 23 (EIRNS)—The Oct. 21 issue of the popular Russian newspaper *Zavtra* features on its front page a discussion with American economist Lyndon LaRouche, under the headline "Our Last Chance." Based on an interview with LaRouche by *Zavtra* deputy editor Alexander Nagorny done Oct. 10, on the sidelines of the World Economic Forum's "Dialogue of Civilizations," on the island of Rhodes, Greece, the publication presents LaRouche's incisive ideas on dealing with the crash of the global, monetarist system.

The *Zavtra* interview is rapidly spreading through Russian-language Internet sites, appearing today on Biznes Online, the Rossiya—Ring of Patriotic Resources portal, and the site of the Movement for the Rebirth of Russian Science. Quotations in this report are from *Zavtra*'s version of what LaRouche said, a Russian translation which paraphrased LaRouche's original formulations with considerable accuracy.

LaRouche told *Zavtra* that the world is facing two interrelated historical problems. One is the utter bankruptcy of monetarist economic policies, which are rooted in the Middle Ages (in the original, LaRouche spelled out their Venetian provenance). Those policies are now "leading the world to a total crash." The second problem, LaRouche linked with V.I. Vernadsky's conception of the biosphere and the noösphere: the exhaustion of natural resources by human activity, faster than mankind is restoring and creating such resources through technology.

In *Zavtra*'s words, LaRouche says that "the current crisis cannot be harnessed and defeated, without solving both these problems; we must do away with the world monetarist system of global finance, and build a new system, a productive economy in accord with Vernadsky's principles."

*Zavtra* highlights LaRouche's counterposition of the Hamiltonian American System of political economy, oriented toward "physical economy," to the monetarist swindles and financial bubbles of recent years. In addition, the write-up of LaRouche's briefing includes his sharp distinction of the post-Roosevelt Keynesian approaches—because of Harry Truman's dirty deals with Winston Churchill, as against Franklin Roosevelt's orientation toward American System physical economy. Also included is LaRouche's denunciation of the phoniness of current claims that a recovery is going on in the United States, or anywhere else.

LaRouche's reply to Nagorny's question, as to whether President Obama would support LaRouche's initiatives, *Zavtra* gave as follows: "In no way. Obama is an agent of influence of that same oligarchical finance capital, which I describe as the British Empire. Among his appointees are a great number of people like Larry Summers, a direct representative of these circles, who is known in Russia and the world as a thief. He's the one responsible for the pseudo-anticrisis program in the Obama administration, which is only funneling additional gigantic sums of money to their friends."

By way of contrast, *Zavtra* included LaRouche's description of his Homeowners and Bank Protection Act, which would have worked when it was proposed in 2007. Now, the paper cites LaRouche, a point of no return has been passed. Derivatives and similar financial instruments must be banned. "But, that is not enough," said LaRouche in *Zavtra*'s summary, going on to present the American thinker's "four powers" conception:

"Now we are in the middle of a crisis, which could blow up the entire planet in a chain reaction at any moment.... While 80% of what a country needs for its economic security used to be internally provided, in the period of globalization the ratio goes the other way. That is why I propose to approach the global crisis not so much from a national platform, as through joint actions by key nations in the world economy. That means China, the USA, India, and Russia. If these nations

take a unified line for the reorganization of world finances, and initiate and force the implementation of a restructuring of the world financial and credit systems in the framework of a Rooseveltian model of physical economy, then the world has a chance to avoid catastrophe."

According to *Zavtra*, LaRouche called monetarism "the plague of the world," since the time of the Peloponnesian Wars. "We must subordinate the money system to the power of sovereign nations," is *Zavtra's* concluding report of LaRouche's words. (Next week's *EIR*, dated Nov. 6, will carry the full interview.)

## **Shrinking Russian Economy Needs LaRouche Plan**

Oct. 26 (EIRNS)—The Russian economy continues to implode, according to just-released Russian Economy Ministry figures for the first nine months of 2009, showing how urgently Russia needs the Four-Power economic agreements that Lyndon LaRouche has put on the world agenda. There was another agreement signed between Russia and China today—Transportation Ministers Igor Levitin and Li Shenglin signed a memo on cooperation in road construction and river navigation, and "to promote the development of roads that are part of international transportation corridors"—part of the projects agreed to by the two governments during Russian Prime Minister Vladimir Putin's visit to China Oct. 13-15. The dire economic figures show how much more has to be done.

Russia's GDP shrank 10% in the first nine months of 2009, compared to the same period in 2008; the only "positive" news was that the September GDP crash was "only" 8.6%, after a 10.5% contraction in August, due to an upturn in gold and forex reserves and a slower fall in foreign investment. Deputy Premier and Finance Minister Aleksei Kudrin tried to spin things into an Oct. 24 declaration that the recession is "over," based on rising oil prices—a statement greeted with hoots of skepticism by independent economic experts, *Nezavisimaya Gazeta* reported today.

The Economic Development Ministry reported that Russia's trade surplus crashed by 51.7% year-on-year in the first nine months of 2009, down to \$74.9 billion from \$155 billion in 2008. Foreign trade was worth \$337.8 billion, down 43% for that period. Russian exports were worth \$206 billion in these nine months, almost 45% lower than a year ago, and imports were down almost 40%, to \$131.5 billion. September figures were only slightly better, about 37% lower than a year ago.

A "showcase" of the collapse is AvtoVAZ, Russia's biggest automaker. The company, despite government bailouts, might have to declare bankruptcy, chief finance officer Oleg Lobanov was quoted by Novosti on Oct. 19. Despite efforts to keep people working, the threatened layoffs of 27,000 workers could be carried out as early as January-February 2010, Novosti had earlier reported. AvtoVaz employs directly about 100,000 people in the 700,000 one-industry city of Togliatti on the Volga. The layoffs follow months of forced vacations, reduced work, and short pay.

## **Southwest Asia News Digest**

### **London Times Caught with Foot in Mouth About IAEA Iran Decision**

### **Senior Diplomats Lament Obama's Failure in Mideast**

### **Iran Names Brits, Saudis in Jundallah Bomb Attack**

## **London Times Caught with Foot in Mouth About IAEA Iran Decision**

Oct. 23 (EIRNS)—The London *Times* push for a confrontation with Iran today, claiming that Iran's delay in answering the

International Atomic Energy Agency's proposal to ship the bulk of its low-enriched uranium to Russia and France for reprocessing, was an outright rejection. While the IAEA had pressed the four negotiating countries—Russia, France, the United States, and Iran—to sign its draft agreement by today, the request by Iran to delay giving its final answer until the middle of next week was received properly.

The IAEA issued a statement declaring, in part: "Iran informed the Director General today that it is considering the proposal in depth and in a favourable light, but it needs time until the middle of next week to provide a response. The Director General hopes that Iran's response will equally be positive, since approval of this agreement will signal a new era of cooperation."

The U.S. State Department issued a statement, confirming that it had been informed by the IAEA of the Iranian request, and that it hoped there would be no further delays.

In response to the delay, which the British press falsely characterized as an outright rejection, the London *Times* published a banner headline, "Barack Obama's Policy on Brink of Collapse as Tehran Does Last-Minute Nuclear Stall." The article began by gloating, "President Obama's policy of diplomatic engagement with Iran is close to collapse as Tehran backtracks on a crucial deal aimed at cutting its stockpiles of nuclear fuel."

A senior U.S. intelligence source closely involved in Iran policy told *EIR* today that he was not surprised at the request for a delay. "We don't know exactly what is up in the Iranian deliberations, but there is a good rule to follow in negotiating with the Iranians: If it is straight and easy, it will not work." He explained that there are two factors, outside the negotiating process itself, that are shaping the decision in Tehran. First, the political situation inside the country is unresolved and very complex. Second, there is likely a faction inside the Revolutionary Guard, who believe that Iran needs to have a nuclear weapon, and want to proceed to build a bomb. "This makes a decision more difficult, and certainly more time consuming," he concluded.

## **Senior Diplomats Lament Obama's Failure in Mideast**

Oct. 19 (EIRNS)—Two highly respected diplomats—former U.S. Ambassador to Saudi Arabia Chas Freeman and Syrian Ambassador to the U.S. Imad Moustapha—delivered powerful speeches laying out the tragedy of the last nine months of the Obama Presidency for Southwest Asia, the Arab world, and, especially, the Palestinians. Speaking at the annual National Council on U.S. Arab Relations conference on Oct. 16, Freeman gave the closing keynote, beginning with a chilling fact: Every single communication from a senior al-Qaeda leader since 9/11 has repeated that the U.S. tolerates and supports the Israeli mistreatment of Palestinians. "The threat we Americans now face derives less from al-Qaeda than it does from widening Muslim rage at continuing humiliation and injustice," Freeman said.

Freeman continued, "A just and durable peace in the Holy Land that secures the state of Israel should be an end in itself for the United States. But the fact that the conflict there enfevers and radicalizes the Islamic body politic worldwide should make the achievement of such a peace an inescapable, central task of United States strategy...." That is why it is right for Obama to devote energy to resolving the Israeli-Palestinian conflict. But, in the face of "contemptuous rejection from Israel ... the Obama Administration is unwilling, at least for now, to put pressure on Israel...."

"In Israel's own estimation and that of the region, the Jewish state is at a turning point. Time is running out on the prospects for peaceful engagement between it, the Palestinians, other Arabs, and non-Arab Muslims. No peace is conceivable without the full use of American moral and economic leverage to bring Israel to the negotiating table ... to compel Israel to make the choices necessary to achieve mutually respectful coexistence with the Palestinians and other Arabs...." But, Freeman said, it is unlikely that Obama would be willing to risk the political destabilization that would ensue in both Israel and the United States. Israel's alternative to peace based on mutual respect would have to be "to

sustain military hegemony in perpetuity.... It is hard to see this as a formula that leads to anything but eventual disaster...."

Ambassador Moustapha told the conference on Oct. 15 that "goodwill is not enough." He joked that he is no longer able to make cynical jokes about the U.S. government, as he did under George W. Bush, but at the same time, there is nothing that Obama has actually *done* to fulfill his promises or the high degree of hope that the Arab world had in him after his Cairo speech. The best he could say is that the Obama Administration promised Syria that it would not "lambast" them in the press as the Bush-Cheney government had done, but rather talk to them in private.

But there is still hypocrisy and double standards from the U.S.—for example the rejection of the Goldstone Report on war crimes in Gaza, and the attack on Syria for calling for a nuclear-free zone in the Middle East. That was called anti-Semitic by the U.S.—yet the U.S. proposes a nuclear-free Korean Peninsula.

With about 30 countries represented, the disappointment in and growing dislike of Obama was palpable, but participants, especially American liberals, tried—unsuccessfully—to keep up the pretext of "Cairo euphoria."

## **Iran Names Brits, Saudis in Jundallah Bomb Attack**

Oct. 20 (EIRNS)—An Oct. 19 suicide attack inside the Iran border with Pakistan killed 42 people, including two senior commanders of the Iranian Revolutionary Guards, in the Balochistan region that spans the border. While Iran blamed the U.S. and Britain, Iran state television was more specific with respect to Britain. It quoted "informed sources," according to *The Times*, which said the British government was directly involved by "organizing, supplying equipment and employing professional terrorists." According to *The Age* of Australia, Iran also pointed to Saudi Arabia's role in building up the terrorist group Jundallah, which took credit for the attack.

Iranian Foreign Minister Manouchehr Mottaki summoned the Pakistani Ambassador to make a formal protest, since the terrorists came from Pakistan's territory. The Pakistanis immediately agreed to cooperate with Iran, and meetings between the two countries on the attack have taken place.

The bomber, identified as Abdol Vahed Mohammadi Saravani, blew himself up near a Revolutionary Guards convoy traveling to the city of Pishin in Sistan Balochistan province. Among those killed was the deputy commander of the Guards' ground forces, Gen. Noor Alis Shoushtari, who was also a senior official of the al-Quds Force, an elite intelligence unit. Also killed was the provincial commander for Sistan Balochistan, Rajab Lai Mohammadzadeh.

The Jundallah group has a base in Pakistan and is deeply involved in the drug trade; they have been responsible for other attacks in the same region. This province is the principal transshipping point for heroin and opium coming from Afghanistan. The same group attacked a mosque in the Balochistan city of Zahedan, Iran, just weeks before the Iranian election. In July 2009, the *Tehran Times* ran an article quoting the brother of Jundallah-Balochistan founder Abdul-Malek Rigi, which identified Abdul-Malek activities as running drugs from Afghanistan, as well as smuggling Arab fighters into Afghanistan for al-Qaeda. The article also charges that Jundallah received U.S. support for destabilizing Iran during the Bush-Cheney period—a charge that was made by Cheney-watchers in the United States.

## **Asia News Digest**

**[China, India Pact on Climate Change Policy—Others Could Join](#)**

**[SE Asian Nations Turn the Table on Human Rights Mafia](#)**

## **George Shultz Is Still Killing Filipinos**

## **Ex-DEA Official: Taliban Now a Drug-Trafficking Organization**

### **China, India Pact on Climate Change Policy—Others Could Join**

Oct. 22 (EIRNS)—The world's two largest nations, China and India, signed, in New Delhi, yesterday, an agreement to coordinate policies on "climate change." The two nations' policies are similar: If the so-called advanced-sector nations want a drastic climate change pact, they should take responsibility, and impose it on themselves. Developing nations should not have to impose binding carbon emissions caps, and, instead, must prioritize economic development. They are also asking for financial aid and technology transfers to limit pollution that is caused by less-advanced technologies.

Xie Zhenhua, vice minister of China's National Development and Reform Commission, and Indian Environment Minister Jairam Ramesh, signed a Memorandum of Agreement at their meeting on an action plan on climate change. They also set up a Joint Working Group to meet each year on major issues of global climate talks, domestic policies and measures, and cooperative projects, the Foreign Ministry in Beijing announced today.

This agreement is an indication of the real potential for Chinese-Indian relations, which lately have been plagued by eruptions on both sides about disputed border areas in northeastern Arunachal Pradesh, which go back to British Empire machinations in the 19th and 20th centuries. Yesterday, the Chinese Foreign Ministry said that Minister Yang Jiechi will discuss bilateral and regional issues "in an extensive way" with his Indian counterpart, S.M. Krishna, when they meet Oct. 27 for their yearly trilateral meeting with Russian Foreign Minister Sergei Lavrov in Bangalore. Krishna is now in Moscow, where he is preparing the December visit of Indian Prime Minister Manmohan Singh, and holding economic and military talks.

### **SE Asian Nations Turn the Table on Human Rights Mafia**

Oct. 23 (EIRNS)—On the first day of the summit of the ten members of the Association of Southeast Asian Nations (ASEAN) in Thailand, two events coincided to deal a blow to British imperial interference in the affairs of the former European colonies of Asia. First, a scheduled meeting of the heads of state, with self-selected representatives of "civil society NGOs," collapsed, as five of the national leaders refused to attend with the NGO representatives, several of whom were well-known spokesmen for British drug promoter and hedge fund criminal George Soros.

Far more importantly, Cambodian Prime Minister Hun Sen, when he arrived at the Thai resort Cha-am for the summit, announced that he had invited the deposed Prime Minister of Thailand, Thaksin Shinawatra, to live in Cambodia and become an economic advisor to the government. This sent the usurper, Thai Prime Minister Abhisit Vejjajiva (who was born, raised, and educated in London), into a raving fit, accusing Hun Sen of interfering in Thailand's affairs, threatening to invoke an extradition treaty if Thaksin shows up in Cambodia, and warning Hun Sen not to be "used as a pawn."

The clincher was Hun Sen's response to this rant: "Millions of Thai people in the red-shirt movement support Thaksin, and why can't I, a friend from afar, support Thaksin? Without the coup d'état of 2006 such things would not have happened." He reminded the current Thai prime minister that the extradition treaty had a clause excluding those who were charged for political reasons.

Hun Sen then noted that ASEAN was constantly being lectured that it should condemn Myanmar for the house arrest of (British agent) Aung San Suu Kyi, so why should there be any concern for discussing the blatant military coup against



Thailand's popular Prime Minister Thaksin? He added that it was well known that Thaksin had been a close friend of Cambodia—a reference to the fact that Thailand's current Foreign Minister has been behind efforts to start a war with Cambodia over old territorial issues.

There are other international implications. Hun Sen just returned from a visit to China, and praised the Chinese investments in Southeast Asian infrastructure development, which come "without demands on human rights and other strings." Also, the head of Thaksin's party in Thailand, Chavalit Yongchaiyuth, just visited Cambodia, as did South Korea's President Lee Myung-bak, who has been a friend of Hun Sen and an economic advisor to Cambodia for many years, even before being elected President.

Thus, the colonial "human rights" mafia run out of London has been told to drop dead, while Hun Sen and his allies have turned the tables on the real human rights violators—the British monarchs and their financial lords who are running the monarchical dictatorship in Thailand and trying to subvert sovereignty across the region.

## **George Shultz Is Still Killing Filipinos**

Oct. 23 (EIRNS)—The recent floods in Manila, which have killed hundreds, with the death toll from disease still rising, were yet another result of the 1986 coup against Philippines nationalist leader and President Ferdinand Marcos, a coup orchestrated by George Shultz, then U.S. Secretary of State, and his deputy, Paul Wolfowitz. *EIR* has documented how that coup was meant to convey to the world that the United States would no longer allow Third World nations, even one as close to the U.S. as the Philippines, to develop peaceful nuclear power, or to become food self-sufficient, two major accomplishments of the Marcos regime.

It has now been revealed that Marcos had initiated extensive flood-control infrastructure to prevent the destruction of low-lying regions of Manila, but that the project was scrapped by the government of Cory Aquino, who was placed in office after the removal of Marcos. Aquino also shut down the Bataan Nuclear Plant (the first nuclear plant built in a developing country), and ended the "Green Revolution," which had made the Philippines self-sufficient in rice for the first time in its history.

Urban planner Felino Palafax issued reports showing that Marcos, following devastating floods in 1970 after a typhoon, set up institutions to prevent a recurrence. Two primary policies were established: preventing urban sprawl in areas prone to flooding and incapable of sustaining adequate sewage systems; and creating a system of sluice gates and spillways to quickly divert floodwaters from the city.

"Some are saying [the flooding] is an act of God," said Palafax. "It's not. It's neglect on the part of the government. We've told government all along this would happen because of the flooding the same month in 1970. Because the recommendation was not heeded, what occurred was virtually a massacre."

The water-management program initiated under Marcos included four major infrastructure projects for diverting flood waters from the Marikina and Pasig River systems into a large lake, Laguna de Bay. The first three parts were completed in 1986, the year of the coup against Marcos. The fourth and final part—a spillway from lake to ocean in case the lake overflowed—was one of the many projects with the name "Marcos" attached that were scrapped by Aquino, on behalf of her sponsors in London and Washington. The resulting death and destruction this month in Manila places more blood on the hands of Shultz and his imperial financier friends.

## **Ex-DEA Official: Taliban Now a Drug-Trafficking Organization**

Oct. 21 (EIRNS)—At a hearing before the Senate Caucus on International Narcotics Control today in Washington, former Drug Enforcement Administration Chief of Operations Michael A. Braun identified the opium and heroin traffic in Afghanistan, not only as a source of income for the Taliban insurgents, but said that the Taliban *are* the narcotraffickers. Braun spent 34 years in the DEA, retired in November 2008, and now works for Spectre Group International, which is a contractor in Afghanistan. Braun identified the United Arab Emirates—the location of the Dubai money-laundering center—as the major destination of Afghanistan drug money, and stated that the DEA had traced one Taliban-linked financier/money-launderer who was handling \$500 million in dope funds heading to the U.A.E.

Questioned by *EIR* about the Obama Administration's announcement that it has set aside the issue of eradication, Braun replied: "Why take the eradication weapon out of the arsenal of stopping drugs?" saying that ultimately no anti-narcotics effort can succeed *without eradication*. While the DEA has never been directly involved in eradicating crops in any foreign country, there has never been a successful effort without it. It is one pillar of "a three-legged stool," said Braun—the other two legs are interdiction and prevention.

It was clear from the hearing that the Senate has neglected oversight in this critical area, which has been almost completely left out of every presentation, Congressional hearing, and Administration speech about the situation in Afghanistan. One example of the neglect is that Sen. Charles Grassley (R-Iowa) said in his opening statement that the Afghanistan opium crop is worth \$3 billion, which is a ridiculous underestimate. Washington intelligence sources have told *EIR* that Afghans, including the Taliban, are involved in every aspect of the narco business, from cultivation, to heroin refining, to trafficking, to alliances with Western European, Central Asian, and Russian traffickers in the retail marketing. This multi-level operation generates revenues at minimum in multiple tens of billions of dollars.

## Africa News Digest

### Egypt Calls on Southern Sudan To Opt for Unity with Khartoum

### Odinga Joins ICC Attack on Kenya's Sovereignty

#### **Egypt Calls on Southern Sudan To Opt for Unity with Khartoum**

Oct. 26 (EIRNS)—Egyptian Prime Minister Ahmed Nzaif called upon the people and Government of Southern Sudan (GOSS) to vote for unity with the Sudan central government in a 2011 referendum, according to an Egyptian cabinet spokesman yesterday. The announcement followed a three-day visit to Egypt by South Sudan President Salva Kiir. Kiir, who also heads the Sudan People's Liberation Movement, held talks with Egyptian President Hosni Mubarak. Nzaif expressed his hope that Sudan will preserve its unity and territorial integrity. This Egyptian policy orientation towards its southern neighbor supports the sovereignty of Sudan, in stark contrast to that of the Western industrialized nations, up to this point. In the 2011 referendum, the South will choose to either remain as "one Sudan," or to secede.

In contrast, U.S. President Barack Obama declared Oct. 19 that he will "renew" the "tough" (counter-productive) sanctions against Sudan. Imposed first by President Clinton in 1997, they were greatly strengthened by George W. Bush. By making economic development of the nation much more difficult, U.S. sanctions are actually contributing to the separation of the South from the nation of Sudan.

Obama's announcement of his "new" policy Oct. 19, attempts to justify the now completely discredited charge of genocide against Sudan in Darfur, a region which now has the lowest mortality level in all of Sudan. The Obama Administration's new policy also implies that the Sudan government is holding up the implementation of the 2005 CPA agreement that ended the protracted civil war between North and South.



As diplomatic observers expected, the so-called new Sudan policy elaborated by the State Department on Oct. 19, represents no real change. These observers note that the policy most glaringly fails to define a positive approach that would assist Sudan in realizing its vast agricultural potential that could not only feed its people, but also help to alleviate the starvation now threatening 22 million people from other East African nations.

## **Odinga Joins ICC Attack on Kenya's Sovereignty**

Oct. 21—Kenyan Prime Minister Oginga Odinga told the London *Financial Times* in an interview published today, that he would work with the International Criminal Court (ICC) to prosecute those allegedly responsible for the post-election violence in 2007-08. According to the City of London mouthpiece, Odinga "pledged his full cooperation with the International Criminal Court as it investigates the role of several cabinet ministers suspected of orchestrating last year's post-election violence."

The post-election violence—in large part organized by Odinga's own Orange Democratic Movement (ODM), which was in opposition—was used by the British, with UN Secretary General Kofi Annan as their intervenor, to force the creation of the prime ministership for Odinga, and bring several ODM chieftains into the cabinet.

Now Odinga, a notorious opportunist, is planning to betray his country's sovereignty to the ICC and the British, and turn against his ODM partners in the violent crimes of 2007-08.

The *Financial Times* notes that Kenya's power-sharing government (between the ODM and President Mwai Kibaki's Party of National Unity) could break apart if cabinet ministers are prosecuted by the ICC. It chooses not to mention that such prosecutions would also lead to a renewal of the 2007-08 ethnic violence, for which Kenyan groups are now arming, according to reports.

Odinga hopes to run for President in 2012.

All rights reserved © 2009 EIRNS

[top of page](#)

[home page](#)