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Bernanke Exits Now!:
National Banking
by Lyndon H. LaRouche, Jr.

Queen Elizabeth II's Commonwealth address of this November 27th, was the death-rattle of the present world monetary system. The crisis of European Union member Greece, now signals the threatened early doom of that Euro system set into motion by the combination of Britain's Margaret Thatcher, her President François Mitterrand of France, and her lackey of that moment, U.S. President George H.W. Bush. Presently, in the meantime, the U.S.A., if it is to survive, will have scrapped the entire package of policies associated with the Presidency of Barack Obama, so far, and will, in that way, have averted the plunge of the entire planet into an immediately threatening, prolonged new dark age for all mankind. At the same time, the U.S.A.'s joining in the process of extending the agreement reached between Russia and China, during this October just enacted, would provide the conditions for wiping the present world monetarist scheme from the surface of this planet. This would be accomplished by agreements initiated by the four powers of the U.S.A., Russia, China, and India, accords reached through agreements establishing a virtually world-wide, fixed-exchange-rate credit-system, accords which would mean the effective eradication of the international monetary system which is presently the gravest threat to all mankind....

In-Depth articles from EIR, Vol. 36, No. 50 (No new issue for the last week of 2009)

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This Week's Cover

- **Bernanke Exits Now!:**
National Banking
by Lyndon H. LaRouche, Jr.

'With the developments centered on British Queen Elizabeth's Commonwealth address of November 27, 2009, the world as a whole has reached the end of the existing global, political-economic system,' LaRouche writes. The dynamic of history has begun to shift away from the moribund British imperial system. Today, as during the Presidency of Franklin D. Roosevelt, the issue is the choice between a monetary system as advanced by FDR's enemy, the evil John Maynard Keynes, or a Hamiltonian credit system. LaRouche was right in July 2007, when he proposed emergency measures to rescue the system; today, only bankruptcy reorganization, and a Four Power Agreement among the U.S., Russia, China, and India, can prevent a new dark age.

International

- **The Copenhagen Summit:**
Lies Have Short Legs, or, The Emperor's New Clothes

by Helga Zepp-LaRouche

The British Empire, various of whose representatives had recently made the unprecedented confession that their real goal is massive reduction of the world's population, suffered a major defeat at the Copenhagen Climate Conference. The positive outcome of the conference is due to the defense of national sovereignty, and a qualitatively new level of cooperation between China and India.

- **British Crown Peddles Hitler-Style Genocide**

Shocking documentation of the Crown's calls for reducing world population by several billion people in the short term.

- **London's 'Islam Brigade':**

Afghan Drugs Target Russia; U.S. Ignores

Russia's repeated demand that the huge production of Afghan drugs be curbed, has been systematically ignored by Washington. The enormous sums of drug money and Britain's Islam Brigade—the terrorist Hizbut Tahrir (HuT)— have continued to weaken Russia and the nations to its south.

- **Drug Trade Targets Four-Power Agreement**

- **Australia:**

A New U.S. of the Southern Seas

An interview with **Craig Isherwood**, chairman of the Australian Citizens Electoral Council.

- **International Intelligence**

Economics

- **The Failed System Has Become Unmanageable**

It was a wild week in Washington. President George W. Obama started it off by proclaiming that 'I did not run for office to be helping out a bunch of fat cat bankers on Wall Street,' a statement that flies in the face of his actions, both before and after his election.

National

- **Why Do We Call Susan Rice a Racist?**

Because She Is One

Ambassador to the United Nations Susan Rice is one of the filthy British agents leading the United States into disaster, and since her influence is on the ascendancy in the Obama Administration, Lyndon LaRouche commissioned this dossier, as a matter of urgency.

Interviews

- **Craig Isherwood**

An interview with leader of the LaRouche-allied Citizens Electoral Council of Australia.

Editorial

- **The Dynamic Shifts to Recovery—Or Else**

This Week's News

U.S. Economic/Financial News

Foreclosures Top 1 Million in Third Quarter

Unemployment Benefits Exhaustion: Build-Up to January Explosion

Commercial Real Estate Collapse Looming for 2010

Work for Black Teenagers Has Just About Disappeared

Foreclosures Top 1 Million in Third Quarter

Dec. 22 (EIRNS)—Over 1 million families lost their homes in the third quarter—the first time this measure has reached that ominous marker, according to the Offices of Thrift Supervision and Comptroller of the Currency. Also, the percentage of prime (not sub-prime) borrowers whose loans were delinquent by 60 days or more, doubled, compared to the third quarter of 2008. This is the sixth straight quarter that this measure of banks' home loan portfolios has deteriorated.

As for the relatively few homeowners who succeeded in getting "modifications" to lower their mortgage payments, more than half are now back in default.

Is this Obama economic advisor Larry Summers' idea of a recovery?

Unemployment Benefits Exhaustion: Build-Up to January Explosion

Dec. 22 (EIRNS)—A study by the U.S. Department of Labor finds that 25 states have exhausted their unemployment reserves, and have borrowed an estimated \$24 billion to cover the gaps. The study estimates that a total of 40 states will have exhausted their state funds by the end of next year, leading to an expected deficit of \$90 billion.

Typically, unemployment benefits are funded by a dedicated tax on employers (national average is about 0.6%), based on the size of their payrolls. Firms that conduct mass layoffs are supposed to pay more, but, as noted by the *Washington Post*, this tax is often neglected, and has been pared down by years of efforts by anti-tax Republicans. As the economic base continues to erode, those revenues, like so many others, have dried up, weakening the social safety net. To fill the gap, many states have borrowed money from the Federal government, some states to the extent of hundreds of millions of dollars.

Bloomberg News reports that bond ratings of New Jersey towns and cities "are being reduced faster than in any other state," as property values have slid 11% and Gov. Jon Corzine has chopped municipal aid, in an attempt to deal with a \$1 billion budget deficit. The downgrades in New Jersey, noted an analyst, "may be the start of a national trend."

Commercial Real Estate Collapse Looming for 2010

Dec. 26 (EIRNS)—The most common factor behind the majority of the 140 bank failures in 2009 was non-performing commercial real estate mortgages, and the picture is not likely to improve in 2010. Moody's reported on Dec. 21 that its Commercial Property Index fell 1.5% from September to October, to the lowest level since August 2002. Prices were down 36% from a year earlier and are 44% below the peak of October 2007, according to Bloomberg News. The price collapse is attributed to rising unemployment and office vacancies. Foresight Analytics of Oakland California estimates that \$1.4 trillion of commercial real estate debt is scheduled to mature over the next five years, and 53% of that is "underwater," that is, the properties are worth less than is owed on them.

Meanwhile, the default rate on commercial real estate loans is rising. On Dec. 1, Real Estate Econometrics reported that default rates doubled to 3.4% in the third quarter, as vacancies rose and rents declined. Defaults were 1.37% in the first quarter and 2.88% in the second. Sam Chandan, the firm's chief economist, said, "Mortgages originated in 2006 and 2007 are experiencing the most significant shortfalls in current cash flow relative to current debt service obligations." On Dec. 10, Moody's reported that the delinquency rate on commercial mortgage-backed securities rose to 4.47%, almost six times the rate one year ago of 0.75%.

Work for Black Teenagers Has Just About Disappeared

Dec. 24 (EIRNS)—The urgent need for economist Lyndon LaRouche's new "CCC" policy is double-underlined by the government's own statistical report: Almost no black teenagers are working.

The "employment-to-population ratio" among black Americans 16-19 years old, is just 13%. If those teenagers in juvenile detention or other institutions were included, the percentile who are employed—full-time or part-time—would drop to about 10%.

The same employment ratio for white teenagers is 28%, showing that this not primarily a matter of black teens being in school.

The degree of unemployment among the whole black population, is indicated in a *Washington Post* story on Dec. 24, headlined "Despair in Milwaukee Is Deep." Official black unemployment in that city for the past year is 22%; but the Census Bureau's Community Survey shows, by the employment/population ratio, that just under half of black men there are not working at all. Food pantry requests have multiplied by four from last year. Green jobs? There were 30 created by the "stimulus" act, with hundreds of applicants for them.

Referring to the Congressional Black Caucus's confrontation with the Obama White House over black unemployment, homelessness, and hunger, Rep. Gwen Moore (D-Wisc.) told the *Post*: "We wanted to punctuate what we see as a serious risk in allowing the entire minority community to entirely collapse."

Nationally, in November, the employment/population ratio for all Americans had fallen rapidly to 58.5%; but for black Americans it was only 52.6%; it had fallen by 3.5% in one year. Of 28,404,000 black Americans 16+ years old and not institutionalized, just 14,940,000 were employed at all (full- or part-time). Since the total black 16+ years population is about 30 million, including the incarcerated and institutionalized, less than half of their number are employed at all.

Global Economic News

Germany's Exports Crash by Historic Magnitudes

European Central Bank: Save the Banks, Kill Greece

South Korea Pushes for Full Nuclear Cycle

Germany's Exports Crash by Historic Magnitudes

Dec. 24 (EIRNS)—This year, the steepest decline in exports since the founding of the Federal Republic of Germany in May 1949 is expected—a collapse of 18-20%! Figures for German exports counted by states for the first three quarters (compared to 2008) illustrate the disaster for 15 out of 16 states: -21.7%.

(The only German state which had a slight uptick of 1% is Hamburg. Irreverent observers have asked, whether the city-state's fathers started to export their famous red light district, the Reeperbahn, back to London—to keep out of the red themselves.)

Lower Saxony suffered most, due to its industrial composition of auto, machine-building, and the chemical industry; its exports collapsed by 27.9%. The situation in the state's metal and electronics industry is extremely worrisome, and industry leaders and trade unions are in intense discussions. Some firms suffered drops in orders by 30% or 40% in 2009. The only buffer to prevent employment from crashing (-5% so far) has been the reduction of labor hours. However, even this has turned out to be too expensive for many firms.

In the other most crucial German states North Rhine-Westphalia, Baden-Württemberg, and Bavaria, which constitute the core of German industrial production and of *Mittelstand* (small and medium-sized) firms, exports have collapsed by more than 20%. In the smaller states, such as Rhineland-Palatine and Saarland, exports collapsed by 25% each.

And in states where there are no longer any big industrial firms: In Berlin and Mecklenburg-Vorpommern exports went down by 11.4% each; in Brandenburg by 14.3%. It is worthwhile to remember, that Berlin used to have a very large industrial, productive sector, until geopolitically motivated deindustrialization was imposed after reunification.

European Central Bank: Save the Banks, Kill Greece

Dec. 21 (EIRNS)—As Greece's creditor banks continue to drive the country into sovereign default, the European Central Bank (ECB) admitted on Dec. 18 that the EU banks' balance sheets are carrying even more toxic garbage than they had been willing to admit previously.

So who is more bankrupt here: Greece or its creditors?

According to the ECB, there will have to be a total of EU533 billion in write-offs for the period 2007-10, EU65 billion more than their earlier projection. In fact, both numbers are nonsense, since 80-90% of EU bank assets are going to be wiped out by the global financial meltdown.

Undeterred, and following London policies, the ECB on Dec. 16, granted another EU97 billion to 224 banks for 12 months.

ECB vice president Lucas Papademos said that there will be a tough line towards Greece. One of the latest fascist schemes making the rounds, especially in Germany, is that Greece should be granted a bailout loan by the ECB, in exchange for leaving the European Monetary Union (EMU). Greece would then have a domestic currency, but would nevertheless have to pay back its debt in euros—the equivalent of a modern-day Versailles Treaty for Greece.

South Korea Pushes for Full Nuclear Cycle

Dec. 21 (EIRNS)—Returning from the Copenhagen Climate summit, South Korea President Lee Myung-bak announced a push to obtain fully independent atomic energy technologies earlier than the envisioned target year of 2015. "Although we do not currently possess core technologies, [the government] plans to advance the target year of technology independence, which was originally set for 2015, by a few years," said Lee after a meeting with officials on 2010 plans. "Atomic energy is the realistic alternative to reduce carbon emissions, as well as being the most economically eco-friendly project," the President noted.

Under an agreement with the United States which expires in 2012, South Korea does not have full control of its nuclear fuel cycle; specifically, it cannot reprocess used nuclear fuel into new feedstock. Seoul has requested that the new agreement allow for reprocessing, as provided for by the Nuclear Non-Proliferation Treaty (NPT)—a request which President Lee is firmly restating in his statement today.

Korea is the fifth-largest operator of nuclear power in the world, with 20 commercial reactors generating about 40% of its electricity. Nearly 98% of the technologies used for such operations are owned by the country, which is looking to enter the nuclear export market.

United States News Digest

LaRouche: Don't Be Brainwashed by the Press on Health Care

Senate 'Death' Bill Is Unconstitutional

EZ-Kill Emanuel Gets Health Cuts He Wanted

Health Bill Gives 'Death Panel' Right To Deny Life-Saving Drugs

Fannie and Freddie \$10 Million Bonuses? 'Take It Back!'

Teresa Heinz Kerry Attacks Edict To Cut Mammogram Use

Democrats Lose One, as Griffith Jumps Ship to Republican Party

LaRouche: Don't Be Brainwashed by the Press on Health Care

Dec. 24 (EIRNS)—The Senate voted 60-39 early on Dec. 24 to pass the final version of the Nazi health-care bill that had been introduced by Senate Majority Leader Harry Reid. Passage of the bill was made possible only by a

series of dirty deals cut with holdout Senators. One such deal, with Sen. Ben Nelson (D) of Nebraska, exempts that state—but no other state—from all Medicaid costs.

All the maneuvering to get the bill through means nothing.

Lyndon LaRouche said on Dec. 21 that, after the defeat of the British oligarchs and their puppet Obama at the Copenhagen Climate Conference, these would-be legislators are "losers," and they are finished. "You have a change in dynamics, and the people who were on top, in terms of making legislation and so forth, are now on the bottom," said LaRouche. They are "flopping on the beach like fish left behind by the outgoing tide.... The tide has turned against Obama's health care and other legislation. And only the stubborn losers are going to stick to it.... Don't be brainwashed by the press and similar kinds of things, by the lobbyists running around the Congress."

Reid thinks that he's clever, but his own re-election in 2010 is in doubt. Polls in Nevada give Reid only a 38% approval rating. From both the Republicans (in an RNC conference call today) and the liberal wing of the Democratic Party (typified by blogs like firedoglake.com), there are threats that every Senator who sold his or her soul to vote up this health plan will be run out in the next election. Firedoglake.com calls every Democrat who voted for this "an idiot," and warns, "If you don't fix this, we will watch/help you lose next November and again in 2012. Trust us."

Senate 'Death' Bill Is Unconstitutional

Dec. 22 (EIRNS)—The Reid-Baucus Senate health-care bill not only gives an unelected commission dictatorial powers to slash health-care costs and deny treatments, but it attempts to prevent future Congresses from altering the dictates of the Independent Medicare Advisory Board (IMAB).

A provision in Sec. 3403 of the bill, introduced in November, which pertains to dealing with IMAB cost-cutting recommendations, says that: "It shall not be in order in the Senate or the House of Representatives to consider any bill, resolution, amendment, or conference report that would repeal or otherwise change this subsection" (p. 1,020).

Sen. Jim DeMint (R-S.C.) raised a series of parliamentary inquiries on this at the Dec. 22 session, pointing out that under the Senate rules, any change in those rules requires a two-thirds majority vote. The presiding officer, acting on advice of the Senate Parliamentarian, rebuffed DeMint, ruling that this is just a change in procedure, not in the rules.

EZ-Kill Emanuel Gets Health Cuts He Wanted

Dec. 26 (EIRNS)—The Reid-Baucus health-care bill, which passed the Senate on Dec. 24, gives President Obama's special advisor on health care, Dr. Ezekiel Emanuel, many of the genocidal cuts in medical care he has been demanding for decades.

When *EIR*'s Anton Chaitkin confronted Emanuel at a meeting of the Federal Coordinating Council on Comparative Effectiveness in Washington on June 10, 2009 the sleazy bioethicist Emanuel lied about his commitment to euthanasia policies. Chaitkin had charged that Emanuel, and the Council as a whole, were devising rules by which Americans would be denied life-saving medical care, en masse. Emanuel claimed he was being slandered, and that he opposed euthanasia.

EZ-Kill's lies are an attempt to cover up his decades-long promotion of genocidal rationing of medical care, and euthanasia sold as the "right to die." One of the leading elements of Emanuel's death program is a campaign *against* life-saving medical technology, ranging from MRIs to dialysis. Emanuel claims that saving the lives of patients who need these technologies is not worth the money. Read his own words, in a Nov. 23, 2008 article on what drives up health-care costs (naturally, he ignores the 30% overhead costs of the private HMOs):

"Most of the relentless rise can be attributed to the expansion of hospitals and other health-care sectors and the rapid adoption of expensive new technologies, new drugs, devices, tests and procedures. Unfortunately, only a fraction of all that new stuff offers dramatically better outcomes. If we're worried about costs, we have to ask whether a \$55,000 drug that prolongs the lives of lung cancer patients for an average of a few weeks is really worth it."

How serious Emanuel is about his campaign against medical technology is shown in the provisions of the Obama Administration-blessed Senate health-care bill, which calls for a \$20-40 billion tax on companies producing medical devices. This tax will not only cut back on employment (an estimated 18,500 direct jobs, and 75,000 indirect jobs, in Indiana alone), but will also adversely affect the ability of companies that produce everything from prosthetic devices, to stents and imaging machines, to continue to invent new, more advanced technology to improve and save lives.

The medical device tax goes along with the bill's establishment of a powerful independent Medicare Board to decide on what procedures Medicare will pay for. Such a Board would enforce, with the power of the purse, the measures the whole health bill promotes—cutting back on high-technology care and medical facilities.

Health Bill Gives 'Death Panel' Right To Deny Life-Saving Drugs

Dec. 26 (EIRNS)—The Reid-Baucus health-care bill gives the Independent Medicare Advisory Board (IMAB) the power to enforce policies denying payments for life-saving treatments under the guise of paying only for the "least costly alternative" drug or treatment.

How this will work is indicated by a recent court case involving an appeal by a patient, Ilene Hays, for whom Medicare contractors had denied payment for the drug DuoNeb, used to treat Chronic Obstructive Pulmonary Disease. The Medicare program under the Bush Administration had refused to pay, saying it would only pay for an older and cheaper substitute. Hays and the drug manufacturer sued the Department of Health and Human Services (HHS), and won in the Federal District Court in 2008; the Obama Administration appealed, but Hays won again in the Federal Appeals Court on Dec. 22, 2009. (According to one account, Hays had died by this time.)

But under the Reid bill, what HHS couldn't do administratively, it is allowed to do under the Senate bill, according to a Dec. 24 article in the *Wall Street Journal*. Even worse, the Reid bill exempts such rationing policy decisions from judicial review. Unlike under current Medicare laws, patients won't be allowed to appeal any of the decisions of IMAB—even if it denies access to physician-ordered life-saving drugs or treatments.

Fannie and Freddie \$10 Million Bonuses? 'Take It Back!'

Dec. 24 (EIRNS)—The Obama Administration is expected to announce deals shortly with Fannie Mae and Freddie Mac, the now nationalized mortgage companies whose losses in the crash have already cost taxpayers \$100 billion. Pay bonuses reportedly of \$4-6 million each are about to be announced for CEOs Michael Williams of Fannie Mae and Charles Haldeman, Jr. of Freddie Mac. Neither has been on the job for more than a few

months. The pay-outs were hard to figure out, according to the *Wall Street Journal*, because they couldn't very well be paid in stock (it's collapsed), or tied to corporate performance (it's been terrible). But the White House and its "pay czar" have found a way to justify the \$10 million or so.

Potentially an even worse provocation looms; there are reports that Obama may announce a new, increased Federal bailout to Fannie and Freddie within the next few days, setting off a well-deserved uproar.

Teresa Heinz Kerry Attacks Edict To Cut Mammogram Use

Dec. 23 (EIRNS)—Mammography was used to diagnose Teresa Heinz Kerry's breast cancer, for which she is now undergoing treatment.

The wife of Massachusetts Sen. John Kerry (D) blasted the recommendation made by the U.S. Preventive Services Task Force (USPSTF), that mammogram cancer screening should be scaled back. If either the House or Senate version of Obama's so-called health-care reform were made law, recommendations of the USPSTF would result in denial of coverage by health-insurance plans.

Kerry told Associated Press that breast cancer treatment is costly and disruptive, "So why put people through that instead of just having a test that's done, and it's done? So that's why I was so upset about that decision of this panel."

She said that nurses in a hospital where she was being treated were "livid" upon hearing of the Task Force edict. "They said, 'We've taken all these years to teach women to do preventive mammograms, and now look at this.'"

Mammography use, increasing from 39% of women 40 and older in 1987 to 70% now, has been credited with seriously decreasing breast cancer deaths. But Federal interventions in the name of "cost control," have led to a decline of 16% in mammogram use since 2000, and last month's announcement by the administration's task force, coupled with spurious propaganda against radiation risks, has confused many people on the subject, and threatens to bring a spike in cancer deaths.

Democrats Lose One, as Griffith Jumps Ship to Republican Party

Dec. 22 (EIRNS)—Rep. Parker Griffith, a freshman Democrat from Alabama, announced today that he is will become a Republican. While this will not affect the health-care vote count (Griffith already voted against the House bill), he is expected to become a vocal critic of the process, and his move could sway others (some of whom might chose to run as Independents, or a new political constellation). In addition to voting against Rep. Henry Waxman's (D-Calif.) health-care reform bill, Griffith also voted against the Obama stimulus and the cap-and-trade bills. The one time he did vote with the Democrats, was for the TARP bank bailout bill, a vote for which he caught heavy flak on the homefront.

Ibero-American News Digest

[LaRouche: 'Death to the Narcos; Civilization Must Prevail!'](#)

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Brazil Moves Toward South America's First High-Speed Train

LaRouche: 'Death to the Narcos; Civilization Must Prevail!'

Dec. 23 (EIRNS)—Briefed today on the recent savage murders carried out by Dope, Inc.'s narcoterrorists in both Colombia and Mexico, Lyndon LaRouche stated that the only appropriate response to such atrocities is "death to the narcos! Civilization must prevail!"

In Colombia, commandos of the drug cartel, the Revolutionary Armed Forces of Colombia (FARC), yesterday killed the Governor of Caqueta, Luis Francisco Cuellar, whom they had kidnapped on Dec. 21. After President Alvaro Uribe announced that he had deployed the military and police to rescue not only the governor, but all of the FARC's hostages, the FARC slit Cuellar's throat.

A similar act of barbarism occurred Dec. 22 in Mexico, in the town of Paraiso, Tabasco, where narcos gunned down four family members of Melquisedet Angulo Cordova, a young Navy commando who was murdered a week earlier during the assault in Cuernavaca by Navy special forces who killed drug kingpin Arturo Beltran Leyva. Angulo Cordova was buried with full military honors, and declared a hero, but the publicity surrounding his funeral identified his family members and their place of residence. Within hours, hit men entered their home and mowed down Angulo Cordova's mother, aunt, and two brothers. The brutality with which they were killed has greatly angered the Mexican people.

President Uribe stated today that there is only one word for the FARC's actions: "terrorists." Without naming them, Uribe pointedly addressed Venezuelan President Hugo Chávez, and his fellow "Bolivarians" in Cuba, Bolivia, and Nicaragua, who defend the FARC assassins, and recently named top FARC leader, Alfonso Cano, to the executive committee of the newly created Continental Bolivarian Movement (see Ibero-American Digest, Week #49, Dec. 15, 2009). "There are still those who try to offer political recognition to the FARC narcoterrorists," Uribe said. "It would be good were the international community to reflect on this."

Brazil Sided with 'Winners' at Copenhagen...

Dec. 22 (EIRNS)—The decision of the Lula government to stand firm with the Chinese- and Indian-led bloc of nations defending national sovereignty at the Copenhagen Climate summit, exemplifies the power of the new dynamic sweeping the world.

Brazil's foreign policy has historically been crassly pragmatic, crippled by an orientation to Britain. Brazil went to Copenhagen with a posture of "mediator," seeking to negotiate "consensus" between British imperial interests and Brazil's recent Asian and South African allies, the so-called BASIC group (Brazil, South Africa, India, and China). When push came to shove at the summit, however, Brazil chose to stand with China and India, for sovereignty, rather than the world dictatorship of London and its parrot, President Obama, so much so that President Lula da Silva refused to meet alone with Obama at the end, as requested.

The proposal for international monitoring reminds us of IMF policies, Lula stated in his address to the summit on its closing day, Dec. 18; we're not going back to that. "We have to be very careful with this intrusion into the developing and poorest countries. With the experience which our countries have had, be it with the IMF or the World Bank, it is not recommended that this continue to occur in the 21st Century."

...Not So Fidel Castro

Dec. 22 (EIRNS)—When it came to Copenhagen, veteran Synarchist Fidel Castro once again came down firmly on the side of the British monarchy's plans for genocide through world dictatorship against development, with his would-be imitators eagerly trotting along.

Draping their Union Jacks with "anti-imperialist" rhetoric, Castro, along with Hugo Chávez of Venezuela and Evo Morales of Bolivia, demanded acceptance of the global warming fraud, as well as the world dictatorship that the British sought—but failed—to ram down governments' throats at the summit.

In a Dec. 21 article in *Granma*, Castro warned that "a great catastrophe threatens our species"—global warming—and chastised Barack Obama for not forcing through a binding agreement at Copenhagen, imposing a reduction of at least 45% of carbon emissions by the year 2020, and of no less than 80% or 90% by 2050.

That view is consistent with Castro's parroting of the Club of Rome's Malthusian lie that elevating Chinese living standards to modern industrial levels should not be permitted, as it would threaten the world's resources.

Chávez postured that the failure to produce a binding agreement for restricting development was the work of the "imperial dictatorship" of the United States that has been imposed on the world. Morales added in his speech that the capitalist system caused global warming, and must be eliminated, if mankind is to survive. He repeated his call for an international climate court which would prosecute governments that commit "ecological crimes."

Brazil Moves Toward South America's First High-Speed Train

Dec. 22 (EIRNS)—Earlier this month, Brazil opened the bidding process for construction of its first "bullet train," which is to link Rio de Janeiro and Sao Paulo, its two largest cities, in the country's industrial heartland where 40 million people live—20% of Brazil's population. The train is to have a maximum velocity of 350 kph (217 mph) and be completed by 2015. Public hearings are scheduled in January, and final conditions for bidding are to be released in early February. Companies from Spain, Germany, Japan, China, and South Korea, among others, are interested in the project. Brazilian officials emphasize that the government will chose the construction company that offers the most favorable technology transfer conditions, as well as the lowest price.

Opponents of Argentine government plans to build a high-speed train between Buenos Aires and the industrial city of Rosario, fear that the Kirchner government might follow Brazil down these tracks.

Western European News Digest

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German Dairy Farmers Must Take On Food Cartels

Ruling: Queen's Finances Must Be Revealed

Dubai Money Financing British Tories

Fraud Office Has Strong Criminal Case Against BAE

German Lutheran Church Demands Withdrawal from Afghanistan

French PM in China for Nuclear Energy Deals

Dec. 21 (EIRNS)—French Prime Minister François Fillon arrived in China yesterday for a three-day visit, accompanied by Finance Minister Christine Lagarde and some 20 business and industry executives. Fillon will meet with his Chinese counterpart Wen Jiabao and President Hu Jintao. Nuclear cooperation is high on the agenda.

France's energy firm EDF and the nuclear group Areva will sign two joint ventures with the Chinese state-owned giant CGNPC to launch "the operational phase" of construction in southern China of two 1.75 gigawatt nuclear reactor complexes. The French-Chinese collaboration has been in the works for the past three years.

Also, Safran, the French aerospace and defense industries group, along with General Electric, is expected to win a contract to provide engines for the C919 jet, the future Chinese competitor to the Airbus A320 and Boeing's 737.

Britain's Chilcot Iraq Inquiry to Heat Up in New Year

Dec. 24 (EIRNS)—Former British Prime Minister Tony Blair could be heading into a very uncomfortable New Year, as the Chilcot Iraq Inquiry into Great Britain's role in the Iraq War proceeds. Blair's Foreign Secretary, Jack Straw, will testify before the committee at the beginning of 2010, and Blair himself will testify next year as well. Current Prime Minister Gordon Brown, Foreign Secretary David Miliband, and Development Secretary Douglas Alexander have been asked to testify, but not until after the general election on May 6.

Facebook Emerges in Pattern of Attacks in Italy

Dec. 26 (EIRNS)—The attack against Pope Benedict XVI on Christmas Eve was not only a clear example of a dangerous takedown of the Pope's security (performed by the famous Swiss guard), but there is another notable similarity to the Dec. 13 attack on Prime Minister Silvio Berlusconi.

According to TGCOM/Cronica (12/25), the immediate aftermath of the attack by Susanna Maiolo on the Pope saw

the creation of four (pro-Maiolo) Facebook accounts. One of them is billed as a "fan club," which immediately gained 100 subscribers. The site says: "The fan club is dedicated to all those who have an uncontrollable urge to hug the Pope"! Berlusconi's attacker, Massimo Tartaglia, also immediately received support on sites set up on Facebook.

Maiolo was holding a statue of St. Peter and was ready for the attack, and one report compares this to the attack on the Prime Minister, who was struck with a statuette of a cathedral.

The most popular group, with over 100 members, is entitled "I love Susan Maiolo." "After Tartaglia, she is another HEROINE of progress and liberty."

Germany Reaches Climate Goals by Destroying Economy

Dec. 23 (EIRNS)—In a cynical "objective" tone, Germany's national TV network, ARD, reported last evening that "due to the recession, Germany achieved [its] climate goals."

The report says that, according to preliminary statistics, CO₂ emissions in Germany in 2009 sank by 27%. "As a result of the recession, it was possible to reduce the CO₂ emission by more than 25% below the reference amount of 1990." With GDP collapsing by 5% this year, this led to "the steepest decline of emissions since 1991." (This is significant, because by 1991, East Germany's industry had already been collapsing.) In 2009, production collapsed in the steel, chemical, and concrete industries, leading to "fewer emissions of CO₂ and five more dangerous climate gases."

German Metal Workers Demand High-Tech Government Investment

Dec. 21 (EIRNS)—As the full dimensions of the economic breakdown becomes more visible, and as the ecologist fantasy scam flopped in Copenhagen, reality is starting to enter the minds of some in Germany:

In an interview published yesterday, Berthold Huber, the head of the German metal workers union, IG Metall, demanded that the government implement "an investment program of at least EU100 billion" to encourage technological innovation and "be a better way to out of the crisis." For the first time, the amount at least approximates the dimension that Helga Zepp-LaRouche's BÜSo party has been demanding for years, which calls for a EU200 billion program.

Huber said that core industries such as metallurgy and electronics have to be retained and protected. He demanded that the government save good firms, which are presently suffering under the liquidity/credit crunch. The IG Metall statement is all the more interesting in its resemblance to similar statements by the International Association of Machinists in the U.S., in response to the sobering effect of the protracted crisis.

London Telegraph: Germany's Merkel a Terrorist Target

Dec. 21 (EIRNS)—In the London *Sunday Telegraph* yesterday, monarchist scribbler Ambrose Evans-Pritchard singled out German Chancellor Angela Merkel as an enemy image for anarchist terrorism. In the aftermath of the Dec. 13 attack against Italian Prime Minister Berlusconi, this statement should be taken seriously.

Evans-Pritchard quotes the same passage by Merkel on "dictating" adjustment to Greece that we earlier reported.

However, he says that this "diktat" attitude risks provoking a "terrorist response across Southern Europe." Anarchist and left-wing violence has increased in Greece, Spain and Italy, targeting symbols of "capitalism," among them the EU.

German Dairy Farmers Must Take On Food Cartels

Dec. 24 (EIRNS)—In a review of 2009 and preview of the new year, Michael Braun, leader of the dairy farmers organization BDM for the Oberberg region of North Rhine-Westphalia, said yesterday, "We farmers have to unite, otherwise we won't have a chance against the food cartels." He also called for producer-consumer alliances. Braun, recently elected to the national advisory board of the BDM, announced that he will expand his activities throughout North Rhine-Westphalia.

Ruling: Queen's Finances Must Be Revealed

Dec. 21 (EIRNS)—The secret correspondence between the government and the royal family concerning the latter's finances will be released, after Great Britain's Information Commission ruled in favor of a request by the *Independent* newspaper. The release is unprecedented and required three years of campaigning by the *Independent* to demonstrate that its release was in the "public interest" which is the only way royal correspondence will be made public, since the Royals are not subject to the normal rules of Britain's Freedom of Information Act. The ruling comes just before government was about to close even this last loophole. The documents are to be released by the Department of Culture, Media and Sport, which has 45 days to file an appeal.

Dubai Money Financing British Tories

Dec. 24 (EIRNS)—The British dirty money and drug-trafficking headquarters of Dubai appears to be a source of funding for the British Conservative Party. The *Guardian* reports that the Conservative Party has received two £50,000 donations from a company whose parent is based in Dubai and whose owner, Fouad Makhzoumi, is an arms dealer. Makhzoumi was a buddy of disgraced former Cabinet minister Jonathan Aitken, who went to jail for giving false testimony in a libel case he had brought against the *Guardian*. The Tories claim there is no irregularity, because the funds came through the U.K.-registered firm, Future Pipe Ltd. But the *Guardian* points out that this firm makes no more than £21,000 a year in pre-tax profits, while its parent, Future Pipe Industries in Dubai, has a turnover of £600 million.

Fraud Office Has Strong Criminal Case Against BAE

Dec. 18 (EIRNS)—Her Majesty's top agency for war, dirty operations, and terrorism, the arms manufacturer BAE Systems, has come one step closer to ending up in court for high crimes, including bribery and fraud. According to the *Times*, on Dec. 18, the Serious Fraud Office (SFO) will question BAE executives, but this time "under caution," after it has been determined that SFO has a potentially strong criminal case against BAE for making bribes in order to win contracts. "Under caution" refers to a procedure like the reading of Miranda rights in the United States, where a person is informed of his or her rights before being questioned. After that is done, anything you say can be used as evidence against you.

While an out-of-court settlement is still under negotiation, the problem is, if BAE pleads guilty and is convicted, it could face immediate bankruptcy, since European Union law forbids governments from making contracts with any company convicted of bribery.

German Lutheran Church Demands Withdrawal from Afghanistan

Dec. 24 (EIRNS)—Margot Kässmann, newly elected as the first woman president of the German Lutheran Church, has demanded an early withdrawal of the German Army from Afghanistan. Kässmann, in an interview with the *Hannoversche Allgemeine Zeitung*, said that even with the broadest extension of Lutheran Church criteria, "this present war cannot be justified," and German troops should return "as soon as possible."

• Russia and the CIS News Digest

Chinese-Russian Cooperation Growing in Eurasia

2009 Turning Point for India-Russia Ties

Russia-India Technological Cooperation Takes a Giant Step Forward

India-Russia Collaboration on Nuclear Reactor Manufacture

Chinese-Russian Cooperation Growing in Eurasia

Dec. 21 (EIRNS)—Cooperation between China and Russia is expanding, including throughout Eurasia. Russia's Ambassador to China, Sergei Razov, presented the intense diplomatic program for the two nations in 2010, in Beijing today. Not only will the "traditional summits" take place—Russian President Dmitri Medvedev will go to China, and Chinese Prime Minister Wen Jiabao to Russia—but also there will be frequent exchanges at ministerial level, *China Daily* quoted Razov. More frequent will be bilateral meetings at the key regional summits, he said, including the Shanghai Cooperation Organization, China-Russia-India trilateral dialogue, and the BRIC (Brazil, Russia, India, China), APEC (Asia Pacific Economic Conference), and G20 summits. Another important event will be celebrations of the 65th anniversary of the victory in the Second World War. "The two countries both think their strategic partnership will grow more mutual, stable and efficient as time goes by," Razov said.

A few days earlier, on Dec. 18, Chinese Ambassador to Russia Li Hui, speaking at the opening of the new Chinese consulate-general in the central Siberian city of Irkutsk, emphasized the "planning program for regional cooperation" between northeast China and the Russian Far East Region and Eastern Siberia, which was signed in September. This program, he said, is of greatest importance for joint cooperation in this area, and the opening of the consulate-general is a "key event in bilateral relations." Irkutsk is an important city on the Trans-Siberian Railroad, 70 km from Lake Baikal.

At an informal meeting of President Dmitri Medvedev with leaders of the Commonwealth of Independent States in Almaty, Kazakhstan Dec. 20, First Deputy Prime Minister Igor Shuvalov stated that Russia supports the China-Central Asia natural gas pipeline project, which opened Dec. 15. Shuvalov said that Russia is working with partners to expand the energy delivery system, since improved and diversified regional energy infrastructure will make it possible for CIS countries to make greater contributions to global energy security, Xinhua reported. Medvedev will go to Turkmenistan tomorrow, to sign an agreement on re-starting Turkmen gas supplies to Russia, and other energy issues. The pipeline ruptured early this year, drastically cutting Turkmenistan's earnings.

2009 Turning Point for India-Russia Ties

Dec. 22 (EIRNS)—The year 2009 was a "turning point" for the strategic partners India and Russia, *Press Trust of India* wrote today. The two nations have put aside "misunderstandings" to "rediscover each other in the changing global scenario."

Brahmand Defence and Aerospace News (BNS) today quoted Russian India scholar Tatiana Shaumian, director of the Centre of Indian Studies of the Oriental Institute of the Russian Science Academy, on India's high-level moves towards Russia. Dr. Shaumian was a student and long-term colleague of the late Prof. Grigori Bondarevsky, one of Russia's great Eurasia scholars, and a close friend and collaborator of Lyndon and Helga LaRouche, and of the late *EIR* journalist Mark Burdman.

Indian President Pratibha Patil was in Russia in September, and then Prime Minister Manmohan Singh in December, to "concretize the two nations' association after New Delhi's pro-US tilt," BNS reported. India gave a "green light" to keep Russia as its key strategic partner, with an umbrella civilian nuclear deal and ten-year defense agreements. When Singh attended the BRIC and Shanghai Cooperation Organization summits in Yekaterinburg, he gave a signal of the special importance India attaches to its relations with Russia, Shaumyan said. "The Kremlin did not fail to notice Singh's gesture, which, to a great extent dispersed the 'India falling into the lap of the Americans' notion widely subscribed to in Russia," she said.

Prime Minister Vladimir Putin will go to India in 2010, BNS reported. Both nations called for doubling their very low bilateral trade of \$20 billion by 2015, at the Indo-Russian CEOs Council meeting during Singh's Moscow visit Dec. 6-8. "Strengthening the strategic partnership with India remains one of the key priorities of Russia's foreign policy," Putin told the meeting. "We see, that cooperation with India has acquired real anti-crisis stability, it is not afraid of sharp fluctuations in the global economic conjuncture. Now our task is to move further, activate the whole arsenal of opportunities for the diversification of Russian-Indian contacts."

Russia-India Technological Cooperation Takes a Giant Step Forward

Dec. 25 (EIRNS)—The chief of Russia's department of piloted programs of the Federal space agency, Roskosmos, Alexei Krasnov, told Itar-Tass that Russia has decided to help India to make an indigenously produced manned spaceship, by providing the technology used in developing Soyuz spacecraft. The project is expected to be completed by 2020. On Nov. 24, India's newly appointed chairman of the Indian Space Research Organization (ISRO), K. Radhakrishnan, told the media that by 2015, India will be ready for a manned Moon mission.

Krasnov said: "The Indian side intends to use the experience of building the manned spaceship Soyuz to advance in building their own spaceship. We will build this spaceship on a similar technical scheme, but it will not resemble Soyuz." He pointed out that Soyuz is heavier and cannot be launched by Indian rocket boosters, which are too light to carry the spaceship. The Indian spaceship will be built with the same technology as the Soyuz craft, but will carry a different outer model. India and Russia have been cooperating in space technology since the 1980s.

Meanwhile, the Bhilai Steel Plant (BSP), which was set up in the 1960s by the Soviet Union, has, for the first time rolled high-strength special steels used in construction of space vehicles. While the steel slabs were developed by Mishra Dhatu Nigam (Midhani), a Defense Ministry arm, recently these plates of 9.5 mm. thickness were rolled for the first time at BSP's Plate Mill. The rolled plates are used for manufacturing the main body of India's indigenous space vehicles.

India-Russia Collaboration on Nuclear Reactor Manufacture

Dec. 25 (EIRNS)—The Indian engineering and construction company Larsen and Toubro (L&T) and Atomstroyexport (ASE) of Russia have signed a memorandum of understanding (MoU) for cooperation relating to VVER 1000 Russian-design reactors. L&T and ASE will work together in the construction of Koodankulam power units, as well as construction of plants of Russian designs with VVER reactors in India and other countries. L&T said the MoU represents a major step for the company in VVER component and systems manufacturing and services.

Atomstroyexport JSC is a leading engineering company (subordinated to the state corporation Rosatom), which implements inter-governmental construction agreements for nuclear facilities abroad. Atomstroyexport orders total 20% of the global volume. The company is currently working in China, India, Iran, and Bulgaria, L&T said.

It is evident that worldwide demand for nuclear reactors exceeds worldwide nuclear reactor manufacturing capacity by a wide margin. Decades of anti-nuclear campaigning have led to total stagnation in reactor manufacturing in the West. Now, Russia is emerging as a major supplier of nuclear reactors, particularly as principal suppliers of reactors to the two most power-starved large nations, India and China. Russia, China, and India have sped up the process of utilizing each other's capabilities in various infrastructure sub-sectors.

• Southwest Asia News Digest

Primakov: No Proof Iranian Nuclear Program Is Military

Mottaki: Nuclear Swap in Turkey Is Acceptable

Netanyahu and His Lackeys Preventing Prisoner Exchange

Egypt Invests in National Power Network, Including Nuclear

Primakov: No Proof Iranian Nuclear Program Is Military

Dec. 26 (EIRNS)—Russian representatives intervened into the tension surrounding the Iranian nuclear program, and indeed many Middle East issues, during a Dec. 20-22 conference in Jordan. The event, titled "Middle East 2020: Is a Comprehensive Settlement Possible?" and co-sponsored by RIA Novosti and the Russian Council for Foreign and Defense Policy, featured former Russian Prime Minister Yevgeni Primakov as a keynote speaker, as well as Alexander Saltanov, the deputy foreign minister, and representation from Israel, the Palestinians, Arab media, and many others.

Both Primakov and Saltanov indicated to the *Jerusalem Post* that the Russian government sees no evidence that Iran is trying to build nuclear weapons. Saltanov, while he dismissed the notion that Russia would not support any new sanctions against Iran, said, "We should work through the diplomatic process to the very end, and encourage Iran to get involved in dialogue not only on vague issues—like the nuclear program—but also involving Iran in the region to solve problems." He added that "Iran has a positive potential."

Primakov, a senior Russian strategist and diplomat, told the conference that "Russia has no concrete information that Iran is planning to construct a weapon. It may be more like Japan, which has nuclear readiness but does not have a bomb." He added, "There is no doubt that the Iranian program and the lack of clarity about it has caused

great nervousness in Israel, but if Israel attacks Iran, it will cause great instability and will only postpone the Iranian program, not end it." He warned that an effort to solve the issue by force would further radicalize Iran. "In that situation, Iran could consider it absolutely vital to have nuclear weapons."

Mottaki: Nuclear Swap in Turkey Is Acceptable

Dec. 26 (EIRNS)—Iranian Foreign Minister Manouchehr Mottaki told Iranian state television on Dec. 24, that Turkey would be an acceptable site for swapping nuclear material under a United Nations proposal. The proposal is for Iran to give up its stockpile of low-enriched uranium in return for 20% enriched fuel rods that could be used in a research reactor, but are unsuitable for nuclear weapons.

Mottaki said that Iran "does not have a problem with Turkish soil" as the location for the exchange, which is a shift from an earlier demand that the exchange take place inside Iran. On Dec. 25, Turkish Foreign Minister Ahmet Davutoglu welcomed Mottaki's remarks, saying Turkey would continue its efforts to help end the dispute over Iran's nuclear program.

Netanyahu and His Lackeys Preventing Prisoner Exchange

Dec. 28 (EIRNS)—The long, drawn-out process of working out a prisoner exchange between Israel and Hamas for the release of Israeli soldier Gilad Shalit is being blocked by Israeli Prime Minister Benjamin Netanyahu and his lackey Uzi Arad, one of the Israeli officials involved in illegally obtaining secret documents from Pentagon official Larry Franklin in 2004-05. (Franklin pleaded guilty in 2006 to criminal charges relating to his pilfering of secret documents, and unauthorized distribution of classified information to Israeli agents. Because of the case, Arad was banned from the United States, a status that was only reversed when Netanyahu demanded that he be recognized as the Prime Minister's National Security Advisor).

Regarding the prisoner exchange, roughly 70% of Israelis polled supported an exchange "at any cost," reported the Israeli press. Still, Bibi and Uzi are putting up roadblocks. There is a demand that 100 Palestinians of those freed be deported, an unacceptable demand. The second is the active lobbying by Arad to sabotage the deal. He gave interviews, as a "source close to the Prime Minister," to *Yedioth Ahronoth* and Channel 2, attacking both the army Chief of Staff and the head of the Shin Bet for supporting an exchange.

Well-informed sources in Washington report that one of the most outrageous of the Israeli demands is that Palestinian leader Marwan Barghouti, a member of the Fatah executive board, and a popular candidate for the next Palestinian Presidential elections, not be allowed to enter the West Bank if he is released from Israeli prison. The Israelis are reportedly demanding that Barghouti either be confined to Gaza or exiled to another country.

Egypt Invests in National Power Network, Including Nuclear

Dec. 26 (EIRNS)—Egypt is eager to develop a peaceful nuclear program with the cooperation of the International Atomic Energy Agency (IAEA) in order to provide more electric power to the country, reported NNN-Kuna news agency on Dec. 25. NNN-Kuna cited Egyptian Minister of Electricity and Energy Hassan Yunis, who also said that new energy deals are in the works that will link several power grids with the national network in Egypt, and will provide around 99% of the electricity to the Egyptian people, as well as electric power to the industrial, agricultural, commercial, and tourism sectors.

Yunis stated that contracts will be signed with the first stage of the project, to commence on 2011, costing around

1.5 billion Egyptian pounds (EGP1=\$0.18), and that the deals would lead to the linkage of the Al-Owainat eastern region with the national network of power-grids. Similar deals worth EGP107 million were signed in November.

The signing of the deals would come within the 2007-12 strategy to develop Egypt's power network. The investments in the strategy would cost around EGP80 billion (\$14.6 billion).

• Asia News Digest

Afghan National Army: A Force To Forget About

Japan Ponders Improved Relations with China, South Korea

Hun Sen: Thai Government Is Plotting Coup in Cambodia

Afghan National Army: A Force To Forget About

Dec. 22 (EIRNS)—The centerpiece of President Obama's Af-Pak policy, unfolded at West Point on Dec. 1, was to build up a formidable Afghan National Army and hand over to it the security of Afghanistan. That would enable the United States to begin withdrawing troops by July 2011, said the President. However, the facts on the ground suggest that may never happen.

Following Obama's speech, the number two commander on the ground, Lt. Gen. David Rodriguez, said the target now is to recruit 287,000 Afghan police and soldiers by July 2011 and just under 300,000 by the end of fiscal year 2011. But Lt. Gen. William Caldwell, in charge of NATO training of Afghan forces, emphasized the challenges involved in reaching an initial objective of 134,000 local forces by October 2010. "The biggest challenge is, how do we develop leaders for the Afghan army and the Afghan police. It's a huge challenge," he said. "How do we recruit more, retain more and reduce the attrition?"

On Dec. 22, National Public Radio carried Soraya Sarhaddi Nelson's report, "For U.S., Vast Challenge To Expand Afghan Forces." Nelson pointed out that indeed there is a recent surge among youth to join the ANA. In fact, U.S. military officials in Afghanistan reported that twice as many recruits joined the Afghan Army in the first two weeks of December as during the entire previous month. Afghan commanders predict that pay raises and signing bonuses that go into effect Dec. 23 will lure even more recruits. The raise means an average Afghan soldier and police officer will take home about \$250 a month. That's about \$50 less than Taliban militants are said to make each month during fighting season. But Afghan recruiters admit the surge of recruits is more likely linked to Afghanistan's brutal Winter and the resulting slowdown in Taliban fighting than to bonuses. Boot camp appeals to recruits, who get a lifestyle most cannot afford—regular meals, a warm place to sleep, socks, and new boots. What the Afghan government gets in return is hardly ideal. Fewer than one out of every nine Afghan soldiers can read and write. Police officers are also largely illiterate, and about 17% of them test positive for illegal drugs, Nelson said.

To speed recruits through their training, it has been cut from ten weeks to eight. That's because many soldiers and policemen exist only as names on paper, created by local commanders to collect bonuses. Christine Fair, an assistant professor at Georgetown University, co-authored a U.S. Institute of Peace study earlier this year on the Afghan security forces and the need for a game-changing strategy in Afghanistan. She estimates that more than 25% of officers on the police force are "ghost police"—people who don't show up but who are still on the payroll.

There are other problems that won't be as easy to fix, the article said. One is retention. Soldiers who return to their villages after one fighting season often never return. And while dropout and absentee rates reported by U.S. and Afghan officials are somewhere around 205, the actual number is very likely much higher, analysts say.

Japan Ponders Improved Relations with China, South Korea

Dec. 25 (EIRNS)—In light of the growing evidence that Russia, China, and India are becoming increasingly cooperative in utilizing their strengths to stabilize the Eurasian land-mass through economic development, the three-year project undertaken by Japanese and Chinese scholars to review history from medieval to modern times, is a step forward by Tokyo to improve its bilateral relations with both Beijing and Seoul.

One of the sticking points that has blocked stronger cooperation between Japan and China, and Japan and South Korea, has been the role of the Japanese Imperial Military in the 1930s. Japanese and Chinese historians have clashed over the details of the 1937 Nanjing massacre committed by the Japanese Army. However, a fresh air is blowing. At a joint conference on Dec. 24 with Chinese historians, Shinichi Kitaoka, a Tokyo University professor, said: "The Japanese side acknowledged the fact that there was the massacre, and that the basic responsibility was on Japan."

Similarly, the dispute over the ownership of the island of Dokdo/Takeshima, which has clouded relations between Tokyo and Seoul, has taken a turn. Japan's history textbooks have previously asserted Japan's claim to the island. However, the textbook for high school teachers published on Dec. 25 says: "The Japanese Government has removed South Korea's easternmost islets of Dokdo from its description of territorial sovereignty claims.... The territorial issues should be dealt with on the basis of reasoned argument rightfully advanced by the [Japanese] government."

Hun Sen: Thai Government Is Plotting Coup in Cambodia

Dec. 25 (EIRNS)—Cambodian Prime Minister Hun Sen has accused the neighboring Thai government of preparing a coup against his government. Hun Sen was quoted by Agence France Presse during a speech at a provincial ceremony on Dec. 24, claiming that he has seen a secret Thai government document outlining the plan. Thai Prime Minister Abhisit Vejjajiva rejected the accusation.

Thailand, which is in the midst of a political upheaval, continues to remain under control of a king who retains close ties to Buckingham Palace. There exists a historical bond between the British and Thai monarchies.

A coup plot, orchestrated by Thailand in collusion the British monarchy, could well have been triggered by the growing relationship between China and Cambodia.

On Dec. 20, Chinese Vice Premier Xi Jinping, unofficially the successor to Hu Jintao as President of China, visiting Cambodia, met with Cambodia's Deputy Prime Minister, and voiced China's willingness to push for a higher-level relations. Describing the ties as an example for friendly cooperation, Xi said the Chinese side is willing to enhance cooperation with Cambodia in various fields, and to push bilateral relations to a higher level, so as to bring more benefits to the two peoples. Xi noted that Siemp Reap Province has become a sister province with Yunnan, southwest China.

Premier Wen Jiabao's official visit to Cambodia April 7-8 symbolized the tightening relationship between Cambodia and the P.R.C. Beijing stepped up aid to Cambodia through 11 bilateral agreements including

combatting transnational crime, health cooperation, Internet services, protecting the Angkor Wat temples, and establishing a national botanical garden. In addition, the two sides agreed to enhance economic, political, and military interaction through a Comprehensive Partnership of Cooperation. Most importantly, Wen pledged \$600 million in loans and grants. At the conclusion of his visit, the Cambodian Prime Minister described China as Cambodia's most trustworthy friend.

• Africa News Digest

- [Sudan and Chad To End Hostilities](#)

Sudan and Chad To End Hostilities

Dec. 27 (EIRNS)—Sudan and Chad have reached an agreement to end hostilities between them, Muawiya Osman Khalid, spokesperson of the Sudan Ministry of Foreign Affairs, announced from Khartoum today, according to the *Sudan Tribune*. Khalid said that the two countries had agreed to stop all forms of hostilities at both the military and the media levels. Chad Foreign Minister Moussa Faki Mahamat was in Khartoum last week, where he met Sudanese President Omar al-Bashir on Dec. 24, and held talks with Presidential advisor Ghazi Salahudeen Atabani and intelligence chief Mohamed Atta al-Moula.

Manipulated attacks on the governments of Sudan and Chad by anti-government rebels of each country, who sought refuge in desert areas of the neighboring country—many of them in Darfur—have been used as a justification for the false accusation of genocide against the Sudan government. The pro-British United States Ambassador to the UN, Susan E. Rice, still charges that there is ongoing genocide in Sudan, even though death rates in the region are now lower than they were before the manipulated conflict began.

According to today's announcement in Khartoum, political engagement will increase between Sudan and Chad, and a Sudanese military delegation will travel to Ndjamen, capital of Chad, within two weeks, to discuss implementation of security and military issues covered in the signed agreement.

The Chadian Consul in Khartoum, Hussein Jeddah, today said his country would ban the activities of the Sudanese rebels inside its territories as part of the deal signed between the two countries. He confirmed that Sudan had moved Chadian rebels 400 kilometers back from the joint border of the two countries.

Khalid, the Sudanese Foreign Ministry spokesman, said the motivation for the agreement is not for short term, tactical reasons, nor is it related to the peace process in Darfur, but is a strategic issue for two countries that have interdependent interests.

Liu Guijin, special representative of the Chinese government on African affairs, was in Sudan, Chad, and Addis Abeba, Ethiopia (headquarters of the African Union) in June. He announced at that time that he would hold talks on the peace process in the Darfur region, and on Sudan-Chad relations.