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The Concluding Document of a Series:
Now Comes Economic Time
by Lyndon H. LaRouche, Jr.

Foreword: What Is Timely Performance?

The following pages are devoted to a summary of the most significant development in the scientific basis for the knowledge and practice of economy since the 1907-1909 period of the closely related work of Albert Einstein and Hermann Minkowski on what was then named ``Special Relativity": the crucial importance of the relativity of time itself. That is the notion of relativity which underlies any actually scientifically competent effort to understand those crucial issues of economic policy which have befuddled the leaders of nations globally since the close of July 2007, the policy-issues which menace the present U.S. Obama government at this present instant....

In-Depth articles from EIR, Vol. 36, No. 7

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This Week's Cover Story

- **The Concluding Document of a Series:**
Now Comes Economic Time

Lyndon H. LaRouche, Jr. concludes his trilogy on physical time, which began two weeks ago, with 'Nations as Dynamical,' followed last week by 'The Meaning of Physical Time.' In this concluding section, LaRouche explains the crisis, its causes, and its remedy, adding the caution: 'When the horrid consequences of failure to heed my warning here, are considered, my forecast may be seen by some thoughtful readers, as, in both theory and practice, the most important piece of writing on economic policy as such which has been written in world history so far. As you shall see here, that is no exaggeration, even in the slightest degree.'

Feature

- **LaRouche's Feb. 11 Webcast:**
'On the Next Step'

Lyndon LaRouche reminded his international webcast audience that he had warned, more than a year and a half ago, in July 2007, that we were confronting a collapse of the world monetary-financial system, but, so far, nothing, absolutely nothing, has been done to put in place the measures that he proposed, which were urgent then, and far more so, now. However, if President Obama, who has the support of the American people, gets the right advice, it is still not too late to make the necessary changes.

- **Dialogue with LaRouche**

In the two-hour discussion following LaRouche opening remarks, a number of key issues were addressed, including: the drug cartel takeover of Afghanistan; British operations in Russia; U.S. policy toward Sudan; the proliferation of lies about FDR; Social Security; and how to create a Classical culture.

World News

- **Ben Franklin Was Correct:**

- **A Republic, If We Can Keep It**

John Hoefle recalls Franklin's admonition following the Constitutional Convention, and warns that the danger that we may lose our republic is now as grave as it has ever been. Only LaRouche's bankruptcy reorganization will provide the means to avert a cataclysmic blowout, in the near term, of the U.S. and global financial system.

- **Stop Bashir Indictment:**

- **U.S. Needs Development Policy for Sudan**

The International Criminal Court, with strong backing from George Soros and the British imperial financial cartel, is reported to be on the verge of issuing a warrant for the arrest of Sudan President al-Bashir. LaRouche responds: 'If you want to fight genocide, get rid of George Soros.' He added, 'It would be a terrible thing, a great folly, if the Obama Administration were to be sucked into an adventure, such as the adventure against Bashir of Sudan.' **Douglas DeGroot** reports.

- **World News Briefs**

Editorial

- **Bankruptcy Reorganization Now!**

U.S. Economic/Financial News

GM Threatening Bankruptcy as D-Day Approaches

Schwarzenegger Swings the Ax, Cuts 10,000 Jobs

Food Chain Breaking Down for Dairy, Poultry Producers

GM Threatening Bankruptcy as D-Day Approaches

Feb. 14 (EIRNS)—Facing a Feb. 17 deadline for coming up with a restructuring plan that slashes operating costs and debts, General Motors is preparing to offer the government two options: either provide more bailout money so that it can continue operations, or provide financial backing as part of a bankruptcy filing. The deadline was established in the agreement by which it took \$13.4 billion in loans from the government, late last year, but negotiations with both the UAW and the bondholders have been slow—thus the consideration of a bankruptcy filing. Treasury Department officials are said to believe that GM needs about \$5 billion. The bankruptcy proposal would have GM gathering its supposedly viable assets into a new company and selling off everything else. It would also include a broad restructuring involving the closing of more than ten plants.

Chrysler, facing the same deadline, is reported to be preparing to present two options. One is to reorganize as an independent company; the other involves its partnership with the Italian carmaker Fiat SpA, which would have Fiat owning a 35% stake in the company. Chrysler has said that it needs about \$3 billion to stay afloat.

Schwarzenegger Swings the Ax, Cuts 10,000 Jobs

Feb. 11 (EIRNS)—California Gov. Arnold Schwarzenegger has again wielded his ax, announcing that 10,000 state employees will lose their jobs by Feb. 13, if no budget agreement is reached. The layoffs would save the state approximately \$750 million between now and July 2010, a mere drop in the bucket, considering that the budget deficit is over \$40 billion. Notices will be sent out to 20,000 workers, to give officials time to determine which 10,000 jobs to cut. His mandatory "furlough" plan, of two unpaid days off per month for state employees, which started last week, has already reduced the pay of those employees by over 9%.

Schwarzenegger's announcement came on the heels of a report from Comptroller John Chiang that tax collections fell \$2.2 billion in January 2009, in comparison with January 2008. Chiang has cut payments to vendors and counties already, and suspended state tax refunds, to preserve cash to maintain debt service and other mandatory payments. He said that California "has only \$6 to pay for every \$10 worth of bills." He is withholding payments "to save the state from defaulting."

Schwarzenegger later announced a new "compromise" on the budget, closing the deficit by increasing the state sales tax by 1% to 8.25%; increasing state income taxes and corporate taxes; increasing the car tax to 1.15% from 0.65%; a 12-cent per-gallon excise tax on gasoline; plus significant budget cuts; and a large chunk of funds to the state from the Federal "stimulus" package. Combined, the measures being considered would raise taxes and fees and other revenue by \$14 billion, and are coupled with \$16 billion in spending cuts and \$10 billion in new debt. The tax increases would be "temporary," lasting from two to five years.

Though Arnie said he's confident this will pass, Republicans in the state legislature still could defeat it, if they maintain their unity against tax increases.

Food Chain Breaking Down for Dairy, Poultry Producers

Feb. 12 (EIRNS)—U.S. meat, milk, and crop farmers have been hit with drastic losses from low prices, broken contracts, and high costs of production. The farm price for raw milk is about half of what it was a year ago, while production costs remain high—for electricity, hauling, feed, veterinary costs, etc. A year ago, a Central States dairy farmer might be getting \$17 for 100 pounds of milk, and now is getting \$9.20. Many of the nation's 60,000 dairy farmers are seeking ways to quit. The monthly loss per milk cow is \$200.

Looking at chicken farms, which are highly "vertically integrated" with mega-processors—Tyson Foods (the largest), Pilgrims Pride (second), Perdue Farms (third), Cargill, and others, some producers have been hit by sudden termination of their standing contracts to receive chicks and grow them out. Pilgrims Pride, after declaring bankruptcy in 2008, cancelled the contracts for some 300 farmers in Arkansas, North Carolina, and Florida. This spells bankruptcy and/or ruin within months for these farmers, who shoulder the debt for large chicken houses, now empty.

Pilgrims Pride still has contracts with 5,000 or more farmers. The company has stated its intention to limit its downsizing, but who knows? Tyson and Perdue aver that they will not cancel contracts. But there is no policy or process of government intervention to protect the food-production capacity. The forecast is that the U.S. will produce less chicken in 2009 than 2008, the first year-on-year decline since 1975.

For dairy farmers, there is a program called MILC—"Milk Income Loss Contract," to mitigate the farm milk-price collapse, but it is minuscule. For the chicken farmers, nothing. A lawsuit has been filed against Pilgrims Pride by 74 poultry growers in Arkansas, claiming damages because they were wrongfully induced by the company to go into debt for poultry production facilities, then summarily dropped.

The guiding principle for the 1930s and wartime FDR farm/food policy was that it is in the public interest, for a stable, secure food supply, that there be a decent and stable income for farmers. This principle, which was overturned in the last 40 years of globalization, can be reinstated in emergency economic measures of the kind proposed by Lyndon LaRouche.

Global Economic News

Swedish 'Pinochet' Social Security Plan Crashes

German Economy Shrinking at Record Pace

Chinese Industry Is Contracting

Water, Infrastructure Shortages Threaten Crops

Swedish 'Pinochet' Social Security Plan Crashes

Feb. 11 (EIRNS)—Swedish citizens have received the yearly red envelope with the status of "their" savings for social security. In Sweden 2.5% of one's salary is set aside in a personal account that is invested in market funds. This is the same plan which, thanks to the efforts of Lyndon LaRouche, was defeated when George W. Bush tried to implement Social Security privatization in the U.S.

The plan is modelled on the privatization of social security under Gen. Augusto Pinochet in Chile. Because of the collapse on the stock markets last year, the state-managed funds reported negative 36% of the savings—i.e., a loss of a third of the pensions set aside. Among the other 770 funds available for individuals to choose from, all stock funds went into the red significantly, but some fell by as much as 75%, wiping out three-quarters of this part of social security savings.

German Economy Shrinking at Record Pace

Feb. 13 (EIRNS)—In the worst collapse since German reunification, the gross domestic product in the last quarter of 2008 collapsed by 2.1%, compared to the third quarter of 2008. In France, it was 1.2% for the same period. In both the third and second quarter of 2008, GDP went down in Germany by 0.5%. In 1993, GDP had collapsed by 1.2%.

This is nothing compared to what's coming. Prof. Sinn of Munich Ifo-Institute expects 500,000 to 700,000 additional unemployed compared to a year ago. At the HH Club of economic journalists on Feb. 12, Sinn declared that all those who predict that it will get better by Summer, are talking "nonsense."

The steel industry is in free-fall. Since September 2008, some 3,000 jobs have been cut, and new layoffs are to come at Thyssen Krupp. This was announced yesterday, along with a 36% drop in steel, and a 55% fall in high-grade steel (Edelstahl) orders.

Siemens has announced massive expansion of short work in Germany, for more than 7,000 employed, until April. Siemens plans to cut all contracts with outside consultants, and announced a further reduction of involvement in Russia, with some projects to be postponed. However, collaboration between Siemens and the Russian nuclear power company Rosatom is not affected, as the German firm announced that it wants to become "active again" in the area of nuclear energy. Also,

Siemens will try to place a EU2 billion bond, to refinance short-term debt. As for who is expected to buy such bonds, there has been no comment.

Chinese Industry Is Contracting

Feb. 13 (EIRNS)—Power generation kept falling in China in January, for the fourth month in a row. This is just one demonstration of what is happening to China's biggest industries, since these industries, such as steel and chemicals, are all big power consumers. All sectors of the economy, including exports of processed goods, were affected by the first week of the New Year holiday, which usually falls in February. This made the year-on-year economic figures, which China generally uses, more extreme, since many industries stopped production beginning Jan. 26.

Power generation was down 13% year-on-year in January, *China Daily* reported Feb.12, citing an official of the China Electricity Council. The CEC reported that thermal power generation in October, November, and December 2008 had fallen 5.3%, 16.6%, and 12.4% from the year before.

In a Feb. 4 report, the CEC warned that power demand will continue to fall in the first half of 2009, although things will "get better" by the third quarter.

Steel exports were down 40% year-on-year, in January, to 1.91 million tons, the General Administration of Customs said yesterday. In 2008 as a whole, steel exports fell 5.5% year-on-year, after 10 years of growth, to 59.23 million tons. Monthly steel exports had peaked at 7.68 million tons in August, but crashed to 2.95 million tons by November.

Customs warned that new orders are shrinking. Demand in South Korea is estimated to be down by 9.5% from a year ago; in the United States down by 11%; and in Japan down by over 30%, *China Daily* reported. As one result, in January, China's iron ore imports were down 5% from December.

Water, Infrastructure Shortages Threaten Crops

Feb. 10 (EIRNS)—The current drought in China and California marks the fact that harvests are threatened internationally by bad weather and lack of water infrastructure. This was not so over the past 18 months, when production in the Northern Hemisphere grain belts—China, Russia, France, the U.S. and Canada—somewhat "made up for" the drought losses in Australia, Argentina, and Brazil

This year's world grain production (all types, for July 2008 to June 2009) is forecast by the U.S. Department of Agriculture at 2,223 million metric tons, which it considers being on a "neutral" path, rising somewhat from 2,122 mmt in 2007-08, and up from 2,005 mmt in 2006-07. This is the worse-than-typical buncombe, released today in the USDA's monthly *World Supply and Demand Estimate Report*. First, world grain output needs to be doubled to be sufficient for consumption and reserves. Second, the persisting lack of water, and other problems in agriculture, mean that losses on the level of famine are in the works. The International Grains Council forecasts a 5% drop in wheat in the next crop year, 2009-10, compared to this year.

United States News Digest

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NY AG Cuomo Details Merrill Lynch Bonus Thievery

Obama Derides Revisionists Rewriting FDR History

Brian Ross Runs New Attacks on Murtha, Rangel

Pennsylvania, Alabama State Representatives Call for Pecora-Style Investigations

Feb. 12 (EIRNS)—State legislators in Pennsylvania and Alabama have called for Pecora Commission-style investigations of the financial crash and the banking bailouts, beginning immediately. During the 1930s, the Senate Banking Committee's hearings, led by Ferdinand Pecora, exposed Wall Street's malfeasance in bringing about the 1929 crash.

In Pennsylvania, State Rep. Rose Marie Swanger endorsed a call for a Pecora Commission, which got coverage in the Lebanon (PA) *Daily News* of Jan. 30. Swanger is a second-term Republican and a co-sponsor of State Rep. Harold James' resolution in favor of a Homeowners and Bank Protection Act. In a letter to Pennsylvania Sens. Robert Casey (D) and Arlen Specter (R), Swanger noted that it is the taxpayers who are financing the bailout, and yet we are not told how our money is being spent by banks, nor what has caused this financial debacle. If there have been crimes on Wall Street or elsewhere, they need to be exposed and the criminals prosecuted, the letter said. We need another Pecora Commission, with full subpoena powers, to get to the bottom of this.

In Alabama, State Rep. Tom Jackson submitted HJR118 to the State Legislature; it urges Congress to hold hearings on financial abuses by Wall Street financial institutions. Jackson's resolution reports that the call for a new Pecora Commission originated with Lyndon LaRouche and has been echoed by historian Ron Chernow in the *New York Times* and elsewhere.

FBI Targeting Major Firms for Fraud

Feb. 12 (EIRNS)—The FBI is targeting 38 major firms for fraud "directly related to the current economic crisis," according to a top FBI official, and ultimately the number could rise into the hundreds. "These are companies, businesses that everybody knows about," said John Pistole, the Bureau's deputy director.

He described the investigations as "large, complex," and similar to the Enron investigation. On other occasions, Federal officials have fingered Lehman Brothers, American International Group, Countrywide Financial, and Fannie Mae and Freddie Mac as under criminal investigation.

Neil Barofsky, the Special Inspector General for the \$700 billion Troubled Asset Relief Program (TARP), testified that several criminal cases are underway against firms involved in the bailout. Barofsky added that he is working closely with other agencies and the New York State Attorney General, Andrew Cuomo.

Senate Judiciary Committee Chairman Patrick Leahy (D-Vt.), who chaired yesterday's hearing on corporate fraud, told the witnesses, "I want to see people prosecuted," adding, "I want to see people who have committed such fraud and the havoc it's caused to this country—frankly, I want to see them go to jail."

Material for a new Pecora Commission investigation!

NY AG Cuomo Details Merrill Lynch Bonus Thievery

Feb. 11 (EIRNS)—New York State Attorney General Andrew Cuomo blasted Merrill Lynch in a letter to the House Financial Services Committee Chairman Barney Frank, as it was set to begin a hearing with the CEOs of the major banks. Cuomo, who is conducting a criminal investigation into the matter, expressed his rage at the scam run by Merrill and Bank of America in regard to the executive bonuses: "Merrill Lynch's decision to secretly and prematurely award approximately \$3.6 billion in bonuses, and Bank of America's apparent complicity in it, raise serious and disturbing questions." The bonuses were given after BofA had voted to buy Merrill, but before the turnover occurred, so that the bonuses counted as part of Merrill's "losses" in December, for which BofA took \$20 billion in taxpayer money from the TARP bailout fund.

Cuomo gives the details: Merrill gave bonuses of at least \$1 million *each* to 696 employees, with a combined \$121 million going to the top four recipients. The next four recipients were awarded a total of \$62 million, and the next six received \$66 million, he said. In all, the bonuses for 2008 totaled \$3.6 billion. "Indeed, Merrill chose to make millionaires out of a select group of 700 employees.... It appears that, instead of disclosing their bonus plans in a transparent way as requested by my office, Merrill Lynch secretly moved up the planned date to allocate bonuses and then richly rewarded their failed executives."

Bank of America spokesman Scott Silvestri said his company was as clean as a whistle; that they tried to get Merrill to cut back on the bonuses, but that Merrill was "an independent company" when the bonuses were awarded.

Obama Derides Revisionists Rewriting FDR History

Feb. 10 (EIRNS)—During his Feb. 9 evening White House press conference, President Obama answered a sneering question about the economy and his credibility, by going after the campaign against FDR and what he accomplished, launched by the nostalgic fascists of the American Enterprise Institute.

"We are going through the worst economic crisis since the Great Depression," Obama responded. "Some of the criticisms [of my economic stimulus plan] really are with the basic idea that government shouldn't intervene at all in this moment of crisis. You have some people, very sincere, who philosophically just think the government has no business interfering in the marketplace.

"And in fact there are several who have suggested that FDR was wrong to intervene back in the New Deal. They're fighting battles that I thought were resolved a pretty long time ago."

Brian Ross Runs New Attacks on Murtha, Rangel

Feb. 10 (EIRNS)—ABC-TV's Brian Ross, the TV gutter snipe who smeared Lyndon LaRouche to grease the skids for LaRouche's Alexandria, Va. courtroom frame-up in 1988, has been fed "source" information to run attacks on Democratic Congressmen John Murtha (D-Pa.) and Charles Rangel (D-N.Y.), both leaders of key money committees in the 111th Congress who are not inclined to give away the store to financial speculators.

Speaker Nancy Pelosi (D-Calif.), whom LaRouche has demanded be removed, created this targeting apparatus with her "ethics" legislation of 2007, which polices Congressmen and staff, while allowing the Federal Reserve to shovel \$8 billion to bankrupt banks in total secrecy.

Brian Ross's "Blotter" on Feb. 9 features a story from "sources" who reveal for the first time that the FBI raided the Virginia headquarters of lobbying group PMA in November 2008. PMA was founded by former Murtha aide Paul

Magliochetti. This preceded, and likely provided some pretext for the FBI, IRS, and Defense Criminal Investigative Service to raid Kuchera Industries and Kuchera Defense Systems outside Johnstown, Pa., in January 2009. An FBI agent told one Kuchera employee that the raid was about "shock and awe." Ross and the right-wing press report the unsurprising facts that Murtha's representation results in Federal money for his district; that companies in his district have lobbyists; and that both the companies and the lobbyists contribute to Murtha's campaigns—along with those of other Democrats and Republicans.

Elements in the U.S. Department of Justice have been waging a vendetta against Murtha, since he emerged from the DOJ's attempt to entrap him in its Abscam targetting of the Congress in the late 1970s, without even being indicted, and then, together with Rep. Joe McDade, organized the passage of the McDade-Murtha bill, with penalties to curb such prosecutorial abuses in the future.

Ross also targets Representative Rangel, complaining that the Ethics Committee investigation of Rangel isn't going anywhere; that its hearings have been completely secret; and complaints can only be made by members. Rangel himself asked for the investigation of his actions.

Ibero-American News Digest

Soros's Narco-Politicians Call for Legalization

Colombia's Interior Ministry Slams Soros's Lies

Drug Cartels Are an Existential Threat to Mexico

Mexico Uses Satellite Imaging in War Against Drugs

Paraguay Takes on the Drug Cartels

Soros's Narco-Politicians Call for Legalization

Feb. 11 (EIRNS)—The Latin American Commission on Drugs and Democracy (LACDD), whose sponsor and financier is Nazi-trained dope-pusher George Soros, did what it was paid to do, at a Feb. 10 press conference in Rio de Janeiro: It release its report calling for drug legalization and capitulation to the drug trade.

Co-chaired by former Presidents Ernesto Zedillo of Mexico, César Gaviria of Colombia, and Fernando Henrique Cardoso of Brazil, the LACDD declared the war on drugs "lost," and demanded a new "paradigm" of toleration for decriminalization of such "harmless" drugs as marijuana.

The LaRouche movement has warned that the Commission's sole purpose was to serve as a fifth column for the British Empire's war to legalize the global drug trade, and confronted its leaders at every opportunity on their sponsor's past as a servant of the Nazi wartime occupation of Hungary. Mexico's Zedillo responded to one such intervention in Washington with the statement that Soros's working with the Nazis to confiscate the property of his fellow Jews, was "completely irrelevant to me."

The LACDD's prime target is Mexico, which is being ripped apart by the drug cartels. Mexico, the Commission argues,

must not follow Colombia in waging a war on drugs, but rather join in pressuring the United States to legalize, too. The same message will be delivered in Washington next week at an Open Society Institute-funded event on Mexico's drug war at the CATO Institute, where Soros's lead hitman on drugs, Ethan Nadelmann, is billed as a featured speaker.

At the Rio event, Cardoso apologized that the Commission had only called for legalizing "personal" use of marijuana, and not other drugs such as cocaine. "You have to start somewhere," and it wouldn't have been "realistic" to call for legalizing all drugs, he explained.

The Commission had announced for months that it would hold a public meeting in Mexico before releasing its conclusions. Soros's agents apparently are not as welcome in Mexico as they had hoped, as that meeting never came off.

Colombia's Interior Ministry Slams Soros's Lies

Feb. 13 (EIRNS)—Two days after the Latin American Commission on Drugs and Democracy (LACDD) issued its report advocating drug decriminalization, Colombia's Interior and Justice Ministry countered the report's lies today with a sharply worded communiqué.

In stark contrast to the daily *El Tiempo*, owned by the oligarchic Santos family, which today lavished praise on the LACDD's report, the Interior Ministry warned, "If Colombia hadn't waged a frontal and uninterrupted war against the global drug problem, our democracy and institutionality would have been broken and subjected to the corrupting power of transnational crime."

It is a proven fact, the communique states, that the cocaine-trafficking routes (on the Pacific and Caribbean coasts) are the "most violent in the world, with higher per-capita rates of homicide and kidnapping. It is the drug trade with its criminal networks that are responsible for the massacres, torture, and terror that have invaded Latin American streets. *To legalize or weaken the State's action against this criminal enterprise, doesn't contribute to meeting the region's common goals*" (emphasis added).

"Colombia today is 'hostile territory' for the drug trade," it states. The narcoterrorists financed by the cartels "have been systematically defeated." Colombia "shall never again live through the regime of terror of past years, when it was the victim of bombs, takeover of towns, and murder of its political leaders, perpetrated by the large drug cartels and the drug-trafficking guerrillas, which unsuccessfully sought to impose their conditions and subjugate the entire nation."

Drug Cartels Are an Existential Threat to Mexico

Feb. 10 (EIRNS)—On the anniversary of Mexico's "Loyalty Day" Feb. 9, Defense Secretary Gen. Guillermo Galván issued an appeal for national unity, to combat the drug cartels which threaten Mexico's existence as a sovereign nation. He made clear that the Armed Forces are, and will be, the central component in the defense of the Mexican Republic.

Speaking just a week after the Feb. 2 murder of prominent Gen. Mauro Tello Quiñones by cartel assassins, Galván stated that organized crime's rampage is an existential threat. It is not unlike the threat that the nation faced in February 1913, when traitors to the Mexican Revolution conspired to overthrow that Revolution's hero, elected President Francisco Madero, with backing from "sordid domestic and foreign interests."

On Feb. 9 ninety-six years ago, Galván said, Madero courageously marched to the National Palace to confront the coup organizers, garnering along the way the support of the Military Academy's cadets, who marched with him. By escorting Madero, Galván added, these cadets were also "escorting" Mexico itself, just as the Armed Forces do today, and will

continue to do, defending "domestic security, and the integrity, independence, and sovereignty of the nation," while always abiding by the Constitution.

Madero sacrificed his life for Mexico, he said, and "promoted national unity to confront the most serious and uncertain post-revolutionary avatars." Mexicans today can do no less.

Organized crime must be fought "with the full force of the State," the general continued. Moreover, "our spirit is revitalized, our morale is unbreakable," he concluded. "No one shall intimidate us, and no one shall stop us. Just as on that Feb. 9 at the beginning of the last century, we, the Armed Forces, shall continue to escort Mexico."

Mexico Uses Satellite Imaging in War Against Drugs

Feb. 10 (EIRNS)—Mexico is seeking to upgrade its already successful use of satellite imaging to pinpoint where to strike the drug trade. According to Mexican press reports, the Mexican Navy is discussing with three U.S. companies to contract satellite services for strategic vigilance, combatting drug running, and domestic security.

Navy commanders with responsibility for handling the Spot ERMEXS system which has been operating in Mexico since 2004, receiving satellite images at the Navy Ministry, said the new images will significantly increase Mexico's ability to see the entire national territory.

"With the high-quality images generated, we could define the details and analyze specific areas of interest related to the movements and the situation of organized crime, the movements of the drug cartels," Navy sources told *El Universal*.

Paraguay Takes on the Drug Cartels

Feb. 12 (EIRNS)—In his weekly press conference on Feb. 9, Paraguayan President Fernando Lugo warned drug mafias and contraband gangs that they will no longer be allowed to operate with impunity in regions that, until now, were abandoned by the State. Lugo was joined in the press conference by Interior Minister Rafael Filizzola.

Lugo has already enraged the George Soros crowd by seeking assistance from the Colombian government in combatting the drug trade, and by making clear that he opposes drug legalization.

Now, he is taking on the drug mafias in the country's northern provinces. Previous governments had allowed San Pedro, Concepción, and Canindeyú to become what drug traffickers and other criminals referred to as "liberated zones," Lugo explained.

From now on, the President warned, "there will be no more 'no man's land' in Paraguay." Over the past month, he noted, a task force of military and police forces launched Operation Jerovia, to establish a permanent institutional presence in the North, and to take on the drug traffickers who ride roughshod over the impoverished local, largely peasant, population.

According to the daily *ABC*, Operation Jerovia confiscated some 8,900 kilos of marijuana, destroyed 400 hectares of marijuana plants worth \$12 million, and confiscated a large quantity of contraband weapons and cars. This was just the first blow to what is a huge drug-production and -trafficking operation, however, and Lugo warned that he will deploy these special forces to other provinces, should that be required.

Western European News Digest

The Scent of Panic at the EU Commission

Germany Puts Lawyer in Charge of Economy

EU Commission Targets French Protectionism

European Automobile Sector in Free Fall

U.K.: Ecstasy Only Kills a Few, So Legalize It

British Minister Warns of Rise of Fascism

The Scent of Panic at the EU Commission

Feb. 12 (EIRNS)—Very late, but hopefully not too late, comes the EU Commission's realization that the collapse of the real economy is proceeding at full speed. EU Commissioner of Industry Guenter Verheugen said yesterday, "Totally new for us, are the scope and pace of the crisis." He reported that in December, the automobile sector and the steel industry of Europe showed a drop in new contracts by more than 40%, which, together with serious problems in the construction and chemical sectors, offers grim perspectives for 2009.

The EU will therefore hold a special summit on the state of industry on March 1 in Brussels. As Verheugen spoke, several thousand steel workers from across Europe were protesting outside the Commission building in Brussels. The day before, London's *Daily Telegraph* reported that it had obtained a secret 17-page European Commission document warning that the governments of the EU were driving themselves into bankruptcy by taking on the banks' toxic waste. The report, discussed by EU foreign ministers, warns that the EU itself could be shattered in the process.

Germany Puts Lawyer in Charge of Economy

Feb. 9 (EIRNS)—In a surprise development, German Economics Minister Michael Glos (CSU) resigned last weekend, and was replaced by Karl-Theodor zu Guttenberg, also CSU. According to the public side of events, this was the culmination of a build-up of tensions between Glos and new Bavarian CSU governor Horst Seehofer, which included Seehofer's quasi-public discussion about a new economics minister. On Feb. 7, Glos sent his resignation letter to Seehofer's private address, with a copy to *Bild-Zeitung*, so that apparently Seehofer, who was attending the International Security Conference in Munich, only learned about it through the press.

Glos had already complained that he had not been really involved in the financial rescue package efforts of Chancellor Angela Merkel and Finance Minister Peer Steinbrück. As Helga Zepp-LaRouche commented upon hearing the news, such a resignation is quite a scandal, given the financial meltdown we are in. Even more scandalous, she said, is the fact, that the new minister does not even have an economic background.

EU Commission Targets French Protectionism

Feb. 13 (EIRNS)—Called to Brussels to justify the French plan to support its auto industry, French Prime Minister François Fillon said that France didn't impose any conditions on automakers with respect to investments, but had only

asked them not to close assembly lines on national territory, since its citizens would not understand why the state would lend EU6 billion to a car manufacturer which would then close these factories. No other auto industry in Europe has deployed its production facilities so widely in other European Union member states, whether the Czech Republic, Slovenia, Slovakia, Spain, Portugal, or Great Britain.

European Commissioner for Competition Neelie Kroes was livid, saying that Fillon's speech was the best example ever of protectionist rhetoric. We have to give a clear signal that we will not allow state aid for protectionist behavior, she concluded. Fillon in turn attacked the European Commission for its lack of initiatives, saying he would have preferred a European solution, since it is "unsound" to have very different national programs. European Commission President José Manuel Barroso whined that he also prefers a European plan, but that the Commission has no credit available.

European Automobile Sector in Free Fall

Feb. 13 (EIRNS)—As the European governments are still working on their incentives for the automobile industry, the measures discussed so far will come much too late, because the auto sector is collapsing much faster than the government's experts expected. Figures for January, published yesterday by the European carmakers association ACEA, document that people who will buy cars whatever the price, no longer exist. Car sales went down by 26.5% on the average, and most dramatically in Ireland, with -66.5%, and in Spain, with -41.6%.

In terms of individual car producers on the European market: Daimler -30.5%, BMW -32.4%, GM -35.4%, Toyota -31.5%, Ford -21.8%, and Volkswagen -20.1%.

Opel's problem is on the agenda of North Rhine-Westphalia Gov. Juergen Ruetters, who will meet GM CEO Rick Wagoner in Detroit next week.

U.K.: Ecstasy Only Kills a Few, So Legalize It

Feb. 13 (EIRNS)—The Advisory Council on the Misuse of Drugs, a division of the United Kingdom's Home Office, has completed a study showing that the disco/psychedelic drug ecstasy only kills a few, and only destroys the immune system and the brain in a few more, so it "should be downgraded from a class A drug—on a par with heroin and cocaine—to class B, alongside cannabis." (George Soros and his cronies plan to legalize cannabis.)

According to an article in the *New Scientist*, the Home Office report concludes that ecstasy "causes light memory difficulties and mild depression, but these rarely translate into problems in the real world. While smaller studies show that some individuals have bigger problems, including weakened immunity and larger memory deficits, so far, for most people, ecstasy seems to be nowhere near as harmful over time as you may have been led to believe."

Proof? "Around half a million people take ecstasy every year in England and Wales, and 30 die." On the council are several doctors who are also involved with the drug-pushing Beckley Foundation, as well as several police chiefs and judges. Notable is Trevor Pearce, executive director of the Serious Organized Crime Agency (SOCA).

British Minister Warns of Rise of Fascism

Feb.10 (EIRNS)—British Children's and Schools Secretary Ed Balls told a group of Labour Party activists that the current "recession" is the worst in 100 years and could lead to the rise of fascism. "I think that this is a financial crisis more extreme and more serious than that of the 1930s, and we all remember how the politics of that era were shaped by the economy," he said.

Russia and the CIS News Digest

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Kudrin Brings Lousy Agenda from London

Feb. 9 (EIRNS)—Today's meeting of the Russian Government Presidium was keynoted by a report from Finance Minister and Deputy Prime Minister Alexei Kudrin on Russia's ongoing international consultations on the global financial crisis. Kudrin was just back from a visit to London, and it showed. He continued the performance that made him the subject of a Nov. 10, 2008 LaRouche PAC release, "As if Reading from a London Script," when he called for imposition of a "global Maastricht" to prevent countries from "living beyond their means."

Kudrin reported to Prime Minister Vladimir Putin and the Presidium that Russian officials have been discussing with the Chinese, Central Asian, and other governments, to prepare for the April 2 meeting of the G20 countries in London. This was a major topic of his trip to London. Kudrin's entire emphasis was on "improved financial market regulation." According to him, Russia is contributing to four G20 working groups, preparing documents on "financial market integrity," "IMF reform," "new banking oversight standards," "improved rules of audit and accounting in order more precisely to identify risks on the books of lending institutions," and so forth.

Again, Kudrin invoked the European Maastricht treaties, the British-inspired and authored strictures which impose a bankers' dictatorship on the nations of Europe, including prohibitions on sovereign credit-creation for development. Said Kudrin, "Unified financial standards are being developed to maintain macroeconomic stability. Here the Maastricht experience is especially important. In the EU and the Eurozone, budget deficits continue to be strictly regulated, which we hope will mitigate the crisis in that zone."

Having set forth such a rotten City of London agenda, Kudrin said that Russia is working intensely within EurAsEC (Eurasian Economic Community) and in the BRIC (Brazil, Russia, India, China) fora to prepare for the April meeting in London to discuss it. Lyndon LaRouche offered the following comment on the Kudrin report: "After reading what Kudrin reported, I can only say that this is dangerous nonsense, and if Kudrin succeeds in implementing this policy, Russia will be destroyed. He clearly has no competence in the ABCs of economics. My recommendation is that if he refuses to change, he should be exchanged."

Soros Inflicts New Schemes On Russia; Kudrin's Finance Ministry Likes It

See In-Depth, ["World News Briefs," p. 62-63.](#)

Viktor Ivanov: Drug Epidemic in Russia

Feb. 13 (EIRNS)—Viktor Ivanov, head of Russia's Federal Drug Control Agency, warned of a drug epidemic in Russia, at a press conference in Moscow yesterday. At Itar-Tass news agency, Ivanov said: "The increase in the number of drug addicts in Russia is beginning to look like an epidemic. Each day, over 80 people die from drugs and more than 250 become drug addicts." While there are officially 537,000 drug users in Russia, Ivanov said that, "At the same time, international estimates are five times that figure.... Around 90% of drug addicts in Russia are addicted to Afghan opiates, are hooked on the 'Afghan needle,'" *Russia Today* quoted Ivanov.

He said that NATO is only fighting terrorism, and this keeps the fight against the drug plague ineffective. "At the moment, NATO has not set the task of fight against drugs, instead, fighting only terrorism," Ivanov said. He added that Russia alone cannot cope with Afghan drugs, from which all countries suffer. In earlier statements, Ivanov has urged cooperation with the United States in this area.

Burns: Opportunity To Reset Relations with Russia

Feb. 14 (EIRNS)—U.S. Undersecretary of State William Burns, echoing Vice President Joe Biden's Munich speech of last weekend, declared that "We have before us an important opportunity to reset our relations [with Russia] on a more productive plane." In an interview with *Interfax* correspondent Alexander Korzun, after meeting with Russian Foreign Minister Sergei Lavrov in Moscow this week, Burns said that, rather than getting bogged down in disagreements, "We are committed to trying to take advantage of this moment of opportunity and of the common interest between us."

Burns cited a number of issues on which the U.S. and Russia can work together, including negotiation of a new nuclear arms reduction treaty, Afghanistan, and global economic issues. With respect to Iran's nuclear program and missile defense in Europe, Burns said that, "If through strong diplomacy, with Russia and our other partners, we can reduce or eliminate that threat, it obviously shapes the way at which we look at missile defense. And we are also open to the possibility of cooperation with Russia, with our NATO partners on new missile defense configurations which can take advantage of assets each of us has."

Lincoln Bicentennial: Kansas City Celebrates U.S.-Russia Alliance

Feb. 12 (EIRNS)—Kansas City, Missouri's Union Station celebrated Abraham Lincoln's 200th birthday with an exhibition on "The Tsar and the President: Alexander II and Abraham Lincoln." The show, which was exhibited earlier at the Oshkosh, Wisc. library, features correspondence and artifacts of the Russian-American alliance during the U.S. Civil War, as well as other aspects of the two countries' relations during that period. One section focusses on the emancipation of the serfs in Russia and the slaves in the U.S.A., another on the assassinations of the two leaders.

The show was organized by the American-Russian Cultural Cooperation Foundation.

Speaking at the Kansas City opening, Russia's Ambassador to the United States, Sergei Kislyak, lamented the fact that the United States had basically sided with the party that had "started the shooting" in Russia's recent conflict with Georgia, while noting that the U.S.-Russia relationship had been "rebooted" since that dispute. Kislyak also stressed the fact that the United States and Russia were allies in both World War I and II, and that Russia supported the development of the United

States during its early years. "There are a lot of things we need to and can do together," Kislyak said.

Russia, Turkey Declare New Era with 'Strategic' Document

Feb. 14 (EIRNS)—Turkey and Russia have taken another step toward closer cooperation. Meeting in Moscow, President Abdullah Gül and Russia's President Dmitri Medvedev signed a joint declaration on improving multidimensional cooperation between the two countries, with the Russian side defining the declaration as a "strategic document." Gül was in Moscow on Feb. 12 for a four-day state visit, indicating the high level of importance of the visit. Accompanying him were State Minister Responsible for Foreign Trade Kürsad Tüzmen and Energy Minister Hilmi Güler, and a large business delegation. Foreign Minister Ali Babacan joined the delegation, traveling to Moscow late on Feb. 12 from Riga, Latvia, where he had paid an official visit.

Speaking ahead of their meeting, according to *Zaman*, Medvedev highlighted bilateral cooperation in the Black Sea region. "Turkey and Russia are doing much for the maintenance of security in the Black Sea region and the Caucasus in general. We count on strategic cooperation with Turkey in that sphere. I think both our countries are interested in it. We hope such coordination will be maintained," Medvedev said.

In December 2004, then-Russian President Vladimir Putin made the first visit to Turkey ever by a Russian head of state, and the highest level visit since chairman of the Soviet Presidium Nikolai Podgorny had been to Ankara in 1972.

Babacan, speaking from Riga before leaving for Moscow, advised the United States, NATO, and the European Union not to adopt a confrontational attitude in their dealings with Russia. Babacan said, "The key term is cooperation. A strategy of confrontation with Russia is not going to give positive results and risks producing lose-lose outcomes."

Russia-Japan Civil Nuclear Agreement To Be Signed

Feb. 12 (EIRNS)—Sergei Kiriyenko, the head of Russia's state-run atomic power company, Rosatom Nuclear Energy State Corp., said Feb. 11 that Russia can soon prepare documents to sign a bilateral civil nuclear cooperation agreement with Japan that is under negotiation between the two governments. The agreement, which is expected to pave the way for Japan to export the latest nuclear electric power generation plant to Russia, may be signed during a planned visit to Japan by Russian Prime Minister Vladimir Putin "early this year."

Southwest Asia News Digest

An Intense Weekend of Mideast Diplomacy

Clinton, Mitchell, Jones to Southwest Asia

Mitchell Reports on Humanitarian Disaster in Gaza

Palestinian Ministers Want Israel Probed

An Intense Weekend of Mideast Diplomacy

Feb. 15 (EIRNS)—Representatives of Hamas and Fatah have met in Cairo for the first time in over two years, in talks

aimed at establishing a unity government over the entire Palestinian Authority (PA) territory. The meeting, over the Feb. 14-15 weekend, sponsored by the Egyptian government, was reported extensively in *Al-Manar*, the Lebanese satellite TV station affiliated with Hezbollah. According to this account, former Fatah PA Prime Minister Ahmed Qurei and top Fatah negotiator Nabil Sha'ath met with the deputy head of the Hamas political bureau, Mousa Abu Marzouk, and Mahmoud Zahar, the Hamas leader in Gaza. At the meeting, both parties agreed to further talks, including a reconciliation conference on Feb. 22, to be hosted by the Egyptian government. A PA spokesman in Ramallah directly linked the start of the reunification talks with the departure of the Bush Administration, bluntly saying, "The departure of the Bush Administration has paved the way for Palestinian national reconciliation. In the past, Bush and Rice were totally opposed to talks between Fatah and Hamas."

According to both Hamas and Fatah sources, the Egyptian government has presented a reconciliation plan, calling for a unity government, the release of all internal political prisoners, held by both Fatah and Hamas, parliamentary and presidential elections, and a restructuring of the Palestinian security forces. The *Al-Manar* story concluded with the following: "According to the sources, the two parties have already reached an agreement in principle to form a joint government that would serve for two years. The proposed government, which would be headed by current PA Prime Minister Salaam Fayad and would include several Hamas ministers, would be entrusted with preparing for new elections and solving all problems between the two sides ahead of the vote."

The Fatah-Hamas talks were not the only weekend diplomacy aimed at the Palestinian crisis. According to Ynet, the Israeli security cabinet was meeting on Feb. 15, to consider a final proposal for a prisoner exchange and a ceasefire with Hamas. The report of a package deal between Hamas and Israel, first reported on Feb. 15, in the London-based *Al-Sharq Al-Awsat* Arabic-language daily, reportedly would involve the freeing of Israeli soldier Gilad Shalit, in exchange for hundreds of Palestinian political prisoners in Israeli jails, including Hamas members of the Palestinian National Assembly, and Marwan Barghouti, one of the principal authors of the 2006 Prisoners Declaration, which forms the basis for a reunified Palestinian government.

U.S. intelligence sources have confirmed that the talks, aimed at freeing Shalit, have been ongoing for weeks, and are near a breakthrough point, and that Israel is under intense pressure from the Obama Administration, to reopen the Gaza crossings, to allow a free flow of emergency food and reconstruction materials.

Also over the weekend, in Damascus, Prince Muqrان bin Abdul Aziz, the head of Saudi intelligence, held talks with Syrian President Bashar Assad, in which he delivered a message from King Abdullah. The meeting seemed to indicate a thaw in Saudi-Syrian relations, which have been in a state of deep freeze since the murder of Rafiq Hariri. *Al-Manar* TV coverage of the meeting stressed improved bilateral relations, and a push for a unified Arab position in the wake of the Israeli invasion of Gaza.

Clinton, Mitchell, Jones to Southwest Asia

Feb. 13 (EIRNS)—Despite the fact that a new Israeli government has yet to be formed, a considerable amount of diplomacy is planned for the coming weeks. First, Egyptian Foreign Minister Aboul Gheit met with Secretary of State Hillary Clinton, after which he announced that Clinton would attend the Gaza reconstruction conference in Cairo on March 2. She will then travel to Israel and the Palestinian National Authority.

U.S. National Security Advisor Gen. Jim Jones is to arrive in Israel on Feb. 24, and Special Middle East Envoy George Mitchell will be again in the region in the last week of February.

At a press conference following his meeting with Clinton, Gheit expressed optimism about the Obama Administration's perspective for reviving the peace process: "They understand very well this question, and they know that they will have to

exert pressure on two sides to achieve the objective of peace." He added that, "They say they understand the problem of settlement activity, and that it must come to an end." According to the report in Ynet.com, he concluded, "Let's rebuild and reconstruct Gaza through the conference ... and then let's see what George Mitchell, as well as Hillary Clinton, as well as the Administration will do in relation to the peace process."

Meanwhile, the European Union has decided to freeze the upgrade in relations with Israel until the new Israeli government is formed, and demonstrates its commitment to renewing the peace process. The Czech Republic, which holds the European Union presidency, went so far as to cancel a summit between the Israeli Prime Minister and EU leaders which was supposed to take place in June.

On Feb. 15-16, Russian Foreign Minister Sergei Lavrov was in Israel, where he met President Shimon Peres, Prime Minister Ehud Olmert, Foreign Minister Tzipi Livni, and opposition leader Benjamin Netanyahu. He will also travel to the Palestinian Authority, Egypt, Oman, and Bahrain. At the top of the agenda is Russia's year-old proposal to host a Middle East conference as a follow-up to the Annapolis conference of 2007. Israel is said to support the Russian proposal, if only to prevent France from hosting it. According to the *Jerusalem Post*, Israeli diplomatic sources fear that if France holds the conference, French President Nicolas Sarkozy will try to upgrade the status of Syrian President Assad.

Mitchell Reports on Humanitarian Disaster in Gaza

Feb. 15 (EIRNS)—According to sources close to the Obama Administration, Middle East special envoy George Mitchell focussed much of his initial report-back to the President on the humanitarian disaster in Gaza in the aftermath of the Israeli invasion. Mitchell reportedly told the President and key Cabinet officials that the Israelis must be forced to reopen the Gaza crossings, to allow food and reconstruction material to enter. Reportedly, Mitchell was blunt in his assessment of the humanitarian disaster, and gave no room for compromise, because "people are starving in Gaza."

The sources reported that Mitchell also cautioned against the United States being implicated in some of the heavy-handed security measures being employed by the U.S.-trained Palestinian Authority security services in the West Bank, which have jailed many suspected Hamas members and other militants, and which suppressed demonstrations in support of the Palestinians in Gaza, during the Israeli invasion. Lt. Gen. Keith Dayton is the top U.S. official, assigned to work with the Palestinian Authority, in training and arming their security services.

Palestinian Ministers Want Israel Probed

Feb. 14 (EIRNS)—The Palestinian National Authority (PNA) is determined to bring charges of war crimes against Israel for its war conducted against the Palestinians from 2002, up through the recent war in the Gaza Strip. PNA Foreign Minister Riad al-Malki and Justice Minister Ali Kashan have submitted evidence of war crimes to the chief prosecutor of the International Criminal Court, Luis Moreno-Ocampo, along with documents proving that Palestine is a legal state, and therefore has the right to request such a probe into war crimes conducted by Israel in the Gaza war.

"Today we came to deliver a set of documents that shows that Palestine as a state ... has the ability to present a case to the court and to ask for an investigation into crimes committed by the Israeli army," Kashan said. "We will deliver more information about war crimes and crimes against humanity, not only in Gaza during the last Israeli attack, but also from 2002 until this moment," he added. The documents included evidence of war crimes, said Kashan.

Malki said documents were provided that show Palestine was recognized as a state by 67 countries, and had bilateral agreements with states in Ibero-America, Asia, Africa, and Europe. "Our President has been visiting many European countries recently—France, Italy, Poland, and was received as the President of Palestine. His visits were considered to be state visits," he said. Palestine is also a full member of the Arab League, the Organization of the Islamic Conference, and

the Non-Aligned Movement, the minister said.

"What we seek here is justice," Malki said. "We want to create a precedent."

Asia News Digest

Afghan Minister Lends Support to Craddock

Sri Lanka Delivers a Swift Kick to the Seat of Britain's Pants

Thai Professor Denounces Monarchy, Calls for Republic

Afghan Minister Lends Support to Craddock

Feb. 8 (EIRNS)—Lending his voice in support of Gen. John Craddock's secret memo—leaked through the German weekly *Der Spiegel*—to NATO military officials to target for killing of the Afghan drug lords, Afghan Counter Narcotics Minister General Khodaidad said in an interview that NATO troops in Afghanistan should find drug traffickers and "eliminate" them as they would Taliban militants and other insurgents battling the government.

"They are the same ... they are supporting terrorism in Afghanistan. They are working the same networks," Khodaidad said of traffickers and insurgents, both active in Helmand province, heartland of a huge opium industry, and a key battleground in the Taliban insurgency. "The person who has Kalashnikovs, the person who is carrying drugs from one place to another, the person who is controlling the convoys—they are supporting terrorism in Afghanistan," he said.

It is to be seen what treatment is meted out to Khodaidad, who holds graduate degrees from the Indian National Defense Academy, the India Ministry Academy, and the Frunze Military Academy in Moscow. Craddock was labeled by British-instigated media as a cold-blooded killer whom the Europeans must shun.

By taking that position, some Europeans have wittingly or unwittingly endorsed the British plan, as laid out earlier by the former British defense secretary, Des Brown, when he branded the terrorists, insurgents, and drugrunners as a "Pushtun Nationalist Movement." What Brown omitted, is that the purpose of fueling the "Pushtun Nationalist Movement" with drugs and guns is to create a Greater Pushtunistan, a new nation carved out of Afghanistan and Pakistan.

Sri Lanka Delivers a Swift Kick to the Seat of Britain's Pants

Feb. 13 (EIRNS)—Sri Lankan Prime Minister Mahinda Rajapakse rejected British Prime Minister Gordon Brown's nomination of former defense secretary Des Browne as special envoy to Sri Lanka, as "a disrespectful intrusion in the country's internal affairs," thereby insuring that Browne will not be allowed into Sri Lanka.

The appointment of Browne to Sri Lanka, ostensibly to oversee humanitarian issues, was a desperate move by Her Majesty's Service to keep the Tamil Tiger insurgency within Sri Lanka alive. Having invested heavily in harboring and nurturing the Tigers for more than two decades against the Sri Lankan government (see "Britain's LTTE: Upended Tigers and Opium-Drugged Lions," *EIR*, Feb. 13, 2009), London is making a last-ditch effort to keep the Tigers active. In just over a year's campaign, the Sri Lankan Army, headed by Gen. Sarath Fonseka, has routed the heavily funded drug- and gun-running terrorist group, ostensibly seeking a separate homeland for the Tamils. According to available reports, the Sri

Lankan Army will be able to run over the last 160 sq. kms of forest area, where about 15,000 Tiger warriors have been cornered.

A cross-section of the Sri Lankan leadership dismissed Brown's attempt as "British mumbo-jumbo," as reported by the *Asian Tribune*. The Sri Lankan leadership asserted that the British Prime Minister should be told that Sri Lanka is no longer a colony of Britain, but a sovereign, independent nation, and should be treated accordingly.

In the meantime, Sri Lankan Foreign Minister Rohitha Bogollagama said: "It is tantamount to an intrusion into Sri Lanka's internal affairs and is disrespectful to the country's statehood"; he added that "there could be major repercussions" for relations with Britain.

Thai Professor Denounces Monarchy, Calls for Republic

Feb. 10 (EIRNS)—Chulalongkorn Prof. Ji Ungpakorn, who was arrested in Bangkok for *lèse majesté* (an offense against the sovereign), had written numerous articles declaring the mob that took over the streets, Government House, and international airports over the past two years, to be a fascist gang under the control of the Army and the Monarchy. Ungpakorn has fled the country for London, recognizing that facing the Thai courts at this point is like arguing your case before Robespierre. Ungpakorn, who also holds a British passport, issued a manifesto in the *Asia Sentinel*, called for a republic as the only hope for Thailand.

Called the "Red Siam Manifesto," after the "Red Shirts" who are defending the deposed Prime Minister Thaksin Shinawatra and his followers, Ungpakorn's document reflects his leftist bent (he is associated with the Socialist International); he has no idea of an economic program, but has said publicly what a growing majority of Thais believe quietly about the Monarchy. Some quotes:

"The enemies of the Thai people and democracy may have their army, courts and prisons. They may have seized and rigged parliament and established the government through crimes like the blockading of the airports and other undemocratic actions by the PAD [the fascist gang].... But their weakness is that they are united around an absurd and unscientific ideology: the ideology of the monarchy. This ideology seeks to make Thais into groveling serfs. They want us to believe that an ordinary human being, just because of an accident of birth, can be transformed into a god, when the true abilities of the king are no different from millions of ordinary engineers, artists, farmers, or skilled workers."

Ungpakorn accuses the King, among other things, of having "allowed the army to stage a coup in September 2006. Furthermore he allowed his name to be used by the army, the PAD protestors, and the Democrat Party, in the destruction of democracy. He has been an advocate of economic views which reveal his opposition to state social welfare for the poor. But what is worse, as one of the richest men in the world, the King has the arrogance to lecture the poor to be sufficient in their poverty (through the notion of the Sufficiency Economy). Finally, this King allows his supporters to proclaim that he is "the father of the nation," and yet his own son [the Crown Prince] is not respected by anyone in Thai society!"

Africa News Digest

[Will London Sabotage Zimbabwe Unity Government?](#)

[Negotiations Underway on Darfur Issue in Sudan](#)

[CFR's Gerson Pushes Bashir Arrest Warrant](#)

Will London Sabotage Zimbabwe Unity Government?

Feb. 11 (EIRNS)—Morgan Tsvangirai, leader of the Zimbabwe opposition party MDC-T, was sworn in as Zimbabwe's Prime Minister today by President Robert Mugabe. After the swearing in, Mugabe said he would "offer my hand of friendship and cooperation and solidarity in the service of our great country Zimbabwe."

Former South African President Thabo Mbeki, who worked out the unity government deal, attended the ceremony. Arthur Mutambara, leader of an opposition party (referred to as MDC-M) which split from Tsvangirai's party, was sworn in as one of two deputy prime ministers.

Tsvangirai will focus his efforts on rebuilding the economy, which has been destroyed by IMF-dictated economic warfare which began in the early 1990s, and was escalated later that decade after Zimbabwe rejected the failed IMF approach. In retaliation, the IMF forbade nations and businesses from conducting trade and economic relations with Zimbabwe.

The lack of a government which included members of the opposition, had been the pretext for continuing the economic warfare, which has led to intense suffering among Zimbabwe's people. Now it remains to be seen how the London financial cartel, which opposed the idea of a unity government, will try to wreck the agreement.

Tsvangirai has indicated he will seek aid to curb the outbreak of cholera, and deliver food aid. He has pledged to pay health workers, teachers, military and police personnel, and civil service professionals in foreign currency, probably the South African rand, an idea which South African President Motlanthe said he was open to, as a way of helping the recovery process.

State Department spokesman Robert Wood welcomed the unity government, but stopped short of pledging full support: "We will reserve our judgment on the new government until we see what types of actions it takes."

Negotiations Underway on Darfur Issue in Sudan

Feb. 12, 2009 (EIRNS)—Provocations regarding the rumored International Criminal Court's issuing an arrest warrant against President Omar Al-Bashir continue to flood the international media.

While the ICC, which is backed by self-confessed Nazi George Soros and British senior diplomat Lord Mark Malloch-Brown (Soros's business partner), has denied that it has already issued the arrest warrant against Al-Bashir, it has not denied that it is in the process of issuing the warrant. It stated today that "The Pre-Trial Chambers decision will be made public by the normal way of a press release and publication on the Court's website."

Indications are that the Obama Administration is considering a shift in the previous U.S. policy regarding Sudan. U.S. Chargé d'Affaires in Sudan, Alberto Fernandez, met with Sudanese Foreign Minister Al-Sammani Al-Wasila, last week, in which meeting Fernandez reportedly denounced the rebel group Justice and Equality Movement (JEM) in Darfur for using violence and destabilizing the security and stability of the region. Fernandez also stated that the Obama Administration would appoint a special envoy to Sudan to mediate in the peace process in Darfur.

A representative of the Sudanese government and the most heavily armed rebel group in Darfur, Justice and Equality Movement (JEM), began discussions Feb. 10 in Doha, Qatar. Mediators have emphasized that the Doha talks are preliminary, and are intended to lay the groundwork for an eventual broader peace conference on Darfur. The negotiations are related to a two step-process whereby, first a ceasefire is declared, and second, a peace process will be initiated to

outline the totality of the problem in Darfur, to provide a means of reaching a common understanding on the conflict, building confidence and power-sharing, and reasserting the Sudanese government's territorial sovereignty in that region.

The road to a peace process is bumpy, because the JEM and other rebel factions are directed by foreign interests, as LaRouche explained in his webcast. Other rebel factions that are not in this negotiation process can create enormous difficulties for both the government and those rebel factions that are more open to negotiations. (See *Indepth* for fuller coverage.)

CFR's Gerson Pushes Bashir Arrest Warrant

Feb. 14 (EIRNS)—Council on Foreign Relations Senior Fellow Michael Gerson, in a *Washington Post* op-ed yesterday, entitled, "Time To Waltz with Sudan's al-Bashir," provided a twisted rationale for the arrest warrant for Sudan's President, Omar Hassan al-Bashir, rumored to be issued by the International Criminal Court (ICC) later this month.

Gerson states that he was previously skeptical of the usefulness of ICC indictments in situations such as Sudan, because they leave the indicted person no room to maneuver. "But I have changed my mind in the case of Bashir," he wrote. "The traditional carrots and sticks of diplomacy have failed.... The ICC warrant provides an opportunity to change the rules, holding Bashir personally responsible for achieving massive improvements, or personally responsible for committing massive crimes."

Gerson makes no mention of the threat that would be posed to the fragile Comprehensive Peace Agreement (CPA) that holds Sudan's North and South together, if the warrant against Bashir is issued. Bashir had gone against opponents of the CPA in his own party, some of whom, in retaliation, played a significant role in organizing the Darfur rebellion.

Gerson's article calls for using the ICC arrest warrant to make Bashir an international pariah. In testimony to a hearing of the Senate Foreign Relations Committee held by Sen. John Kerry Feb. 12, Gerson opined that the pressure of international isolation will induce Sudan's collective leadership and military to replace Bashir as President.

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