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LaRouche Declares War on the British Empire

by Jeffrey Steinberg

March 7—Lyndon LaRouche has issued a declaration of war against the British Empire and its Wall Street assets, who have laid siege to the Obama White House and are fully committed to the destruction of the United States, starting with the institution of the Presidency.

This latest assault against the U.S. Presidency, is, in every way, a reincarnation of the overtly pro-Mussolini and pro-Hitler American Liberty League of the 1930s. The current assault is being steered, on the homefront, by a Wall Street and London-bankrolled right-wing apparatus, led by the American Enterprise Institute, the Heritage Foundation, the Cato Institute, political loudmouths like Newt Gingrich, Rush Limbaugh, and Rupert Murdoch, and lying propagandists like Amity Shlaes and Jim Powell....

In-Depth articles from EIR, Vol. 36, No. 10

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This Week's Cover Story

- **LaRouche Declares War on the British Empire**

by Jeffrey Steinberg.

The assault against the Obama Presidency is a reincarnation of that waged against President Franklin D. Roosevelt, by the overtly pro-Mussolini and pro-Hitler American Liberty League of the 1930s. The current attack is being steered, on the homefront, by a Wall Street and London-bankrolled right-wing apparatus, led by the American Enterprise Institute, the Heritage Foundation, the Cato Institute, political loudmouths like Newt Gingrich, Rush Limbaugh, and Rupert Murdoch, and lying propagandists like Amity Shlaes and Jim Powell.

- **Brutish Blair Invades U.S., Makes Zombies of Senators**

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- **Stop the British Empire's Fascist Assault on the USA!**

The bursting of the speculative bubble is bankrupting the banks and other financial institutions of this British Empire-run global monetary system. The empire is demanding that the U.S. government cover its losses and, in the process, bankrupt the United States itself. That's what's behind the demand for endless bailouts, to which, so far, the Obama Administration has acceded.

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The motivation of the perpetrators of the arrest warrant against Sudanese President Gen. Omar al-Bashir has nothing to do with the allegations of genocide in Darfur. It has everything to do with fomenting new outbreaks of war in Africa, but most especially, establishing a precedent for the violation of national sovereignty.

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Collapsed Financial System Pushes Up Job Losses

AIG Echoes LaRouche: The Risk Is Systemic!

Treasury To Invite Hedge Funds To Buy Toxic Waste

Collapsed Financial System Pushes Up Job Losses

March 1 (EIRNS)—According to an estimate in a Bloomberg News survey ahead of the Labor Department figures to be released on March 6, U.S. employers have cut payrolls in February by 651,000, the most since 1949, and the jobless rate probably surged to 7.9%. The economy lost 598,000 jobs in January, bringing the total drop in employment since the "recession" officially began in December 2007 to 3.6 million, the most of any downturn since 1945. While the Obama Administration is promising its stimulus plan will save or create 3.5 million jobs and the Federal Reserve is flooding markets with liquidity to revive lending and restore growth, Julia Coronado, a senior economist at Barclays Capital Inc. in New York, told Bloomberg: "We're not seeing any indication that we're finding a bottom."

In addition: the Institute for Supply Management's factory index, due on March 2, fell to 34 in February from 35.6 the prior month, according to the survey median. A reading of 50 is the dividing line between growth and contraction.

And, the National Association of Realtors index of pending home sales fell in January following a gain in December, according to the median forecast ahead of a report due March 3. On March 2, Commerce figures will be released and these figures are also expected to show spending on construction projects fell for a fourth consecutive month.

AIG Echoes LaRouche: The Risk Is Systemic!

March 4 (EIRNS)—A source who once served as a top regulator of the insurance industry confirmed that Lyndon LaRouche has been right in his analysis of the insurance sector. He referred in particular to a 21-page confidential document released Tuesday by AIG titled "A.I.G.: Is the Risk Systemic?" The document was subsequently leaked to the *New York Times*. According to this source, the report heightened the sense of urgency in the Obama Administration to proceed with another \$30 billion bailout of AIG, to avoid what the *NYT* writer described as an economic apocalypse and a financial hurricane. The report shows that exposure to AIG's credit default swaps (CDS), which were used to insure other derivative bets, threatens both the banks and the insurance companies. The source said that he was aware, as of four years ago, that insurance companies had loaded up on derivative transactions, as a means of spreading the risk. But the way they spread it, he added, through issuing large volumes of CDS, threw out all the old rules and practices regarding risk in insurance underwriting. These companies had become nothing but a house of cards. What is hitting now is not just bad paper related to mortgages, but the unraveling of trillions of dollars of collateralized debt obligations (CDOs), which are insured by CDS transactions. I don't believe there is any way you can untangle this, he said, referring to promises by senior officials at the Treasury Department, who defended the latest bailout by saying that the bail-out was necessary to buy time, to arrange for selling off components of AIG's life insurance and other insurance business, which they claim could be spun off at a profit. That is a dangerous illusion. There could be a "run on the bank" on the insurance companies, and there is no way that can be bailed out. He referred to the AIG confidential report, which says that the company has written more than 375 million policies, with a face value of \$19 trillion—How can you bail that out?

LaRouche said he thinks the former regulator has provided a fair assessment. "I have been warning that the insurance companies are next," LaRouche said.

Treasury To Invite Hedge Funds To Buy Toxic Waste

March 7 (EIRNS)—The U.S. Treasury Department is planning a scheme to convince hedge funds and private equity funds to buy into its bank bailout schemes. According to the March 6 *Washington Post*, the scheme would work like this: A hedge fund would put up \$1 million of its own money, and borrow \$9 million from the government to buy some asset-backed securities, which would then be used to finance consumer loans. If the value of the securities goes up, the hedge fund makes a tidy profit and the government is happy because consumer spending would supposedly increase. The Fed's plan to put in \$1 trillion into this scheme, and there would be in parallel, a \$1 trillion scheme to create investment funds to buy up toxic waste. The hedge funds are reportedly thrilled with these plans because they would get to gamble directly with the taxpayers' money, rather than just that of their own investors.

The problems with these schemes should be obvious, but the *Post* never mentions any. First of all is the assumption that hedge funds still have unlimited cash to speculate with, when so many have, in fact, been losing money hand over fist, and have had to shut down, or prevent their investors from pulling their funds out, and similar measures. The *Post's* description of how the scheme would work raises the question: What happens if the value of the securities drops instead of rises? Some question applies to the scheme to buy up toxic assets. If they're worthless, now, why would they be worth something in the future?

Global Economic News

East Asian Economic Contraction Gets Worse

World's Shipbuilding Industry Collapsing

Economic Collapse of Poland and Hungary Threatens EU Disintegration

Globalization Wreaks Chaos in World Food Chain

East Asian Economic Contraction Gets Worse

March 2 (EIRNS)—The South Korean economy continued to implode for the fourth month in a row in February. Industrial output fell in January at the sharpest rate since records began in 1970, Seoul's National Statistical Office reported March 2. Production in mining and manufacturing shrank 25.6% in January from a year before, following an 18.7% fall December.

The figures reflect not only the situation in South Korea, but East Asia as a whole, since China, Japan, and South Korea are all each other's largest or second-largest trade partners, and much of their trade is made up of steel, machinery, and other products for industry.

The crash is only going to get worse, as is demonstrated by the disastrous 30.9% contraction of imports, especially of raw materials and machinery, reported March 2 by the Knowledge Economy Ministry.

Tokyo also had to release more figures showing the industrial contraction of the world's second-largest national economy. Overtime pay in Japan fell by the most on record in January, the Labor Ministry reported on March 2. And Reuters reported that Japanese capital spending likely fell a record 16.6% in the fourth quarter from a year earlier, according to its own survey. This data will be released by the Ministry of Finance on March 5.

World's Shipbuilding Industry Collapsing

March 2 (EIRNS)—As world trade collapses, still faster is the decline in shipping, and that decline is causing the disappearance of the world's shipbuilding industry. South Korea, the leading shipbuilder, is watching this demise with dire concern. Korean shipbuilders are still active because of a backlog in orders from the inflationary phase of the collapse, but new orders are almost gone.

Chosun Ilbo, a leading South Korean newspaper, reports that orders for only nine ships were made in January, *worldwide*, a meager 6% of last year's 151 ships, according to the global shipbuilding industry researcher Clarkson. Four went to Korea and five to China, while shipbuilders in other regions, including Japan and Europe, did not receive a single order.

In January, the global shipbuilding industry saw orders for new ships fall 96% from a year earlier, based on CGT (compensated gross tons). Korea's "Big 3" shipbuilders—Hyundai Heavy Industries, Samsung Heavy Industries, and Daewoo Shipbuilding and Marine Engineering—also received no orders in February.

Economic Collapse of Poland and Hungary Threatens EU Disintegration

March 3 (EIRNS)—"I think it would be a huge tragedy if Europe were to be divided again in two parts," commented World Bank president Robert Zoellick. However, the March 1 decision by the EU's 27 heads of state to reject any supplementary aid to Eastern Europe (Hungary requested a \$180 billion rescue plan) immediately triggered the fall of their national currencies.

Yesterday, the Hungarian forint dropped another 2.86% and the Polish zloty fell by 2.53%—a decline of 14% and 13%, respectively, since the beginning of the year. As reported earlier, this dramatically worsens the ongoing mass defaults of household debt, mostly contracted in euros and Swiss francs. The consumer debt bubble represents as much as 46% of Polish GDP, 65% of Hungarian GDP, and even 73% of Bulgarian GDP!

If nothing is done, writes the French publication *Les Echos*, Europe could awaken the old demons of division.

Globalization Wreaks Chaos in World Food Chain

March 5 (EIRNS)—Instead of collaborative action to foster agriculture potential in all nations, given the world food shortage, chaos and deprivation are worsening.

* "Farmland Outsourcing." One pattern is for nations of relative means to "outsource farming" to neo-British Empire plantations in poor countries, desperate for any compensation. In recent days, Saudi Arabia celebrated the arrival of the first wheat shipments from the crop harvested on new Saudi plantations in Ethiopia, in a project announced in Summer 2008, called "King Abdullah Initiative for Saudi Agricultural Investment Abroad." The plan is to grow "strategic food commodities" on lands overseas. Such overseas projects have been heavily promoted from London, especially for Africa, as well as choice lands on the archipelago of Indonesia, the fourth-most populous nation in the world, with critical domestic food needs of its own. Ethiopia has 11 million persons dependent on food relief, while the Saudi wheat is flowing out.

* Argentine Agriculture Crisis. Hit by global crisis as well as terrible drought, harvests of wheat and corn have dropped by as much as 50%. Argentina in recent years ranked second among world corn exporters, and high in wheat and soybeans exports. There is a big reduction in the national cattle inventory because of drought hitting 80% of pasture lands. Over a

million head have been lost in the province of Santa Fe; in Cordoba, stocks are down 500,000; in La Pampa, down 350,000.

The head of the Chamber of Agricultural Machinery Producers is warning of "popular uprisings" coming in many cities in the country's interior: small companies that supply the agro-machinery industry are going out of business, because larger producers of agro-machinery aren't giving them orders. "The payment chain has broken down in all the towns that depend on these industries, and the only solution is to reactivate the internal market, which buys 80% of our production," said the head of the Chamber. There have been emergency meetings this week with President Cristina Kirchner and farm producers.

* Cargill "expropriated" in Venezuela. On March 4, President Hugo Chávez ordered the expropriation of the local rice operations of Cargill, Inc., the world's foremost cartel food processor and marketeer. Army units were sent to the plants of Cargill and other rice processors, accused of causing shortages. The immediate issue is that the government ordered price controls some months back, on staples such as rice, milk, and vegetable oil, but certain processors subsequently got around the controls, by making less of the price-controlled staples, and switching to other products not under price controls (such as flavored rice, low-fat milk, etc.) Shortages ensued. Now Cargill is under orders to process 90% of its rice into "white" rice, which is price-controlled.

Yes, the face-off between the government and Cargill occurs in the context of Chávez's general policy of expropriations. Over recent years, the President has had a spree of nationalizations, from cement to steel, under his "21st-Century Socialism" campaign. Other food processors are now also under expropriation orders. However, Cargill takes the cake. Cargill representatives complain that they had to shift away from white rice, because their profits were too low.

United States News Digest

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Brown Lies Before Joint Session of Congress

March 4 (EIRNS)-President Obama's snub of visiting British Prime Minister Gordon Brown served as a perfect backdrop to Brown's frantic lies in his address today to a joint session of Congress.

Brown delivered a perverse fantasy, in which America's historical resistance to British imperial crimes, became instead a record of unified Anglo-American purpose. He defined America's task now as preserving the British-led international banking swindle, in opposition to any attempt to rescue the world from that collapsed system.

The British spokesman said, "The very creation of America was a bold affirmation of faith in the future...." We had previously thought that the British had played a negative role in the American Revolution.

Brown explained that the world "looked to Washington, D.C. as 'a shining city upon a hill,'" and that "our friendship [was] formed and forged over two tumultuous centuries...." By that chronology, the friendship got off to a roaring start about when British forces burned Washington to the ground (1815), and got even friendlier with British aid to the slaveowners' Confederate war to smash the U.S.

He said he "grew up in the 1960s as America, led by President Kennedy, looked to the heavens and saw ... a new frontier...." Unfortunately, the British-Wall Street axis murdered Kennedy for having such an outlook. No doubt to remind us of the danger such a point of view can put a President in, today's London *Times* carries, right beside a transcript of Brown's speech, an archive photo of President Kennedy being shot to death in Dallas.

Brown announced that the British Queen has awarded an honorary knighthood to the stricken Sen. Ted Kennedy (D-Mass.), because "Northern Ireland is today at peace." Well, it is truly a puzzler to remember, which occupier was it, that brought centuries of cruelty and chaos to Ireland, requiring U.S. intervention to bring "peace"?

Brown said, "We grieve with you" when "a young American soldier is killed in conflict ... in the plains of Afghanistan and the streets of Iraq." This is good to know, after Blair's WMD intelligence buoyed up Bush for Baghdad, and now that British forces directly superintend the global heroin trade's center in Afghanistan's Helmand province.

Brown declared his "support to ensure there is no hiding place for terrorists, no safe haven for terrorism." That will come as thrilling news for U.S. and other intelligence services coping with "Londonistan"—the undisturbed English headquarters for most of the world's terror groups, groups financed by British-laundered dope profits.

The Prime Minister lectured America on how to deal with the "economic hurricane" that "has swept the world." As the City of London's quadrillion dollar offshore banking pyramid dissolves, Brown said, "You are restructuring your banks. So are we. But how much safer would everybody's savings be if the whole world finally came together to outlaw shadow banking systems and offshore tax havens?"

This attitude is especially refreshing, correcting the impression Brown gave earlier in his visit, when he was reportedly desperate to head off U.S. moves against offshore criminals.

He assured the Congress that if his program is followed, we will see "trade once again the engine of prosperity, [and] the wealth of nations restored." How the heart sings!—to hear again from the British source, the truths of free trade, of trade itself (rather than production) as the source of wealth, and the grand homage to the East India Company's Adam Smith, whose 1776 book *Wealth of Nations* warned the American rebels they could never escape destiny's assignment to be mere plantation suppliers of raw materials to the foreign empire.

He closed with praise for Franklin Roosevelt, which was very reassuring in light of the attacks against FDR now pouring out of London into the world's media, reviving Winston Churchill's central role in burying FDR's policies after World War II.

With this, Brown called for renewal of the "special relationship" that has blazed so brightly over the years.

DOJ Police-State Memos Fuel Drive for Commission of Inquiry

March 4 (EIRNS)—The release of nine previously secret Bush Justice Department memos has given renewed impetus to the push in both the Senate and House Judiciary Committees for an independent Commission of Inquiry ("Truth Commission") to investigate the Bush-Cheney Administration policies of torture and abuse of prisoners, and other fascist

police-state practices.

Nine post-9/11 legal opinions from the DOJ's Office of Legal Counsel were released on March 2: the memos justified sweeping powers for the Executive, including using the U.S. military inside the United States for surveillance, and to attack apartments and office buildings, allowing the President to suspend the First and Fourth Amendments, and Habeas Corpus, and to unilaterally abrogate treaties. They also declared that Congress has no right to pass any legislation regulating detentions, interrogations, and renditions of prisoners in wartime.

Rep. John Conyers (D-Mich.), chairman of the House Judiciary Committee, said that the content of the memos underscores the need for a commission with the power to subpoena documents and compel testimony.

Sen. Patrick Leahy (D-Vt.), chairman of the Senate Judiciary Committee, held a pre-scheduled hearing today on his proposal for a non-partisan commission of inquiry. The lead-off witness was former Amb. Thomas Pickering, who served for 45 years in various military and diplomatic posts. Pickering said a commission on the handling of detainees "is vital to our country's future, to its security, its standing in the world," and stressed that it is "not enough to say that America is discontinuing the policies and practices of the recent past," but that we must take stock of what was done, to ensure that it never happens again.

A number of the panelists properly opposed any prosecution of CIA officers who were relying on DOJ and DOD legal opinions, and Leahy said his primary concern is those who issued the directives that were carried out by lower-level personnel.

Move for 'Kefauver' Organized Crime Hearings on Financial Crash

March 4 (EIRNS)—Senators Byron Dorgan (D-N.D.) and John McCain (R-Ariz.) introduced legislation March 3 to bring about investigative hearings into how the financial catastrophe was caused, and by whom. Moving to create a new "Senate Select Committee" with subpoena power, a chief investigator to hold hearings, and investigative staff, the Senators said the American people "need answers and need them fast.... They deserve to know why they are on the hook for trillions of dollars bailing out banks and Wall Street."

"Organized crime" is a theme of McCain's and Dorgan's call for the hearings; they conducted the investigation into Jack Abramoff's influence-peddling crimes, catalyzed Abramoff's conviction and imprisonment, and helped reform Congress "without DeLay."

So rather than "new Pecora hearings"—which have been called for by Lyndon LaRouche and state elected officials and others influenced by LaRouche's call—McCain and Dorgan cited the historical model of "new Kefauver hearings." Sen. Estes Kefauver headed a Senate Select Committee that held hearings on organized crime in 1950-51, which gripped the country.

Congressional sources say the same Senate committee staff which designed the Dorgan/McCain legislation, also drafted the Levin/Obama legislation to shut down offshore tax-evasion centers, now being demanded by President Obama.

'Oy-Vey Chorus' Goes Berserk vs. Pickering Appointment

March 3 (EIRNS)—Israel's self-described "Amen Chorus" in the United States, led by the American Israel Public Affairs Committee (AIPAC) and the neoconservative think-tanks, is waging a propaganda assault against President Obama, for appointing former ambassador Chas Freeman as head of the National Intelligence Council. The formal announcement of

Freeman's appointment was made last week, but ever since the news of the pending appointment leaked out, the Zionist Lobby/neocon apparatus has been on an all-out blitz to stop the nomination. They have resorted to the kind of over-the-top slander campaign, previously reserved for Lyndon LaRouche.

Freeman, who retired from government at the end of the Clinton Administration to take over the Middle East Policy Council, has been an outspoken critic of the neocons, the Israeli right wing, and the "diplomacy-free" foreign policy of the Bush-Cheney era. A former ambassador to Saudi Arabia, Freeman was one of the State Department's leading experts on China for decades, dating back to his role as Richard Nixon's translator during the first opening to China in the mid-1970s.

The hysteria of the neocons was, perhaps, best demonstrated by the fact that they even trotted out Steve Rosen, the still-under-indictment ex-AIPAC official accused of spying for Israel, to pen one of the first of the anti-Freeman screeds, which was posted on the website of neocon Daniel Pipes. Since then, the *New Republic*, the *Weekly Standard*, and the Heritage Foundation have been screaming over the Freeman appointment to one of the most important postings in the intelligence community. The National Intelligence Council (NIC), headquartered in the Office of the Director of National Intelligence (DNI), prepares all of the National Intelligence Estimates, which are the combined assessments of the 15 U.S. intelligence agencies.

Ibero-American News Digest

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Work Begins on How To Restore U.S.-Cuban Ties

March 2 (EIRNS)—U.S.-Cuban anti-drug cooperation is being put forward as a key step in preparing the political terrain for the Obama Administration to begin reversing five decades of failed United States policy towards Cuba, codified in the 47-year-old embargo.

Institutionalizing the United States and Cuba's common interest in cooperating against the drug trade, can serve as a confidence-building measure for restoring cooperation between the two countries in other areas, three speakers argued at the Inter-American Dialogue's Feb. 27 meeting on "The U.S. and Cuba: Counter-Narcotics Partners?" The three speakers emphasized that U.S. military and law enforcement have maintained ad hoc but effective anti-drug cooperation with their Cuban counterparts since the 1990s, but Mexican and Colombian cartels are watching for a security vacuum to develop in Cuba during the transition out of the Castros, as an opportunity to move back in, and it is in U.S. interest to aid an orderly transition and head this off.

That policy, which has been urged by U.S. military and law enforcement circles for several years, was also proposed the week before by Sen. Richard Lugar (R-Ind.), the ranking Republican on the Senate Foreign Relations Committee. The

report prepared by Lugar's senior committee staffer, Carl Meacham, on his January 2009 visit to Cuba, reports that the Cuban government has expressed interest in signing such a formal agreement with the U.S. government.

"Today it is clear that a reform of our policy would serve U.S. security and economic interests in managing migration effectively and combatting the illegal drug trade, among other interests. By seizing the initiative at the beginning of a new U.S. Administration and at an important moment in Cuban history, the USG would relinquish a conditional posture that has made any policy changes contingent on Havana, not Washington," the report argues. "Sequenced engagement" would have a swift impact on the region, "to the benefit of the security and prosperity of the United States."

Initial steps towards change are expected before the Fifth Summit of the Americas is held April 17-19 in Trinidad and Tobago.

U.S. Military To Repair Relations with Southern Neighbors

March 8 (EIRNS)—Adm. Mike Mullen, chairman of the U.S. Joint Chiefs of Staff, visited Brazil, Peru, Chile, and Mexico last week, with the message that the Obama Administration believes in diplomatic engagement, and that "Latin America is every bit as important as any other part of the world" to the United States.

Mullen noted that the global financial crisis is further complicating an already complicated world, and affecting all security priorities dramatically in the year or two ahead. Therefore, we have to be sure that the U.S. and its southern neighbors strengthen their relations, he told students at the Chilean War College. "We have to pay attention to each other. We have wonderful personal ties. We have economic ties. We've got to figure out how to pull together."

Mullen is rebuilding relations shredded by the arrogance and neglect of the Bush Administration toward Ibero-America. Notably, the Brazilian Defense Minister and military command gave Mullen a full-honor welcome at their fiercely-nationalist Amazon Command headquarters, and flew him to an outpost on the Brazilian-Colombian border.

Trade War Looms Over Brazil and Argentina

March 5 (EIRNS)—Like most nations hit by the global financial meltdown, Argentina and Brazil have taken protectionist measures to defend their internal markets, national production, and jobs—even though this formally violates regulations of the Common Market of the South (Mercosur), to which they both belong.

The dramatic 40% drop in trade between them for the first two months of this year is leading to a crisis in bilateral relations, as the two governments and each nation's business organizations hurl insults at each other, each accusing the other of unfair practices, etc.

On March 3, Brazil's Foreign Trade Minister Welber Barral threatened to file a complaint against Argentina at the WTO, warning that "all protectionism must be punished." Argentina's Industrial Union (UIA) responded by accusing the Brazilian government of subsidizing its companies so that they can turn around and buy up Argentine companies.

The degree of acrimony may jeopardize the March 20 meeting that the Argentine and Brazilian Presidents are scheduled to have to discuss the situation. Rather than blame each other, the two would do well to point the finger at the Anglo-Dutch imperial financier interests which created the global crisis, and recommend that Lyndon LaRouche's New Bretton Woods proposal be adopted as a solution.

Galbraith: No Recovery, Until Economists Change How They Think

March 5 (EIRNS)—University of Texas's James Galbraith, son of FDR advisor John Kenneth Galbraith, shook up a seminar in Brazil's capital today with a blunt message: there is no recovery in the immediate future, and there will not be one until the economics profession gives up its mental habits of recent years.

The two-day conference was organized by the Economic and Social Development Council (CDES), an advisory body to President Lula da Silva. It brought together leading Brazilian economic figures, and a few international visitors, and was broadcast live on television, radio and the internet.

Just days before, the President embarrassed himself by declaring that Brazil, the last to be hit by the global financial crisis, would be the first to get out of it—merely an extreme version of the prevailing delusion amongst the Brazilian elite, that Brazil can survive the global breakdown crisis, which most refuse to acknowledge is *systemic*, and involves *them*.

The inclusion of voices such as Galbraith on the speakers list at the seminar indicates that some among the President's advisors want more realistic views heard.

Galbraith challenged the delusion that the crisis is going to go away by itself, without governments—and economists—coming to terms with the systemic reasons the crisis occurred. The legacy of the mental habits of the economics profession are impeding an effective response to the crisis. The forecasts of the economists are way too optimistic; their proposals are extremely inadequate, defined by what they believe "can be sold."

This crisis comes from the system itself, Galbraith stated, and the abdication by the State of its regulatory responsibilities; the clear message was given that the most rapacious and reprehensible actions in the financial sector would go unpunished. The markets justified, celebrated, and rewarded fraudulent practises with drove out honest activities.

Time will now have to pass before what is true, becomes accepted, and action taken, he said. Meanwhile, opportunities are being lost, and the crisis becomes deeper.

Mexican President: 'Drugs Are the Slavery of the 21st Century'

March 6 (EIRNS)—In interviews published by *Le Monde* March 5, and Agence France Press (AFP) on March 4, in anticipation of President Nicolas Sarkozy's arrival in Mexico on March 9, Mexican President Felipe Calderón rejected any idea of drug legalization or negotiating with the drug cartels, as advocated by agents of the Nazi-trained George Soros. Drugs, he said "are the slavery of the 21st Century," and Mexico will never surrender to the cartels.

He also warned the United States that it must deal with the huge drug-consumption problem inside its own borders, facilitated by "corrupt American officials" whose complicity with the drug cartels helps fuel the drug trade. "I want to know how many American officials have been prosecuted for this."

Le Monde questioned Calderón about the proposal to decriminalize drugs advocated by former Mexican President Ernesto Zedillo, one of three stooges of the Soros-financed Latin American Commission on Drugs and Democracy (LACDD). Calderón was adamant: "A number of people believe that this would reduce profits from illegal drugs. As for me, I believe that the idea of legalization means resigning ourselves to losing several generations of Mexicans, because drugs are the slavery of the 21st Century."

Calderón also ridiculed the argument used by some, that negotiating with the cartels is a way of reducing violence. "This is

an incredibly naive idea, and I would even say, a stupid one," he said. "That's how people thought in the old political culture. But to make a deal with [organized] crime solves nothing." On the contrary, he said, such deals made in the past allowed the drug trade to "grow like a cancer, like a huge infection, because it benefitted from the complicity of a lot of leaders. As a result, you're giving the criminals the key to the house!"

Western European News Digest

Italian Newspaper Covers Schiller Institute Conference

US, UK 'Special Relationship' Under Strain

EU Breaking Up as Financial System Crumbles

French President, Ministers Receive Threats

'Expert Design' for Auto Shutdown Hits Media

Italian Newspaper Covers Schiller Institute Conference

March 1 (EIRNS)—The Italian national daily *Il Resto del Carlino* has published a report on the Schiller Institute's Feb. 21-22 conference in Rüsselsheim, Germany, written by Francesco Caprioli, head of the Ascoli Piceno section of the small businessmen's association Confapi, who attended the event. The article was published first in the local Ascoli Piceno page, and then in a special economic feature in the regional edition, Feb. 28.

Identifying the speakers as "prominent economists from throughout the world," Caprioli identified the problem with "public accounts," and the superiority of physical economics and investment in infrastructure.

US, UK 'Special Relationship' Under Strain

March 7 (EIRNS)—The British press was full of pique on March 3, over news that President Obama had cancelled the "traditional" joint press conference to follow his meeting with Gordon Brown, and would instead attend a meeting with the Boy Scouts! When he heard the news, Lyndon LaRouche's response was, "Good for him, why should he visit with someone who's already dead?... Here's this SOB slithering in, and expecting us to kiss ass." Obama should just, "delegate the whole meeting to Rahm Emanuel."

By March 6, the Brits had concluded that it was Michelle Obama who was to blame for the "double insult" to Brown and the Empire, first, in sending back the bust of Winston Churchill, then his snub to Gordon Brown. *Daily Telegraph* writer James Delingpole writes—or, perhaps, threatens—in the paper's blog, "Britain's friendship is something Obama will come to regret having dispensed with so lightly." Obama's snub, Delingpole suggests, "was a move calculated to please his Lady Macbeth." Why? "Her broad-brush view of history associates Brits with the wicked white global hegemony responsible for the slave trade." This, he draws by inference, from Michelle Obama's Princeton thesis.

EU Breaking Up as Financial System Crumbles

March 2 (EIRNS)—The European Union held two pre-summits, one for the Eastern nations and one for the West, for

today's special EU summit in Brussels. Each exposed that the EU is eroding. The Eastern summit, calling for a bailout fund for the collapsing banks in the East, as proposed by Hungary, was rejected outright by the Western EU members, as was a move by Poland to ease the terms for joining the eurozone.

Estonian Prime Minister Andrus Ansip pointed out to the Western countries that it is actually their banks that are collapsing, and therefore their shortsightedness would backfire. Hungarian Prime Minister Ferenc Gyurcsany warned the EU to avoid a new "Iron Curtain" cutting off a poor East from a rich West. The British demand that Germany bail out everyone is not going down well in Germany.

Meanwhile, the EU Commission is insisting that it have the final say on the planned national support and rescue packages for the auto industry—underlining once again that if the nations want to have sovereignty, they have to disregard, or dump, the EU institutions.

French President, Ministers Receive Threats

Paris, March 4 (EIRNS)—French anti-terror police opened a preliminary inquiry into the death threats received by French President Nicolas Sarkozy, Justice Minister Rachida Dati, Interior Minister Michele Alliot-Marie, Culture Minister Christine Albanel, and Bordeaux Mayor Alain Juppé, the former prime minister.

All received envelopes containing a bullet and a 20-line death threat: "You are all dead men walking. You think you control your lives, but in fact no, it is we who control yours and those of your families and friends." The message to the Presidential Palace was signed by a group calling itself Terre-Solidarité (Earth-Solidarity). The letters also threaten other political parties, ranging from the far right of Jean Le Pen's Front National to the Socialist Party, and makes two mysterious references to "10,000 Combatants" and "Cell 34." The letters were mailed from Montpellier, the capital of Herault department, whose postal code is 34000. Issuing death threats is in France punishable by three years in jail and a fine of EU45,000.

Whereas such letters are quite common, the presence of a bullet adds a worrying dimension. The last major threat known against a French President was in 2002, when Maxime Brunerie, an ultra-right loner, made a botched attempt to shoot former President Jacques Chirac during the annual Bastille Day parade.

'Expert Design' for Auto Shutdown Hits Media

March 4 (EIRNS)—The plan for a shutdown of large parts of the automobile industrial sector in Europe, so far only talked about by some insiders, is now making it to the mass media, to be propagated as a policy. On March 2, the management of GM Europe met with the German government in Berlin; Finance Minister Peer Steinbrück and Economics Minister Karl-Theodor Guttenberg rejected the GM Europe plan for partial state intervention, with reference to the free market and to the government's "belief" that the private banks would not be convinced by the plan. The banks do not believe in it, indeed—because their own design is that as step one, 30% of the auto industry must be scrapped, which, in the case of GM Europe, implies that three, or maybe four production sites would have to be shut down. As step two, the European auto sector would be downsized, so that only two large producers remain, whereas two other producers would operate in Asia, and maybe one in the U.S.A.

Georg Forster, head of GM Europe told the media yesterday that "actually, three sites are superfluous," and that in addition to EU3 billion of fresh capital that he needed by the end of March, GM spending in the range of up to EU1.5 billion would have to be cut, including the loss of 3,500 jobs, maybe through shutting down production facilities.

The only force that is organizing politically and conceptually against these scripts, is the LaRouche movement in Germany, the Civil Rights Solidarity Movement (BüSo), which distributed several thousand leaflets calling for the auto sector's conversion to maglev production, at the Opel workers protest event in Rüsselsheim last week. The leaflet also attacked banker Felix Rohatyn's sabotage at GM in the U.S.A.

Russia and the CIS News Digest

Clinton, Lavrov Off to a Good Start

Yakunin Again Quotes LaRouche Prediction Of World Crisis

'American System' Videos Appear in Russian

Clinton, Lavrov Off to a Good Start

March 7 (EIRNS)—While much of the news coverage focussed on a translation gaffe, the March 6 meeting in Geneva between U.S. Secretary of State Hillary Clinton and Russian Foreign Minister Sergei Lavrov appears to have been a start towards "pushing the reset button" on U.S.-Russia relations. Clinton said afterwards, "It was a very productive meeting of the minds," centered on common interests, as well as "frank exchanges" over issues disputed between the two countries. Lavrov said he had a "wonderful relationship" with Clinton, and added, "We did not agree on everything, of course, but we agreed to work on every issue."

U.S. officials gave an account of the two-hour dinner meeting that was very different from then-Secretary of State Condoleezza Rice's first meeting with Lavrov in 2005, in which Lavrov presented a long list of complaints. Instead, according to these officials, Lavrov came in saying he wanted to search for ways to work together with the United States.

Yakunin Again Quotes LaRouche Prediction Of World Crisis

March 4 (EIRNS)—Russian Railways head Vladimir Yakunin again named Lyndon LaRouche as the "very rare" economist who predicted the collapse of the world financial bubble. The remark came in a Feb. 17 address Yakunin made at the London School of Economics. Last Fall, Yakunin told *Kommersant* business daily that he had known of the coming crisis years in advance, because of the warning he received from LaRouche.

Yakunin's presentation was on "Russian Railways as the Locomotive for the Russian Economy," but he focussed on the economic crisis and its national and international effects. His approach was to examine the flaws of economic science, and LaRouche was the only economist he named, in describing how "very rare" it was that anyone predicted the crisis coming. Denouncing the inability of professors and politicians to account for the crisis, or even what the impact of current anti-crisis measures will be, Yakunin said that the "origin of the crisis and instability of markets is being explained only post facto. Only very rarely was it predicted."

Later, Yakunin said: "We should try to understand what is happening now: and I quote: 'The economy of the soap bubble type has been formed, and will burst sooner or later, if the needle touches the bubble. A destructive explosion will happen.' These are the words of the American Professor LaRouche, ... an alternative professor, some may know him here. He is a very controversial figure, but he was right to say this fact."

Yakunin also criticized George Soros's geopolitical analysis of the "conflict" between Russia and the United States, in

Soros's *Vedomosti* articles in February.

LaRouche responded that Yakunin's remarks were of interest, but that they also showed that leading Russians do not understand the American System of political economy. They are operating on a different track, including a belief that economic processes involve cycles which are "objective" and not subject to policy intervention.

'American System' Videos Appear in Russian

March 2 (EIRNS)—A LaRouche page recently set up on RuTube, the Russian version of YouTube, is now featuring Russian-dubbed segments of LaRouche's January webcasts, which are being viewed by scores of people daily, and copied to other locations. An additional feature is a Russian voiceover of an October 2008 LPAC-TV short on "Roosevelt vs. Keynes," which efficiently demonstrates that when London says "New Bretton Woods," it's a monetarist scheme that doesn't mean what FDR did. Its appearance is timely, since it highlights British Prime Minister Gordon Brown's phony financial reform antics.

This is the first of a series of Russian voiceovers which will be made available on RuTube and the LaRouche movement's Russian site, www.larouchepub.com/russian, to bring to life the suppressed concepts of American System economics, which were well known to leading Russian thinkers like Dmitri Mendeleyev and Sergei Witte a century ago, but are kept out of the picture today.

Southwest Asia News Digest

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U.S. Envoys Find Common Ground in Syria

March 7 (EIRNS)—Acting Assistant Secretary of State Jeffrey Feltman and National Security Council official Daniel Shapiro met with Syrian Foreign Minister Walid al-Moallem and staff, and Buthaina Shaaban, advisor to Syrian President Bashar al-Assad, for three hours today in Damascus.

In direct contrast to the "Axis of Evil" approach taken by the Bush Administration after the 2005 assassination of Lebanese Prime Minister Rafiq Hariri, which the Administration blamed on Syria, Feltman told reporters that the talks were constructive and "we found a lot of common ground." Feltman said his job was not to finger-point, "but to discuss how the two countries can move ahead in areas of mutual interest."

Feltman emphasized that President Obama "believes that talking should not be considered a reward, talking should be the means to achieve objectives."

The Syrian government has long hoped for the U.S. to take a more active role in Syrian-Israeli peace talks. Feltman said after the meeting that this track is part of the Obama Administration's vision and "there will be a Syrian-Israeli track," but the U.S. will decide on the next steps after the establishment of the new government in Israel.

Clinton in Ankara Announces Obama's Visit to Turkey

March 7 (EIRNS)—After Secretary of State Hillary Clinton's meetings with Turkish leaders in Ankara today, she announced that President Obama will visit Turkey, probably as part of his March 31-April 5 European trip.

After Clinton and Foreign Minister Ali Babacan met in Ankara, they issued a joint statement of close cooperation and consultation on all areas of common concern.

Six Powers Call for Continued Talks with Iran

March 4 (EIRNS)—The United States and five other powers released a statement following their meeting on March 3 at the International Atomic Energy Agency (IAEA) in Vienna, that they were committed to direct talks with Iran to resolve the issues over Iran's alleged nuclear weapons program.

"We remain firmly committed to a comprehensive diplomatic solution, including through direct dialogue," the United States, Britain, France, Germany, Russia, and China said in a statement to the IAEA board of governors. We "urge Iran to take this opportunity for engagement with us and thereby maximize opportunities for a negotiated way forward," France's Olivier Caron told the 35-nation gathering in Vienna.

The statement stressed that Iran had to suspend enrichment and give inspectors documentation and on-the-ground access to resolve allegations and it. Iran, they said, must also grant wider-ranging inspections beyond declared nuclear sites to allay mistrust.

Netanyahu Insults U.S. with Spymaster Arad

March 5 (EIRNS)—Israel's Prime Minister-designate Benjamin Netanyahu brought the spymaster Uzi Arad into meetings with Secretary of State Hillary Clinton and Mideast envoy George Mitchell, reports the Israeli daily *Ha'aretz*. Arad is *persona non grata* in the United States because of his involvement with Pentagon spy Larry Franklin, a former analyst with the Office of Special Plans, the Dick Cheney-neoconservative unit in the Pentagon that manufactured false intelligence to justify the Iraq War. Franklin was convicted in January 2006, in a plea bargain, of stealing classified documents on Iran and other subjects from the Pentagon, and passing them on to Israeli government officials, in meetings arranged by the two top officials of the American Israel Public Affairs Committee (AIPAC), Steven Rosen and Keith Weissman. Arad, who is unable to come to the United States because of his involvement with Franklin, is reportedly going to be head of the Israeli National Security Council.

Not only did Netanyahu include Arad in his first meeting with the U.S. officials, but he kicked the Israeli Ambassador to the U.S., Sallai Meridor, out of the meeting. *Ha'aretz* reported that this insult from Netanyahu was the reason that Meridor resigned today.

Lieberman Indictment Could Shake Netanyahu's Mandate

March 8 (EIRNS)—Reports that Israeli Prime Minister-designate Benjamin Netanyahu had locked up a deal for his new government by granting Avi Lieberman all the Cabinet seats he demanded for his right-wing party, Yisrael Beiteinu, proved premature when law enforcement sources leaked their intentions to indict Lieberman on money laundering, fraud, and bribery charges within four to six weeks.

Yesterday, Israeli media reported on the agreement to give Lieberman's party the Foreign Affairs, Public Security, Tourism, National Infrastructure, and Justice portfolios. Today, the media reports law enforcement sources saying that they have been reviewing thousands of pages of documents—including evidence of Lieberman using Cypriot bank accounts for money-laundering purposes—since September. Headlines screamed that if Lieberman were given a Cabinet seat, he would have to resign within weeks.

Economic Crisis Worsening in Israel

March 5 (EIRNS)—Israel's economic crisis, including record unemployment, has led to looting of stores and an unprecedented number of bankruptcies.

The number of Israelis seeking unemployment compensation increased by 60% in February, as compared with the same month last year. Some 19,800 new unemployment claims were filed last month. An all-time record number of people, 19,700, lost their jobs in January. The sharp increases in unemployment began last November.

The situation is expected to get worse. *Ha'aretz* reports that 13-18% of Israeli firms could go bankrupt this year, given the low ratings given to Israeli corporate bonds.

Fayyad Resigns in Anticipation of Palestinian Unity Government

March 7 (EIRNS)—Salem Fayyad today submitted his resignation as Prime Minister of the Palestinian Interim Government, a post he has held since June 15, 2007, when Hamas took control of Gaza. President Mahmoud Abbas named him prime minister, while abolishing the post of Hamas leader Ismail Haniyeh, who had won the election in 2006. Then-British Prime Minister Tony Blair, with the help of then-U.S. President George Bush, put their weight behind the formation of a Palestinian interim government under Fayyad, a former World Bank economist who received his Ph.D. from the University of Texas.

Fayyad's resignation comes as the talks to form a Palestinian National Unity Government have moved into high gear; Fatah, Hamas, and other factions expect to form a government by the end of March, and Fayyad's resignation is slated for that time.

Mustafa Barghouti, Secretary General of the Palestinian National Initiative, called the resignation "a positive, constructive step to support the national dialogue, because the aim of the dialogue is to come up with the formation of a national unity government within three weeks."

U.S. Military Report Discusses Israeli Nukes

March 8 (EIRNS)—A report in *Ha'aretz* today, "U.S. Army Document Describes Israel as a Nuclear Power," has stirred up talk on a normally forbidden subject. Insane as it may seem, the Israeli doctrine of ambiguity makes it impossible for any Israeli or any of Israel's allies to mention its nuclear arsenal.

The *Ha'aretz* article, which quickly made the rounds of other media, discusses a U.S. Joint Forces Command (USJFCOM) Joint Operating Environment (JOE) report, distributed on Nov. 25, 2008. The report, with a forward by USJFCOM Commander Gen. James Mattis, analyzes the implications of potential disruption which would have to be faced by the Joint Command of the U.S. Armed Forces in the next quarter-century. The document, a scan of worldwide political and social conditions, refers to Israel's nuclear weapons only once, in Section E "The Proliferation of Weapons of Mass Destruction."

Ha'aretz calls this a rare breach of official American adherence to Israel's doctrine of nuclear ambiguity. It is virtually unheard of for a senior military commander, while in office, to refer to Israel's nuclear status. The article calls Mattis a tough, thinking Marine with several friends in the Israeli Defense Forces (IDF), and also notes that the general condemned the U.S. Air Force's "Effects Based Operations" approach to warfare, as employed by the IDF in its 2006 war against Lebanon. *EIR*'s Pentagon correspondent Carl Osgood, began reporting on General Mattis's memos on this subject in September 2008.

Asia News Digest

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Afghan President Karzai Moves Election to April

March 1 (EIRNS)—Afghan President Hamid Karzai ordered on Feb. 28 that Presidential elections be held by April, months earlier than the date of Aug. 20 set by the voting authority because of security and logistic issues. In a decree that comes after weeks of consultations about the date, Karzai said the Independent Election Commission had to conduct the elections according to provisions of the constitution.

The commission last month delayed polling to Aug. 20, saying that security and logistical concerns meant it would not be ready to hold a legitimate and credible poll in the timeline provided by the Constitution.

By ordering the date pushed forward, Karzai has thrown the ball into Washington's court. Washington wanted the election delayed for two reasons. First, some within the Obama Administration have begun to question the efficacy of the Karzai government, accusing it of corruption and ineptitude. Obviously, these individuals are looking around for a candidate to

replace Karzai, and need more time to find one.

The second reason is the deterioration of security in Afghanistan. The U.S. military believes that the insurgents are preparing for a major thrust which may begin this month, or in April. Under the circumstances, Washington does not expect a "free and fair" election can be held in Afghanistan.

Now, Washington will have to move quickly to push the date back again, thus undermining President's authority altogether, or Washington has to accept Karzai's diktat, expecting the re-election of the disfavored candidate.

A Move To Get the Brits Out of Drugland, Afghanistan?

March 1 (EIRNS)—If U.S. troops take control over the drug routes that are used to get hundreds of tons of heroin out of Helmand, Farah, Nimroz, Kandahar, and Uruzgan provinces under the British watch, Her Majesty's Service will have to stand before the world with a begging bowl. And, it seems the Americans may well just do that.

The *Sunday Times* of London reports that U.S. troops, from a 2,000-man taskforce based in Helmand, have pushed west into Farah province to choke off the Taliban's supply lines, part of an American plan to contain what they perceive as British failures in southern Afghanistan. Privately, the Americans are fiercely critical that the British are merely treading water until more U.S. forces arrive this Summer. NATO's senior commander in Afghanistan, David McKiernan, an American, has conceded that the British are locked in a stalemate in Helmand. "America's focus on the routes through Helmand is linked to a clampdown on the drug trade. U.S. officials have been frustrated at Britain's reluctance to tackle poppy farmers and heroin traffickers for fear of alienating local people. American diplomats advocate aerial spraying to wipe out poppy fields," the *Sunday Times* says.

The *Times* also reports that there is growing tension between the U.S. and British troops. The Americans have refused to take orders from Britain's Taskforce Helmand, which is nominally in charge. They report directly to a regional headquarters in Kandahar. Americans joke that ISAF, the acronym for the NATO-led International Security Assistance Force, which includes most British forces, really stands for "I Saw Americans Fighting."

Even the Drug Bankers Are Getting Whacked

March 2 (EIRNS)—HSBC, the former Hongkong and Shanghai Bank, which was the original drug bank of the British Empire (and little changed today), has announced a profit drop of 70%, and the issuance of new stock in an effort to raise \$18 billion. The largest bank in Europe, HSBC also shut down trading temporarily in its old home town, Hongkong, as its stock fell 18%, on top of a 28% fall already this year.

HSBC announced it will be closing most of its U.S. consumer and mortgage lending, and laying off over 6,000 U.S. employees.

It looks like you just can't make an honest buck selling drugs these days. Lyndon LaRouche noted: "Soros and company are stealing everything—even from HongShang."

Japanese Political Crisis Guarantees Weak Government

March 4 (EIRNS)—A raid on the campaign office and the local constituency office of the leader of Japan's Democratic Party, Ichiro Ozawa, who is likely to be the winner of the next election, has plunged the nation further into chaos, as the global breakdown rips through the world's second-largest economy. Ozawa is accused of receiving illegal campaign

contributions from a corporation. A close aide was arrested.

Ozawa declared the raids to be politically motivated, and refuses to resign. An intelligence source in the U.S. told *EIR* that this situation nearly assures that Japan will continue to have a weak and unpopular government, no matter who wins the elections, which must be held before September, but are expected in April.

Prime Minister Taro Aso's popularity has shrunk to about 10%, while former Prime Minister Junichiro Koizumi, the pro-free-trade neocon leader who deregulated and privatized much of the economy, is now moving to split the government party, the Liberal Democrats (LDP), further eroding Aso's support.

The LDP did succeed in getting a stimulus bill (a cash hand-out) through the Diet (parliament), despite opposition from the Democrats and from Koizumi.

Wen Jiabao: Economic Crisis a Major Problem for China

March 5 (EIRNS)—China is facing "unprecedented" difficulties and challenges due to the world economic crisis, Prime Minister Wen Jiabao said in his report to the opening session of the National People's Congress in Beijing today. "The external economic environment has become more serious, and uncertainties have increased significantly," Wen said. "The continuous drop in economic growth rate due to the impact of the global financial crisis has become a major problem affecting the overall situation [for China]. This has resulted in excess production capacity in some industries, caused some enterprises to experience operating difficulties and exerted severe pressure on employment."

Government revenues are falling as expenses grow, and this is, among other problems, making it difficult to maintain steady agricultural development and keep rural incomes growing, Wen said.

Social stability is a big concern for China, Wen also said. He said that the government "will improve the early-warning system for social stability to actively prevent and properly handle all types of mass incidents.... The more difficulties we face, the greater attention we should pay to ensuring people's well-being and promoting social harmony and stability." China has already seen many protests, by laid-off workers, taxi drivers, and others in the past year. Officials are calling on companies to keep people employed. China's labor dispute lawsuits nearly doubled last year, over 2007, because of the economic downturn and the new labor contract law, according to the Supreme People's Court.

Wen Jiabao said today that in this developing country with a population of 1.3 billion, "maintaining a certain growth rate for the economy is essential for ... ensuring social stability."

Africa News Digest

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Sudan Continues To Reject Legitimacy of the ICC

March 8 (EIRNS)—In the wake of an arrest warrant for Sudan's President Omar Hassan al-Bashir, issued by the International Criminal Court (ICC), Sudan has rejected a proposal for an international conference that would "reconcile the political and judicial considerations in light of the ICC decision," in the words of Egyptian Foreign Minister Ahmed Aboul Gheit. Egypt is promoting such a conference. Bashir has said that the ICC is part of a neocolonial drive, and has no valid jurisdiction. Sudan's State Minister for Foreign Affairs Ali Karti, told Al-Jazeera TV today, "If there are certain parties that want to internationalize this issue, Sudan will not accept it."

Libya is, so far, the only other government to recognize the ICC as a political tool. Libya's legislature, the General People's Congress, issued a statement on March 4—the day the arrest warrant for Bashir was issued—that said, in part: "The so-called ICC has no legitimacy or legal jurisdiction to examine such accusations.... This order threatens security and peace in Africa and the world." Libya is encouraging governments that have signed the Rome Treaty creating the ICC to withdraw their signatures.

It is noteworthy that Libya holds the rotating presidency of the UN Security Council this month and will hold the presidency of the UN General Assembly for a year starting in September. Libyan leader Moammar Qaddafi is the current president of the African Union.

In Mauritania, dozens of MPs also deny the legitimacy of the ICC. They reacted to the arrest warrant with a declaration stating that the ICC is politicized and lacks independence or credibility. It called on the Arab and African countries to withdraw from the ICC and "not remain silent in the face of this shameful partiality with an international agenda to destroy Sudan, its people, and the integrity of its territory."

Bashir Greeted by Thousands in Darfur Visit

March 8 (EIRNS)—Sudan's President Bashir was greeted by thousands in a March 8 visit to El-Fasher, the capital of Northern Darfur state. He waved from the back of an open pickup truck and told the cheering crowd that, "They told us if we leave the NGOs to continue their work, we will freeze the ICC decision, but we reject that." Only a tiny fraction of the money raised for Darfur by the NGOs ever reached the province, he charged. "We are ready to fill the gap.... We will spend it from our pocket," he said. "They speak as if they are the masters of the world, but they are liars and hypocrites."

While there, he signed contracts for road construction in Darfur. The rally was attended by diplomats from Egypt, Jordan, Lebanon, and other Arab countries.

Obama Pressured To Adopt British Policy on Sudan

March 7 (EIRNS)—Several members of President Barack Obama's inner circle are acting in to rope him into a British-defined policy toward Sudan that will destroy the nation. The issue is not food aid, contrary to what they maintain, but about breaking the Sudan government's commitment to national development. The *New York Times* joined the fray today with a column by Nicholas Kristof, who charges Obama with being worse than Neville Chamberlain, for "appeasing" Sudan's President Bashir.

U.S. Ambassador to the UN Susan Rice has advocated escalating pressure on Sudan, through air attacks, and imposition of a no-fly zone, since 2006. Yesterday, in an interview with NPR, she again promoted the British policy of increasing pressure against Sudan, until Sudan dumps its commitment to a policy of unified national development.

In an op-ed published by the *Washington Post* March 5, Merrill McPeak, a co-chair of the Presidential Obama campaign (former chief of staff of the U.S. Air Force), singled out Susan Rice for having advocated the creation of a no-fly zone. McPeak is promoting foreign control over Sudan's air space as the most promising initiative against the country. He argues that this would be the best way for the United States to act multilaterally with NATO allies to box in Sudan. Rice, true to her British roots as a Rhodes Scholar, has long been an advocate of a multilateralist approach to wrecking the sovereignty of African nations.

High-level military and diplomatic sources have indicated to *EIR* that such a policy is unworkable, and would only politically complicate the situation.

The creation of a no-fly zone would lead to a far greater number of deaths in Darfur than are now occurring. Food aid cannot be safely delivered by land, since the British-organized rebel groups hijack the trucks and the food. The only reliable way to deliver the food aid is by air.

China Maintains Commitment to Congo

March 9 (EIRNS)—Despite contrary demands from the IMF, China is still committed to the deal it made with the Democratic Republic of Congo last year to spend \$9 billion on mining and infrastructure, according to China's ambassador to Congo, a March 3 Bloomberg wire reports.

This is China's biggest single investment in Africa, and will provide roads, railways, hospitals, and schools in return for \$50 billion worth of metals, at current prices.

The IMF had said in December that Congo won't qualify for more than \$6 billion of debt relief unless the agreement is changed so the country won't be the guarantor of the deal and add to its debt.

China's Ambassador to D.R. Congo, Wu Zexian, said in a Feb. 25 interview in Goma, eastern Congo, that the IMF's demands are "blackmail," according to Bloomberg: "The contract will not change."

Congo has been hit hard by the global economic/financial meltdown.

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