

[return to home page](#)

Three Steps to Recovery?

by Lyndon H. LaRouche, Jr.

September 12, 2011

A NOTE TO THE READER:

Since the February 1763 ``Peace of Paris," the dominant history of the world has been chiefly divided, for most of that time up to the present moment, between two leading, contending, English-speaking currents of the history of the planet. These two have been the British empire, on the one side, and, on the other, our own United States' republic. Should the British empire, the implicit adversary of our United States since 1763, continue to be arrayed as the controlling force on this planet still today, the entirety of the planet would plummet, very soon, into a nightmare far worse than a planet-wide ``new dark age." This has threatened to be the end of the line for a trend which had been operating since the assassinations of President John F. Kennedy and his brother Robert. Unless there were a change away from this still present trend since the two Kennedy assassinations, the collapse of the economy of the planet as a whole were, probably, the option presently in sight now.

Soon, our U.S. quarrel with the British Empire will be settled in one way, or another. The outcome of this quarrel will depend upon considerations which must take into account issues in which leading nations on Earth, such as the United States, Russia, China, and India, must work in concert, to meet the challenge of the presently oncoming turn in our galaxy. On that account, we find ourselves as if locked, for the moment, in a time during which we are now threatened with a continuation of the recent trend of worsening failure by the present government of our United States. A failure to check the pro-genocidal impulses of the British monarchy now, would virtually assure the descent of the planet into a planet-wide ``new dark age."...

Separate In-Depth articles from **Executive Intelligence Review** **Vol. 38, No. 40**

(Suitable for emailing, printing and other organizing purposes.)

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This Week's Cover

- **Three Steps to Recovery?**
by Lyndon H. LaRouche, Jr.

Presently, the leading hope for mankind is centered, chiefly, on the possible roles of the United States, Russia, and China, and with India soon after. Therefore, these four are the leading partners on which the world's peoples must rely for the immediate years ahead, to establish the cooperation among sovereign nationstates that will bring humanity into a system of emerging worldwide initiatives, which express the unique role of mankind in the Solar System and beyond.

- **'A Defence of Poetry'**
- **The 'Narrowness of Britain's Adam Smith**

National

- **'Execution by Secret Committee':**

Britain's Fascist Coup Plot Against the United States

President Barack Obama has created a secret committee that decides which Americans should be placed on a 'kill or capture list.' While moves toward a police-state dictatorship were well underway during the Bush-Cheney Administration, they have been accelerated under Obama, as part of a long-standing British plan to carry out a Hitler-style coup in the United States.

- **Will 'Occupy Wall Street' Upsurge Force Through Glass-Steagall?**

The 'Occupy Wall Street' demonstrations have rapidly expanded to cities across the United States, as the third wave of the mass-strike process, begun two years ago, joins the protests around the world. Although somewhat inchoate when it comes to specifics, one particular demand is emerging, as the LaRouche movement steps forward to provide leadership: Bring back GlassSteagall!

- **Interview:**

Rep. Walter Jones: End the Afghan War; Revive Glass-Steagall

- **Fast and Furious, Solyndra Scandals:**

Pressure Builds on Obama and Holder

Economics

- **Global Banking System Blows Apart in Hobbesian Warfare**

The failure to heed Lyndon LaRouche's warning of July 25, 2007, has led to trillions of dollars—and euros—of bailouts and lies about the 'recovery,' none of which has caused the trans-Atlantic system to veer off its course toward the fires of Hell. Now the world's largest banks are melting down.

- **LaRouche's 2007 HBPA:**

What Should Have Been Done

No act of Wall Street economic sabotage has had more dire effects since the 2007-08 crash, than the blocking of economist and statesman Lyndon LaRouche's 'Homeowners and Bank Protection Act of 2007.' Yet, despite broad support across the land, Wall Street's lackeys in Congress, especially Barney Frank, prevented its enactment.

- **The Homeowners and Bank Protection Act of 2007**

- **Former French Premier Backs Glass-Steagall**

- **Report from Africa:**

Space as a Driver for Development

For the first time in 62 years, the annual Congress of the International Astronautical Federation (IAF) was held on the continent of Africa.

Science

- **The Extended NAWAPA:**

Engineering the Biosphere

An LPAC video focuses on how, in a post-Obama world, NAWAPA will become a new standard for international cooperation. It examines four specific projects, each representing a different region of the world. The case-studies begin with Africa, followed by Central Asia, Central and South America, and conclude with the development of the Arctic region.

Editorial

- [Act Now To Stop a Hitler-Style Coup!](#)

This Week's News

- [U.S. Economic News](#)
- [Global Economic News](#)
- [United States](#)
- [Ibero-America](#)
- [Europe](#)
- [Russia and the CIS](#)
- [Southwest Asia](#)
- [Asia](#)
- [Africa](#)

U.S. Economic/Financial News

[Another Boondoggle Under the Cloak of Green Energy Exposed](#)

[Latest Statistics Show U.S. a Nation of Part-Time Workers](#)

[Geithner's Debt Scheme Requires Psychiatric, Not Financial Analysis](#)

Another Boondoggle Under the Cloak of Green Energy Exposed

Oct. 3 (EIRNS)—A potentially multibillion-dollar boondoggle, presented to the New York Power Authority (NYPA) as emission-free green energy, has been formally rejected by the NYPA authorities. On Sept. 27, the NYPA formally made it clear that it would not purchase any power from this boondoggle. In essence, the NYPA has pulled the plug on the wind farm project, known as the Galloo Island Wind Farm, which the racketeers are trying to build on the waters of Lake Erie and Lake Ontario.

NYPA officials said the project wasn't fiscally prudent, but what they cited as the reason is the following. According to the NYPA, they were told that the 150 MW project needed \$60-\$100 million a year in subsidies. A larger project would just yield a larger subsidy, said Jill Anderson, the Power Authority executive who delivered the report recommending that the project be scuttled. But the subsidy wouldn't have just lasted for a year or two. NYPA would have had to pay them for 20 years. So on even a small-scale project, it would have cost \$1.2-\$2 billion in subsidies over 20 years just to make the project work financially.

NYPA's decision preceded a 15-minute conference call on Sept. 28 that included Gov. Andrew M. Cuomo's office and

representatives of Upstate New York Power Corp., the green energy developing company. The bottom line is now the investors and contractors have to figure out if Galloo Island can proceed without a Power Purchase Authority (PPA), Assemblyman Kenneth D. Blankenbush (R-Black River) told the media. That, of course, wasn't talked about, but now it will be up to the investors to decide.

Latest Statistics Show U.S. a Nation of Part-Time Workers

Oct. 7 (EIRNS)—The Bureau of Labor Statistics (BLS) September employment report, released today, said 103,000 net non-farm jobs were added in the U.S. economy, with private employment rising by 137,000 and government employment falling by 34,000, the official unemployment rate staying 9.1%. But clearly, a lot of full-time employment was lost in September, because it also reported that the number of Americans forced to work only part-time rose by nearly 450,000, four times the total reported increase. Other reports indicate that what isn't part-time hiring, is short-term hiring—"temp contract employment" for 30 days—9 months without benefits.

If one takes the BLS figures without seasonal adjustment for the first nine months of 2011, total U.S. employment has risen by just 500,000 in that time, and "virtual jobs" have accounted for 420,000 of that.

Geithner's Debt Scheme Requires Psychiatric, Not Financial Analysis

Oct. 3 (EIRNS)—This is the lead of economist Satyajit Das's attack on Geithner's own "pass it now" scheme being imposed on European governments by the Obama White House. Das defines it in Einstein's terms of repeating the same procedure over and over and expecting different results—in this case, creating a EU2-3 trillion synthetic collateralized debt obligation, or "CDO-squared," of exactly the same toxic type that blew up banks and investment funds worldwide in 2007-08. He notes that:

* The leveraged EFSF scheme would have the characteristics of Hank Paulson's "Master Liquidity Enhancement Conduit" (MLEC, or "the super conduit"), supposed to fix the asset-backed paper markets, which Paulson created and then hurriedly abandoned in 2007, when big banks realized it would attract losses to itself like tar paper. But the leveraged EFSF would, of course, be orders of magnitude larger in new debt;

* The leveraged EFSF is only supposed to "work" by shock and awe; i.e., if its mere appearance makes all debt losses disappear and it never need be used. This was also supposed to be the nature of the EFSF itself, which instead is already reduced about in half (by Irish, Greek, Portuguese bailouts) before even being ratified;

* The EFSF is supposed to borrow its "leverage" from money-printings of the ECB (whose capital resources are in the few tens of billions!) and from sovereign wealth funds and "markets," ultimately on the guarantees of the credit of the EU national governments (including Greece, Ireland, Italy, etc.). All those governments would be exposed to all the losses of the "leveraged EFSF," just like investors in a toxic CDO in 2007-08;

* While Geithner's 10/1 leverage demand implies the exhaustion of EFSF itself would only cover the first 10% "tranche" of losses on this gigantic CDO, "even a 20% loss estimate may be too low. Unlike typical diversified CDO portfolios, the highly concentrated nature of the underlying investments (distressed sovereign debt and equity in distressed banks exposed to the very same sovereigns) and the high default correlation [default triggering default, etc.] means potential losses could be much higher ... as high as 75%." The losses on Greek debt are already sure to be 50% and more. Thus, trillions in losses for all, and massive, hyperinflationary money-printing to "cover" them.

Das says "the circular nature of the scheme is surreal," and characterizes the lunatic plan as just like a financial company

selling credit default swaps as insurance against its own default—to the tune of several trillion euros.

Global Economic News

Switzerland Adopts Weak Too-Big-To-Fail Legislation

Largest Rice Exporters Lose Millions of Tons to Floods

Spain, Belgium, and Italy Downgraded

Eurozone Banking Collapse: Dexia Is Gone, Who's Next?

Switzerland Adopts Weak Too-Big-To-Fail Legislation

Oct. 3 (EIRNS)—On Sept. 30, the Swiss parliament adopted a new law supposedly to handle "too big to fail" banks such as UBS and Crédit Suisse without going for a full Glass-Steagall banking separation. Dick Marty (FDP, Liberal), in Switzerland's Council of States (Upper House), who heads the Economics Committee, some weeks ago argued against banking separation, but now says he's "not convinced that this text will be sufficient." Politicians, he says, are now convinced that regulators need more financial means and more manpower to do their job. "The importance of these two Swiss banks for our economy and our country is without comparison in the world. Crédit Suisse represents 100% of our GDP and UBS 280%."

The banks did some awful lobbying to castrate the bill. But, as *Les Echos* writes, the affair of the UBS rogue trader has reopened the debate on the high risk of investment banking and the need to protect traditional Swiss banking based on wealth management, not speculation. More action is likely to be on the agenda.

Largest Rice Exporters Lose Millions of Tons to Floods

Oct. 5 (EIRNS)—Thailand's Commerce Ministry indicates that at least 3.3 million acres of rice fields, which produce 4 to 5 million metric tons of paddy (unhusked rice), have already been destroyed by flooding, as this year's monsoon season has brought extensive, unusually heavy rains to much of the country. The originally forecast crop was 24-25 million tons. According to the Ministry's preliminary report, more than 2 million acres of other crops in 55 provinces have also been washed out.

The Philippines government held an emergency meeting on Oct. 3, to discuss the damage to its rice crop from two typhoons that hit largely the same area of the northern Philippines in less than a week. The damaged crop was estimated to be equivalent to about 291,505 tons of milled rice, and accounted for 6.9% of forecast national output of 6.5 million tons the last quarter of 2011. A significant amount of the corn (maize) crop was also lost, along with much of the leafy green vegetable crop. Officials indicated that if the rice-fields can be plowed and planted as soon as the flood-waters recede, then a new crop can be harvested in 120 days, and, with the rice in storage, there will not be a shortage.

Indonesia, which in most years is self-sufficient, or almost so, in rice, is in the market to purchase as much as 1.5 million tons this year. A rice deal with Thailand fell through, but state logistics firm Perum Bulog says it has inked a new deal to import 700,000 tons of rice from Vietnam, bringing the total amount of rice it has agreed to import from the country this year to 1.2 million tons. Vietnam was offering 300,000 tons more rice, which could enter Indonesia between March and

April of 2012.

Rains and flooding also have been very heavy in Vietnam and Cambodia (a minor rice exporter), but there are no current estimates on the extent of any crop damage.

Spain, Belgium, and Italy Downgraded

Oct. 8 (EIRNS)—It seems every euroland country is being downgraded by the rating agencies. Fitch has downgraded Spain two notches to double-A-minus, and Italy by one step to single-A-plus. Moody's Investors Service also placed Belgium's Aa1 rating under review for a possible downgrade, because of its high debt, which has been made worse after the government stepped in this week to guarantee the debts of Franco-Belgian bank Dexia SA.

This is all about the collapse of the Inter-Alpha banking system. It follows Moody's downgrading of a dozen British banks. Now, according to Bloomberg.com, in a report issued on Oct. 7, Moody's said European banks need to reduce their reliance on wholesale funding. Banks in the euro area depend on average for almost half of their funding from wholesale markets, whereas U.S. banks on average have close to 70% funding provided by more stable retail depositors. Most of this "wholesale funding" comes from the European Central Bank, or the U.S. Federal Reserve.

Eurozone Banking Collapse: Dexia Is Gone, Who's Next?

Oct. 7 (EIRNS)—To cover up the fact that the giant Belgo-French Dexia Bank went bankrupt on Oct. 5, it was decided to avoid the word "bankruptcy" and call it "organized break-up." On Oct. 6, when shares dropped dramatically by more than 17%, the Belgian government decided to suspend their quotation on the Brussels stock market until Monday.

What immediately triggered the collapse is the euro crisis. Dexia has EU3.4 billion exposure to Greek government bonds. Analysts estimate that it has a further EU17.5 billion exposure to sovereign debt issued by Italy, Spain, Portugal, and other troubled eurozone economies.

United States News Digest

HHS Panel Says Stop Prostate Cancer Screening

Campaign to Deny Medicare Care to Elderly Intensifies

Senate Pursues Diversionary Anti-China Currency War Bill

The U.S. Government Is Funding Prince Philip's Genocidal WWF

HHS Panel Says Stop Prostate Cancer Screening

Oct. 7 (EIRNS)—On the assumption that ignorance is better than knowledge, the U.S. Preventive Services Task Force will release a recommendation next week, that healthy men of all ages should not get PSA testing for prostate cancers, because it only leads to anxiety, surgery, and undesirable complications. The USPSTF is part of the Obama Administration's Health and Human Services Administration, which also brought you Obama's Nazi health-care plan.

The long-anticipated finding from the task force has been met with outrage from urologists and advocacy groups for cancer victims and survivors.

The perverted argument put forward in favor of this T-4 (Hitler's program to eliminate those deemed unworthy of life) recommendation, is that most men with cancerous cells have slow-growing cancer, which doesn't need to be treated (since the patient will probably die of something else), but if the cancer is fast-growing, there's no point in testing for it, because you'll soon die from it anyway. Bottom line: There's no need to know if you have cancer, because you're going to either die from that, or from something else, some day.

The *New York Times* puts it this way: "Not knowing what is going on with one's prostate may be the best course, since few men live happily with the knowledge that one of their organs is cancerous. Autopsy studies show that a third of men ages 40 to 60 have prostate cancer, a share that grows to three-fourths after age 85."

USPSTF findings are used by Medicare and private insurance in determining whether to pay for various services; this in fact is written into the Obamacare law. The *Times* reports (*EIR* has not confirmed) that there is legislation requiring Medicare to pay for PSA testing no matter what the task force recommends—New York -but that would not affect private insurers.

Many specialists disagree with the findings.

"Until there is a better widespread test for this potentially devastating disease, the USPSTF—by disparaging the test—is doing a great disservice to the men worldwide who may benefit from the PSA test," said Sushil Lacy, president of the American Urological Association.

"The notion that prostate cancer is not a threat to the well being of men is simply wrong," said Dr. Herbert Lepor, a urology professor at New York University School of Medicine.

Another expert, Dr. Eric Klein of the Cleveland Clinic, said: "I think there's a substantial amount of evidence from randomized clinical trials that show that among younger men, under 65, screening saves lives."

Campaign to Deny Medicare Care to Elderly Intensifies

Oct. 7 (EIRNS)—In addition to the U.S. Preventive Services Task Force study on prostate cancer, two other "studies" were publicized today, advocating reduced cancer screening and elimination of surgeries for patients in their last year of life—just as the Nazi Dartmouth Atlas studies have demanded.

The British medical journal *The Lancet* is publishing an article citing a survey analyzing Medicare claims for patients who died in the year 2008, which found that 32% of them had surgery in the year before they died. Although it's well known that patients get a lot of health care at the end of their lives, this is the first to show how many of these ungrateful patients are getting costly medical care and then dying, according to Dr. Asish Jha, of the Harvard School of Public Health. ABC News, reporting on the British publication's findings, says that more dying people have surgery not because they want it or need it, but because "American medical culture encourages aggressive care."

Also published today is another "study" which contends that 40% of cancer screenings are unnecessary; this one was conducted jointly by the Center for Public Integrity and the *Wall Street Journal*. The CPI/WSJ study says that Medicare spent (i.e., "wasted") about \$1.9 billion on common cancer screenings for people who were older than government-recommended guidelines between 2003 and 2008. Even worse, says the CPI's iwatchnews.org website, "More than \$31

million of that money was spent screening people who were in their 90s." (How about the *trillions* for bankrupt speculators?)

But that's not all. Dartmouth medical professor Dr. H. Gilbert Welch says it's not the \$1.9 billion spent that is the biggest problem. "The test is chump change. It's all the stuff that happens afterward that costs a lot," says Welch, referring to follow-up exams and procedures, such as biopsies. Nazi Doctor Welch says that what he calls "overdiagnosis" is "the biggest problem posed by modern medicine."

Senate Pursues Diversionary Anti-China Currency War Bill

Oct. 4 (EIRNS)—In a monumental act of diversionary stupidity, the U.S. Senate voted 79 to 19 on Oct. 3 to open a week of debate on the Currency Exchange Rate Oversight Reform Act of 2011, which mandates that the U.S. government slap countervailing duties on products from countries found to be subsidizing their exports by undervaluing their currencies; in other words, make a big show of "doing something" by blaming China for the U.S.'s economic problems.

Not only is the yuan exchange-rate issue irrelevant to ongoing trans-Atlantic crash, but it fosters trade war with China. Chinese Foreign Ministry spokesman Ma Zhaoxu said in a statement posted on China's official government website (www.gov.cn) on Oct. 4, "By using the excuse of a so-called 'currency imbalance', this will escalate the exchange rate issue, adopting a protectionist measure that gravely violates WTO rules and seriously upsets Sino-U.S. trade and economic relations." Ma urged U.S. legislators to "proceed from the broader picture of Sino-U.S. trade and economic cooperation" and "forsake protectionism".

The People's Bank of China, China's central bank, said in a statement that the bill failed to address the underlying issues in the U.S. economy. "The yuan bill passed by the U.S. Senate will not solve its problems, such as insufficient savings, high trade deficit and high unemployment rate, but it may seriously affect the whole progress of China's reform of its yuan exchange rate regime and may also lead to a trade war which we would not like to see."

Federal Reserve Chairman Ben Bernanke, playing into the game, told a Congressional committee Oct. 4, "Right now, our concern is that the Chinese currency policy is blocking what might be a more normal recovery process in the global economy."

Senate Majority Leader Harry Reid (D-Nev.) Reid defended his unconscionable action, by insisting that it's popular in his local fantasy world: "My colleagues, both Democrats and Republicans, agree...."

The U.S. Government Is Funding Prince Philip's Genocidal WWF

Oct. 4 (EIRNS)—Through a financial sleight-of-hand, the Obama Administration is funding some of the most genocidal campaigns of the Worldwide Fund for Nature—stopping the development of agricultural land under the guise of saving forests and orangutans in Indonesia's Borneo. The scheme has Indonesian debt to the U.S. paid by transferring the money directly to the WWF (and to The Nature Conservancy) instead of the U.S. Treasury, to be used by them to stop the transformation of forests to agricultural purposes and to save "endangered species."

Indonesia on Oct. 3 agreed to pay the United States \$28.5 million in debt in this manner—i.e., transferring U.S. dollars to the WWF.

Ibero-American News Digest

Haitian Capital Besieged by Cholera Again

Argentine and German Scientific Collaboration Takes a Step Forward

Brazil, Argentina Plan Satellite Launches

Chilean President Steps Up Repression of Protesters

Haitian Capital Besieged by Cholera Again

Oct. 8 (EIRNS)—An Oct. 7 report from Doctors Without Borders (MSF) stresses that cholera is far from under control in Haiti, and is now stalking the Haitian capital of Port-au-Prince "with a vengeance." The death toll now stands at 6,400 people. Aside from the capital, the departments of Artibonite, Nord, and Ouest are also seeing a cholera resurgence.

In the four MSF cholera treatment centers (CTC) in Port-au-Prince, the number of weekly cholera admissions has risen from 300 to more than 850, in the space of a month. This situation will most likely worsen in coming weeks, MSF head-of-mission Gaetan Drossart warns.

The sanitation situation in the capital is horrendous, with conditions ripe for the spread of cholera as well as many other infectious diseases. The drinking of contaminated water remains the chief cause of the illness, something which could be easily resolved with the building of sanitation infrastructure. Yet this is not being done.

The MSF on-site project coordinator of the Martissant CTC in the capital describes sanitary conditions as "atrocious." MSF concludes "in Haiti, almost a year after the cholera outbreak began, resources for adequately preventing the disease remain rudimentary and at the mercy of the uncertainties of life in the country."

Argentine and German Scientific Collaboration Takes a Step Forward

Oct. 7 (EIRNS)—On Oct. 6, Argentine President Cristina Fernández de Kirchner inaugurated the new building of the Ministry of Science, Technology and Innovation in Buenos Aires, for which LaRouche movement members Rosina Castillo and Joaquín Losada were on hand, and attended the press conference by Science Minister Lino Barañao.

The new ministry will be known as a Scientific-Technological Pole; that is, a national center for the research and development of science and technology. In an on-the-ground report from the event, Castillo and Losada emphasized that "one thing that is very important is that we, Argentina, achieved this in collaboration with the Max Planck Institute of Germany.

On the same day and at the same time, officials of that institute inaugurated its first Biotechnology Center to operate on the South American continent," located inside Argentina's Science and Technology Ministry.

Science and Technology Minister Lino Barañao emphasized that Oct. 6 is going to be remembered as "a historic day for science in Argentina." The ministry building will house all of the national research institutes and laboratories, which will collaborate to advance science and technology.

"This is the first time we as a nation have had such a building," the LaRouche members pointed out. "Although then-

President Néstor Kirchner established the ministry in 2007, we didn't have the physical space that met the necessary requirements for the Ministry's operations. We had taken a giant step in creating it, but we didn't have the equipment necessary for it to become fully operational."

"The President of the Max Planck Institute and the Minister-President of Lower Saxony both spoke in German to all the Peronist workers! This evoked the period [1940s and 1950s—ed.] in which President Juan Domingo Perón took the best of German science and put it to work for his country." In her speech, the Argentine President underscored that science and knowledge play a central role in her government's national development project.

Brazil, Argentina Plan Satellite Launches

Oct. 10 (EIRNS)—Brazil and Argentina, the two South American nations possessing significant scientific and aerospace infrastructure, are each expecting to be able to independently launch their own satellites by 2013-14.

On Sept. 29, Brazil's Aeronautic and Space Institute (IAE) successfully tested the separation of the four motors in the first stage of its Satellite Launch Vehicle (VLS), the Brazilian Air Force reported Oct. 3. Brazil began testing the fourth VLS-1 prototype in 2008 and hopes to perform a complete flight test in 2012. A successful test would allow Brazil to place its first nationally-produced 115 kg. satellite in orbit, at a height of 750 kilometers.

It has taken several years for Brazil's satellite program to recover from the devastating 2003 explosion of its VLS launcher at the Alcantara Launch Center (CLA), which killed 21 people and caused vast damage.

Argentina is working on a similar timetable for its first satellite launch. Scientists and engineers at the Aeronautics Department of the University of La Plata's Engineering School, who are working with the National Space Activities Commission (CONAE), hope to be able to test the first prototype of the Tronador II rocket by mid-2012, with sometime in 2013 set as the date for an actual satellite launch from the Puerto Belgrano military base in the city of Bahí Blanca.

Aside from the La Plata group, the Center for Optics Research (CIOP) and the Argentine Radioastronomy Institute are also working on the rocket's structural and mechanical design.

The Tronador II will be able to launch a 250 kg. satellite into orbit at a height of 600 kilometers. The orbit will be a north-south one, so that the satellite can fly over Argentina twice a day.

Chilean President Steps Up Repression of Protesters

Oct. 10 (EIRNS)—Following the Oct. 5 breakdown of talks between the government of Chilean President Sebastián Piñera and leaders of a national student movement, Piñera has apparently determined that repression is the only way to deal with students who have been protesting for five months, demanding a free, good-quality public education.

On Oct. 6, riot police attacked students who were gathered peacefully in downtown Santiago, where they were planning to begin a march. At the end of the day, at least 250 people had been arrested nationwide. Acts of violence by masked provocateurs exacerbated the situation.

The talks broke down after the government claimed it could not meet student demands. Only the "most vulnerable" citizens should be afforded a free education, argued Education Minister Felipe Bulnes. Fascist dictator Augusto Pinochet privatized much of the country's education system in the 1980s, placing a huge financial burden on the families of students attending college.

Even before talks broke down, on Oct. 4, Piñera sent a bill to Congress that would reform the penal code and mete out harsh sentences for certain kinds of protest. Those who occupy educational, religious, or office buildings—students have engaged in such occupations during months of protest—could receive prison sentences of up to three years, for example.

Responding to the government's actions, on Oct. 8, the CUT trade union federation, the Chilean Student Federation (CONFECH) and the National Teachers' Association, announced a two-day general strike for Oct. 18-19. In addition, CONFECH leaders will also travel this week to several European nations, where protests of the "Indignados" movement are widespread, to meet with government and university officials, as well as address the UN Human Rights Commission.

Western European News Digest

[**Russia Offering Greece Station on Land-Bridge**](#)

[**Talks on German-Russian Coal and Gas Venture**](#)

[**Tens of Thousands Return to Athens' Syntagma Square**](#)

[**100,000 Protesters Hit IMF Austerity in Lisbon**](#)

[**Finland Selects Site for New Nuclear Plant**](#)

[**Motion for Euro Referendum Continues To Build**](#)

[**Plan for ECB To Print Money for the EFSF**](#)

[**China Could Join German Space Program**](#)

[**German Foreign Minister Attacks Nation-State, Once Again**](#)

[**Human Rights Court Refuses To Exonerate Soros**](#)

Russia Offering Greece Station on Land-Bridge

Oct. 5 (EIRNS)—Russia has offered Greece a station on the Silk Road Land-Bridge. A Greek source involved in developing stronger economic relations with Russia told *EIR* that Russia has expressed interest in investing in the Greek Railways, but the current Greek government has rejected it, obviously under orders from the EU and its creditors. The source charged that the government is acting like "traitors." In fact, the latest rumor is that the government wants to literally give the railways to the French, to pay off Greece's unpayable foreign debts!

Talks on German-Russian Coal and Gas Venture

Oct. 6 (EIRNS)—On Oct. 3, Germany's power company RWE and Russia's Gazprom agreed at a meeting of their CEOs in

The Hague, Netherlands, to "deepen" and extend talks over a power-production joint venture, beyond Oct. 15, the date originally set after a statement of intent on the venture project was signed by the CEOs of both firms in mid-July.

Chief executives Jürgen Grossmann of RWE and his Gazprom counterpart, Alexei Miller, agreed to continue with their cooperation talks beyond the Oct. 15 deadline that was set when the discussion officially started around three months ago. In July, both companies said they are examining options for a gas- and coal-power joint venture in Germany, U.K., and the Benelux countries. This involves existing and/or newly built gas- and coal-fired power plants in these countries.

Tens of Thousands Return to Athens' Syntagma Square

Oct. 5 (EIRNS)—Tens of thousands of Greek trade unionists and protesters returned to Syntagma Square in front of the Parliament in central Athens, gathering as both the public sector union ADEDY and the private sector union GSEE staged their first general strike since last June, when thousands of police launched a gas attack on the demonstrators. Today's general strike was peaceful, except for clashes between police and anarchists. The strike closed down most of the public transportation, including airports, as well as tax offices, insurance funds, and state hospitals, in protest of the government's austerity measures.

There have already been a number of sit-in protests at ministries this week. Some 50 protesters took over the office of Labor Minister Giorgos Koutroumanis yesterday morning. GSEE and ADEDY have organized another strike and rally for Oct. 19, which they expect to be better attended than today's rally.

100,000 Protesters Hit IMF Austerity in Lisbon

Oct. 3 (EIRNS)—Some 100,000 demonstrated on Saturday, Oct. 1, in Lisbon, Portugal, protesting the government's austerity measures. Government and private sector workers rallied in Lisbon and also in Porto, following a call by the country's largest trade union federation to speak out against policies it says have devastated "jobs, workers, pensions, and social rights."

Last month, the government announced plans for cutting 1,700 managerial positions from the state administration and 137 public companies. One demonstrator called the austerity moves "a frontal assault against the rights of workers," pointing out that the plan will reduce severance pay to 20 days per year worked, down from 30 days.

The massive austerity being forced on Portugal as part of the bailout is following the same scenario as that of Greece, which is to collapse the economy. The government last week announced that its economy could contract by a more than anticipated 2.5% of gross domestic product next year.

Finland Selects Site for New Nuclear Plant

Oct. 5 (EIRNS)—Finland earned the distinction of becoming the first nation, after the earthquake- and tsunami-caused accidents in Japan's Fukushima nuclear power plants, to name a new site for a nuclear power plant. The municipality ofPHYÄJOKI on Finland's western coast has been selected by Fennovoima as the site of the country's third nuclear power plant. Site preparations for the plant could start by the end of 2012. The reactor project is estimated to cost around EU4-6 billion euros (\$5-8 billion).

Finland's parliament voted in July 2010 to back the building of two new nuclear reactors by Fennovoima and utility Teollisuuden Voima (TVO), raising Finland's total to seven.

Motion for Euro Referendum Continues To Build

Oct. 5 (EIRNS)—The genie is out of the bottle, as the momentum for a national referendum on the euro builds. An opinion poll carried out by the FORSA team for *Stern* magazine, shows that more than 50% of those polled are opposed to the euro and favorable to a return of the D-mark. If there were an anti-euro pro-deutschmark party (there is one, the BüSo, which the poll does not mention), the poll indicates that it would receive 18% of the vote in national elections now, and even 23% in eastern Germany.

The majority for the D-mark is being mischaracterized in the mainstream media as "mostly, citizens with little education, and eastern Germans."

Plan for ECB To Print Money for the EFSF

Oct. 3 (EIRNS)—A plan to allow the European Central Bank to print money for the European Financial Stability Facility without formally violating statutes and treaties was reported today by the Milan, Italy daily *Corriere della Sera*. The plan would involve Germany's Kreditanstalt für Wiederaufbau and sister organizations in France, Italy, and Spain, respectively: the Caisse des Dépôts et des Consignations, the Cassa Depositi e Prestiti (CDP) and the Istituto de Credito Oficial. Since those state-controlled financial institutions have access to ECB money, they could borrow money from the ECB and lend it to the EFSF. Their loans would be ensured by member-states.

China Could Join German Space Program

Oct. 3 (EIRNS)—On Oct. 1, the *Stuttgarter Zeitung* ran an interview with Johann-Dietrich Wörner, head of the German Aeronautics and Space Administration (DLR) on China's space program. Wörner says that the steps by China were well thought through, and that Germany should increase its collaboration with China. The DLR is already working with China in space medicine and research in absence of gravity. On Nov. 1, the Chinese will take German experiments on board and bring them into Earth orbit. Wörner says: "The Chinese are very eager to collaborate on various projects. Now, the partners of the space station ISS should get into a dialogue with China. I wouldn't hesitate any longer."

German Foreign Minister Attacks Nation-State, Once Again

Oct. 3 (EIRNS)—In an article in yesterday's *Welt am Sonntag*, German Finance Minister Wolfgang Schäuble once again polemicized against the nation-state principle, claiming that the only way to protect Germany against attacks from the "hypernervous financial markets" was "more of Europe."

"Nobody can dispute," Schäuble continued, "that the nation-state has lost its absolute monopoly on regulation—and this long ago.... That is why we need a new form of cooperation between the states, 'governance.' It does not replace the nation-state or make it superfluous. Rather, it has to create identity and cohesion for the people, in times of globalization and of a borderless worldwide web. But we must look beyond the nation-state."

Human Rights Court Refuses To Exonerate Soros

Oct. 8 (EIRNS)—George Soros lost a case at the European Court of Human Rights to have his criminal conviction for insider dealing quashed. Soros was convicted in France in 2002, concerning trades he had made 14 years before, in Societé Générale shares.

Russia and the CIS News Digest

[Yakunin: Globalization Has Caused Civilizational Crisis](#)

[Putin Promotes 'Eurasian Union'](#)

[Putin Looks to Asia Cooperation](#)

[Russian, Chinese Academies To Meet on Northeast Asia Development](#)

[Roscosmos Chief: Mission Requires Technology Breakthroughs, Better Economy](#)

Yakunin: Globalization Has Caused Civilizational Crisis

Oct. 7 (EIRNS)—The Rhodes Forum—Dialogue of Civilizations is taking place on the Greek island of Rhodes. The *Bulletin of the Moscow Patriarchate* of the Russian Orthodox Church today summarized the keynote speech of Rhodes Forum co-founder Vladimir Yakunin, CEO of the state-owned company Russian Railways as follows: "The current crisis betrays what the main outcomes of globalization have been, emphasized Vladimir Yakunin. Its chief result is the creation of a virtual financial economy, or casino capitalism, which is completely free, and thoroughly divorced from the real economy. Such freedom, which is more similar to license, has become a dead end for the development of society. 'The economic crisis takes the form of a civilizational crisis of all Europeanist world projects: mondialism, the Euro-Atlantic consensus, and globalization,' Vladimir Yakunin concluded."

Two years ago, Lyndon LaRouche electrified the 2009 Rhodes Forum audience with his speech on the "Four Powers" perspective (U.S.A., Russia, China, India) for turning the world economy away from suicidal monetarism and toward a future of great projects, scientific advance, and betterment for humanity.

Yakunin quoted Rhodes Forum Co-Founder J.C. Kapur, who died last year, saying that "we must recognize that the world is not just a globalized loot-haven, but a family of nations in a true sense, where all members of the family have a right to pray, work, and establish life styles of their choice."

Yakunin presented how the "globalization project" has led to a worldwide casino: "The second stage [is] marked by the transfer of a substantial share of industry to the third countries in pursuit of cheap labour and access to natural resources." That led into the current crisis, which has had the devastating effects he described.

Putin Promotes 'Eurasian Union'

Oct. 4 (EIRNS)—Russian Prime Minister and Presidential candidate Vladimir Putin published an article in the daily *Izvestia* today, telling the world about Moscow's prioritization of the creation of a Eurasian Union, starting with Russia, Belarus, and Kazakhstan, but ready to embrace other countries in the post-Soviet region. As these countries reintegrate their economic ties, he wrote, they are prepared to become a bridge between Europe and the Asia-Pacific region.

A "Eurasian Union," as a broader concept, was promoted by Lyndon LaRouche during several visits to Russia and Ukraine in the mid-1990s. In 1997, as *EIR* reported at the time, Kazakhstan's President Nursultan Nazarbayev announced that he would devote the rest of his life to creating a "Eurasian Union," including close cooperation of the post-Soviet economies

with China. Some of his ideas were implemented through the Shanghai Cooperation Organization.

Currently, the Eurasian Union is the declared goal of a process that has begun with the Customs Union of Russia, Belarus, and Kazakstan, fully functioning since July 1, 2011. Its secretary is the economist Academician Sergei Glazyev, who has been working on the project for the past several years. As of Jan. 1, 2012, the Customs Union will launch the Common Economic Space, involving further reduction of trade barriers and promotion of joint projects, as a stepping stone to the Eurasian Union.

Putin had announced the Eurasian Union as a key goal for Russia, in his Sept. 24 keynote speech to the United Russia party congress, after unveiling his Presidential candidacy. In his *Izvestia* article, Putin said that the various post-Soviet integration efforts, under the Commonwealth of Independent States and the Eurasian Economic Union, had "received a fresh impetus during the global financial crisis, as it forced states to seek new resources for economic growth." Coming on the heels of the Customs Union, he said that the Common Economic Space would be "a huge market that will encompass over 165 million consumers, with unified legislation and the free flow of capital, services, and labor force." It will also bring immediate practical savings, such as eliminating the need to police and service the 7,000-km Russia-Kazakstan border.

While Putin presented the Eurasian Union as just as historic as Europe's 40-year path to the European Union, he made clear that the Eurasian countries have no intention to replicate the EU. "We see their strengths and weaknesses," he said, stressing that Russia and its partners would "avoid ... unnecessary bureaucratic superstructures."

Putin continued: "By building the Customs Union and Common Economic Space, we are laying the foundation for a prospective Eurasian economic union." Kyrgyzstan and Tajikistan would come in, he said. (Ukraine and Uzbekistan, which have remained apart from this process, were not explicitly discussed in the article, but Putin attacked the argument that joining the CES contradicts any country's orientation cooperation with Europe.)

Discussing the future prospects of this project, Putin stressed that it is not a "revival of the Soviet Union." Rather, he wrote, "These times call for close integration based on new values and a new political and economic foundation. We suggest a powerful supranational association capable of becoming one of the poles in the modern world and serving as an efficient bridge between Europe and the dynamic Asia-Pacific region. This project also implies transitioning to closer coordination in economic and currency policies in the Customs Union and CES and establishing a full-fledged economic union. Its natural resources, capital, and potent reserve of human resources will combine to put the Eurasian Union in a strong competitive position in the industry and technology race, in the struggle for investors, for the creation of new jobs and the establishment of cutting-edge facilities."

Putin Looks to Asia Cooperation

Oct. 4 (EIRNS)—A week before his official visit to China on Oct. 11-12, Russian Prime Minister Vladimir Putin took two occasions in the past few days to emphasize the priority he places on economic relations with Asia.

* On Oct. 3, Putin held a televised conference with Alexei Miller, CEO of the state-owned Gazprom natural gas monopoly. Amid discussion of the fall-out from European Commission-ordered raids on Gazprom partners in Europe, Putin underscored the importance of seeking Asian markets for Russian national gas. Currently, such shipments are limited to LNG supplied from the Sakhalin-2 project to customers in Japan and South Korea. Last week, Gazprom and the Chinese National Petroleum Company (CNPC) conducted several days of negotiations on opening the way to Russian natural gas supplies to China, which topic is expected to be revisited during Putin's trip.

* Putin today sent greetings to the 5th Far East International Economic Forum, being held in Khabarovsk. Representatives

of 19 Russian states and 12 countries are attending. Hailing such conferences as crucial for promoting cooperation and development, Putin noted that "dozens of large-scale projects" are already under way, including in energy, transport, upgrading ports, high-technology manufacturing, and job-creation. He stated that such cooperation in the Asia-Pacific region is a priority for Russia.

Russian, Chinese Academies To Meet on Northeast Asia Development

Oct. 7 (EIRNS)—While Prime Minister Vladimir Putin visits China, a conference will be held at Sakhalin State University (Russia), titled "Russian-Chinese Cooperation in Northeast Asia: Toward Sustainable Development and Mutual Prosperity."

The Oct. 10-12 event will be the first international scientific conference of Russian and Chinese scholars ever to be convened on Sakhalin Island. Sponsors include the Russian Academy of Sciences Institute of the Far East, which has promoted development of the Eurasian Land-Bridge for many years. Participating will be government and academic institutions from the two nations, including the Chinese Institute of International Relations of the Chinese Foreign Ministry and the Russian Foreign Ministry. Twenty papers are to be presented on Oct. 10, a roundtable held on Oct. 11, and a press conference will conclude the event.

Roscosmos Chief: Mission Requires Technology Breakthroughs, Better Economy

Oct. 9 (EIRNS)—Speaking at the 62nd International Astronautical Congress in Cape Town, South Africa, Vladimir Popovkin, head of the Russian Roscosmos Space Agency, said that an inspection of rockets similar to the one that caused the crash of the Progress cargo ship recently had found no production faults. This opens the way for renewed launches to the International Space Station. Popovkin said a crowded launch schedule would bring the International Space Station back to full operation by Dec. 21. But he also expressed his dismay over the fact that, with the ending of the U.S. Shuttle program, the Progress was the only means of supplying the space station.

"While other countries are working on new [spacecraft], we are forced to focus on the production of well-reputed but comparatively old spacecraft, Soyuz and Progress," he said. Popovkin may have been referring to NASA's recent unveiling of plans to build a deep-space rocket, which plans, however, are pie-in-the-sky under the present policies of the Obama Administration.

Popovkin dismissed ambitions to fly cosmonauts to Mars at the present time. "The prospect of flights to asteroids and Mars is far off and their realization depends not only on the economic development of the country, but also on technological progress," he said. Russia, he said, would concentrate on the Moon.

Citing the lack of financing, Popovkin said that Russia intended to halt the production of Rus-M carrier rockets, which were part of an ambitious plan to launch new-generation spacecraft from 2015 on, at the new Vostochny Cosmodrome in the Far East. "We have come to the conclusion that we do not need a new rocket; we can continue using those we already have," Popovkin said.

Southwest Asia News Digest

[Russia and China Veto UN Resolution vs. Syria](#)

[Russia: Syria Resolution Aims To Overthrow 'Undesirable Regimes'](#)

[24 Killed In Violent Demonstrations in Cairo](#)

[London's Iran War Back on the Agenda](#)

[India To Engage Iran Over Afghanistan](#)

Russia and China Veto UN Resolution vs. Syria

Oct. 4 (EIRNS)—A watered-down United Nations Security Council resolution against Syria, which included veiled threats of future sanctions, was vetoed today by Russia and China. India, South Africa, and Lebanon abstained. The resolution, introduced by Britain, France, Germany, and Portugal, was the result of weeks of negotiations, with Russia and China threatening to veto if there was any mention of sanctions. But even more serious, statements by the Russian Foreign Ministry and parliamentary leaders after the veto, show that Russia is determined to block the "Libya model" of misusing the UN Security Council for the purpose of regime change.

While the United States voted in favor of the resolution, the Obama Administration was critical of the watering-down process that removed any mention of sanctions from the resolution.

U.S. Ambassador to the UN Susan Rice pitched a fit after the Russia and China vetoes: "The United States is outraged that this Council has utterly failed to address an urgent moral challenge and a growing threat to regional peace and security." Rice condemned opponents of the resolution on the council who, she said, "would rather sell arms to the Syrian regime.... Today two members have vetoed a vastly watered-down text that doesn't even mention sanctions," she told the Council. "Let me be clear: The United States believes it is past time that this Council assumed its responsibilities and imposed tough, targeted sanctions and an arms embargo on the Assad regime."

Russia: Syria Resolution Aims To Overthrow 'Undesirable Regimes'

Oct. 5 (EIRNS)—One day after both Russia and China vetoed the draft UN Security Council resolution against Syria, the Russian Foreign Ministry said Moscow will oppose any attempt to "abuse" Security Council decisions to achieve the overthrow of "undesirable regimes."

The Russian Foreign Ministry said the resolution was "based on the philosophy of fomenting tension, contained one-sided accusations against Damascus and an ultimatum-like threat of sanctions against the Syrian authorities.... We have long been warning that we will strongly oppose any attempts to turn the Libyan scenario into a norm and therefore to damage the authority and image of the UN Security Council," the Ministry said in a statement.

It also said Russia is "alarmed" by statements from "the West that the implementation of the UN Security Council resolution on Libya should be a 'model for the alliances' future actions aimed at implementing its 'responsibilities to protect civilians,' " the Ministry said.

"We've warned from the beginning that efforts to turn what happened with the UN resolution on Libya into a model for action by Western coalitions, NATO, are absolutely unacceptable," Foreign Ministry spokesman Alexander Lukashevich told reporters in Moscow. "Russia's misgivings about the Western-backed UN resolution on Syria were repeatedly ignored, giving Russia no option but to exercise its veto," reported Bloomberg news on Oct. 5.

Russian Deputy Konstantin Kosachyov, head of the lower house of parliament's (Duma) Foreign Affairs Committee, said, "Russia has the feeling that a number of Western nations are ready to use outside pressure, including military force, to change the political system in certain countries.... This can't be allowed to become the norm for international relations just because one side has military power."

"The experience of the Libyan resolution taught us a lot, when imprecise language was used by NATO countries to greatly overstep the mandate and to use military force to change the political system in the country and not just to protect civilians," Kosachyov added.

China's Foreign Ministry spokesman, Ma Zhaoxu, said: "The Chinese side has always been highly concerned with the development of the Syrian situation, and it has called upon all parties in Syria to stop all forms of violence and push the government of Syria to fulfill its reform commitment, start the Syria-led inclusive political process as soon as possible, and actively support conciliation efforts of regional countries and organizations. The draft resolution submitted by some relevant countries exerted pressure blindly on Syria and threatened to use sanctions, which will not help ease the Syrian situation."

24 Killed In Violent Demonstrations in Cairo

Oct. 10 (EIRNS)—Twenty-four people were killed yesterday and 160 injured as a protest demonstration by Egyptian Christian Copts turned violent when security and military forces tried to stop it. The Copts were protesting attacks on Christian churches by Salafi Islamists in Aswan, in the south of the country. Islamists were reportedly attacking the demonstrators too, while other Muslims joined the Copts in protest.

Egyptian sources and several journalists and analysts have accused Saudi Arabia of backing the Salafi/Wahhabi Islamists who are taking over many lower-level institutions such as school councils and local councils, buying influence and support among the poor. In one incident in Almenia province, a Christian girl was banned from coming to school because she refused to wear a head scarf, since Islamists now controlled the school.

It is stated in Egyptian newspapers that American and Zionist groups are supporting the Christian extremists, thus creating two counter gangs who are derailing the Jan. 25 Revolution.

In the meantime, the economic situation has not improved and the social crisis is expanding and creating fertile ground for extremist groups with a lot of cash. The state is not really functioning, since the focus has been on purging the institutions of Mubarak-loyalists rather than changing the policy quickly to stabilize economic and social conditions. There has been no economic support from either the U.S. or Europe. The Egyptians themselves refused the IMF/World Bank aid which was offered instead.

London's Iran War Back on the Agenda

Oct. 7 (EIRNS)—In the last several days, Israeli-British-neo-conservative hype that Iran is now able to build a nuclear weapon was countered by leading Middle East intelligence analysts. Former CIA analyst Ray McGovern, a founder of the Veteran Intelligence Professionals for Sanity (VIPS), wrote a lengthy report for OpEd news, Oct. 5, warning that Israel is again taking aim at Iran, having concluded that Iran is building a nuclear weapon. There is *no proof* for this, charges McGovern, recalling that since 1995, neo-cons like James Woolsey (then-CIA director) have asserted that Iran is "close" to deploying a nuclear bomb. There was no proof then, and there is still none.

At a forum of the Middle East Policy Council on Capitol Hill Oct. 7, MEPC president Frank Anderson opened the session

about Iran and the Gulf Cooperation Council saying that when he was an officer of the CIA, he was warned that Iran would have a nuclear bomb "within five years." "I've been retired now 16 years," Anderson said, and there is no nuclear weapon, but the war threats continue.

McGovern said that the main war danger actually comes from Obama, whom Netanyahu believes is so weak that he would not dare to oppose Israel and risk losing Jewish support for reelection. In fact, the Israeli government is so cock-sure, after Obama's UN speech rejecting Palestinian statehood, that it is possible that they would not even inform the U.S. prior to an attack that would then force the U.S. to come in on Israel's side. The plan "sounds crazy," and "it is crazy," writes McGovern, but this *is* what the Israelis are planning, and the U.S. institutional forces that stopped a war against Iran in 2007-08, when the National Intelligence Estimate (NIE) pulled the rug out from under the British/U.S.-led war mongering, are no longer in position. "Adm. Mullen just retired, and Adm. Fallon was fired in 2008 for speaking truth," McGovern wrote, questioning whether "their replacements will be as able to act as counterweight" to those who want to have the war.

An Israeli attack on Iran would come as the result of a British decision to launch a perpetual war, driven by the collapse of its entire imperial order. Netanyahu, like Obama, is a British toy.

India To Engage Iran Over Afghanistan

Oct. 4 (EIRNS)—Following a visit by Afghan President Hamid Karzai to India Oct. 4, Indian Prime Minister Manmohan Singh is expected to visit Iran later this month, with a principal purpose to form an agreement with Iran over Afghanistan. (see Asia Digest for details.)

Asia News Digest

Karzai Visits India, Seeks To Outwit Jihadi Backers

Belated Recognition to Chinese Scientist Who Saved Millions of Lives

Karzai Visits India, Seeks To Outwit Jihadi Backers

Oct. 4 (EIRNS)—For the second time this year, Afghan President Hamid Karzai has landed in India. During his meeting with Indian Prime Minister Manmohan Singh in New Delhi today, he signed a security agreement handing a greater role to India in training Afghan security forces, and two other deals on energy and mining. The agreement is the first such pact signed between Afghanistan and another country, and aims to boost trade, security, and cultural links.

Karzai's visit comes against a backdrop of deteriorating relations between Afghanistan and Pakistan in the wake of the assassination of Burhanuddin Rabbani, a former Afghan President who had been appointed by Karzai to lead negotiations with the Taliban. Rabbani's assassination was plotted in Pakistan and carried out by a Pakistani, Kabul claimed. There is no question that Karzai's visit would put a further strain on the two countries' relations with Pakistan. Karzai, speaking at a press conference with Singh, stressed again that "terrorism and radicalism" were being used "as an instrument of policy against our citizens." It appeared to be a veiled reference to Pakistan.

Karzai's intention was not simply to strengthen his government's relations with India and India's physical presence inside Afghanistan. The Afghan President wants to thrust upon India a central role in bringing about a Moscow-Tehran-New Delhi axis, to thwart the jihadi takeover of Afghanistan. The failure of the United States and NATO, and the machinations of Britain, Saudi Arabia, and the Pakistani military in unleashing the jihadi movement in Afghanistan to undermine Central

Asia and Russia, among other regional nations including India, is the cornerstone of Karzai's effort. India's close relations with both Iran and Russia were what prompted Karzai's visit to New Delhi.

Manmohan Singh is expected to visit Iran this month, although no date has been announced yet. The principal purpose of that visit will be to form an agreement with Iran over Afghanistan. Following the signing of the agreements between Karzai and Singh, Dr. Sreeram Chaulia, professor and vice dean at the Jindal School of International Affairs in New Delhi, told *Russia Today* that India is being forced by regional circumstances to play a more proactive security role in Afghanistan. Dr. Chaulia underlined that Tehran is an indispensable power in stabilizing Afghanistan because of its animosity to the Taliban, which backs the most extreme form of Saudi-inspired Sunni insurgency in the southeast of Iran.

Despite the fact that Iran is America's supposed arch-enemy, there have been cases when the two powers have cooperated on issues of mutual interest, such as fighting the Taliban, Chaulia noted. He was alluding to the June 23, 2011 testimony by U.S. Secretary of State Hillary Clinton at the Senate Foreign Relations Committee, where she told Sen. Richard Lugar (R-Ind.), who had suggested participation of India, Russia, Saudi Arabia in the resolution of Afghan conflict, "You cannot ignore Iran. Iran is a big player in the region and has a long border with Afghanistan and Pakistan." She concluded: "The only way we are going to get a political solution is through this kind of diplomatic outreach, and that is what we are engaged in." During her subsequent visit to India, Secretary Clinton seems to have proposed a dialogue among the U.S., India, Afghanistan, and Pakistan.

Belated Recognition to Chinese Scientist Who Saved Millions of Lives

Oct. 5 (EIRNS)—In an op-ed with India's news daily *The Hindu*, N. Gopal Raj wrote that the work carried out by Chinese scientists transformed malaria treatment from traditional knowledge to modern medical therapy.

More than 40 years ago, hundreds of Chinese scientists embarked on an ambitious effort to find a drug that would conquer drug-resistant malaria. The result was the discovery of artemisinin, a compound found in plants, which, with its derivatives, is now widely used around the world to treat the disease. However, the isolation of China during those years left the story of this life-saving work untold to the world.

Finally, this year, the prestigious Lasker Award went to Dr. Tu Youyou, an 81-year-old Chinese scientist who played a key part in that discovery. Professor Tu led a team that transformed an ancient Chinese healing method into the most powerful antimalarial medicine currently available, observed the U.S.-based Lasker Foundation when they recognized her work with the Lasker-DeBakey Clinical Medical Research Award. Millions of lives, especially in the developing world, were saved as a result, they said.

China waged a desperate battle against *Plasmodium falciparum*, the most deadly of the malaria-causing parasites, which had become resistant to the drug chloroquine. The U.S. came up with another drug, mefloquine, to clear the parasite from the body. North Vietnam, in the midst of war with the United States, appealed to China for help in fighting this disease.

In response, on instructions from Chairman Mao Zedong and Premier Zhou En-Lai, the Chinese government organized a meeting in Beijing on May 23, 1967 to discuss the problem. A secret nationwide program, Project 523, was then launched, involving over 500 scientists from about 60 laboratories, write Louis H. Miller and Xinzhuan Su of the U.S. National Institute of Allergy and Infectious Diseases in a recent article in the journal *Cell*.

As the work was considered a military secret, no communication about the research to the outside world was allowed. Professor Tu was then a principal investigator at the Institute of Chinese Materia Medica of the China Academy of Chinese Medical Sciences in Beijing. She and her colleagues began by scouring the literature on traditional Chinese medicine, scrutinizing ancient texts and folk remedies. They investigated more than 2,000 Chinese herbal preparations, of which 640

appeared promising. Of these, some 380 extracts, involving about 200 herbs were chosen for testing in mice. Unfortunately, progress was not smooth, and no significant results emerged easily, she wrote.

The turning point came when an extract from a plant known to the Chinese as Qinghao (*Artemisia annua* or sweet wormwood) showed a promising degree of inhibition against parasite growth. Dr. Tu presented the work at a Project 523 meeting in Nanjing in March 1972. That same year, her group identified a colorless, crystalline substance as the active chemical compound. They called it Qinghaosu, which means "the basic element" in Qinghao. The world would come to know it as artemisinin.

When the plant extract was tested on patients with malaria in Hainan province, the results were dramatic. Those treated with the plant extracts quickly got better while those given chloroquine did not.

Africa News Digest

- [Nigerian Daily Nails Obama for Leaving Haiti to Rot](#)

Nigerian Daily Nails Obama for Leaving Haiti to Rot

Oct. 3 (EIRNS)— Obama's "disregard for Blacks recognizes no territorial limits.... Nowhere is this more tragic but well concealed than in Haiti," wrote Brian Browne, columnist for the Lagos, Nigeria daily *The Nation*, in his column yesterday. His article was entitled "The Real Pirates of the Caribbean."

Before getting to Haiti, Browne wrote, we must detour through Washington, where, in his recent lecture to the Congressional Black Caucus ("stop complainin"), Obama "exploits the age-old canard of Blacks being a listless, murmuring brood who spend their day lying about half-in, half-out of bed.... This is the mainstream conservative image of the Black man and America's first Black President used it against his own people, not because it is true, but because it is the accepted stereotype that proves his *bona fides* to those who most line his campaign coffers.... President Obama is more subtle, but as manipulative in the use of derogatory biases and symbols as the Southern politicians who 50-60 years ago won elections by striking fear in the White electorate about the 'Black menace.'"

Browne quips that when it comes to Black people, Obama has fashioned his own corollary to President John F. Kennedy's famous line: "Ask not what your Black President can do for you, but ask what you can do for him."

And what does all of this have to do with the Caribbean? "Plenty, his disregard for Blacks recognizes no territorial limits. What transpires in domestic affairs has its foreign policy mirror. Nowhere is this more tragic but well concealed than in Haiti."

Even before the earthquake, when the Haitian Parliament passed a minimum wage law in May 2009, "raising the legal wage from roughly 20 cents an hour to 70 cents, the Obama Administration put the hard shoulder to the Haitian President to veto the measure because it would cut into the profits of textile contractors exploiting the cheap labor. The Obama Administration did not want a Haitian textile worker to earn a paltry five dollars a day because that might temporarily reduce these companies' profit margins."

Browne points out that Haiti is largely in the same condition that it was in the week after the earthquake, receiving ever less humanitarian aid as time goes on.

Although Browne does not say so, while Haiti is being neglected, vast oil finds under the Great Antilles where Haiti is located, have attracted the interest of U.S. corporate and financial elites, who want to capture that resource—another example of the "pirates" to which he referred—and consider it to be to their advantage to have a weak Haitian government with which to deal.

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[top of page](#)

[home page](#)