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At the Brink of Confusion:
When Governments Crumble
by Lyndon H. LaRouche, Jr.

May 8, 2011—Unless the original Glass-Steagall Law of 1933 were re-enacted almost immediately, the general collapse of the U.S. financial system were imminent for some time during the remainder of this year, or even earlier. It would be a general collapse within the present trans-Atlantic system, with consequent effects which would, almost certainly, engulf the remainder of the planet's surface.

This presently calamitous trend under the Barack Obama Presidency, is expressed in accelerated rates of downward physical-economic effects, effects now moving toward collapse of the Federal states of the U.S.A., as, similarly, throughout the trans-Atlantic region generally. This emphasizes the presently aggravated quality of that continuing calamity, which was created in the form of its currently aggravated expression by the impact of the November 2, 2010 U.S. national election. This is the expression of what has been a trend, a trend which has brought those states of the republic, themselves, into a point of fragility, a point at which this nation now hovers at the brink of a chain-reaction-like state of a presently rapid worsening, and now chronically crumbling, physical form of economic breakdown, a breakdown with characteristics which waver in moment to moment emphasis, wavering between what are essentially matters of the internal U.S.A. crisis, and global kinds of disorientation. Such is the presently spreading state of affairs throughout the trans-Atlantic region of this planet....

Separate In-Depth articles from
Executive Intelligence Review
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This Week's Cover

- **At the Brink of Confusion:**
When Governments Crumble

Lyndon LaRouche supplies his unique perspective, based on his outstanding achievements as a professional economic forecaster over much of his 88 years of life to date, to the existential threat to our planet and its human civilization. As he writes: Unless the original Glass-Steagall law of 1933 were re-enacted almost immediately, and the removal of Barack Obama from the Presidency of the United States accomplished, the general collapse of the U.S. financial system were imminent as soon as this year. 'There is, speaking practically, no actually efficient, present barrier to global disaster, without the chances for passage of U.S.A.'s H.R. 1489 [for revival of Glass-Steagall] legislation as the pathway for halting the presently accelerating breakdown-crisis of the entirety of the transAtlantic region—and, therefore, beyond.'

Feature

- **A New Definition of Mankind:**

Taking Charge of the Solar System and the Galaxy

Basement researchers Cody Jones and Sky Shields join Lyndon LaRouche May 11 on the LPAC Weekly Report, for a discussion that centered on what is unique about our human species, as distinct from all other life forms today, and in the history of our planet. That distinction, man's creativity, is what now has to be universally nurtured and developed, such that we will avoid the fate of nearly all previous Earthly species: extinction. The first step is to abandon the idea that we are limited by what we can know through sense-perception, and to recognize that 'the human mind is not a product of a mere brain, nor of senseperception, but is actually a product of what we might call cosmic radiation, a peculiar feature of cosmic radiation, which gives man a special power that no other known living species has,' as LaRouche explains.

Economics

- **Mississippi Flood Disaster Reveals Epic Policy Fiasco**

The worsening flood destruction along the Mississippi River, mitigated by the actions of the U.S. Army Corps of Engineers, shows—not the wrath of nature, which is fierce—but the policy failure of recent decades, up through and including the Obama Administration's pretense of concern, token aid, or outright denial of Federal relief, i.e., the 'Haiti treatment,' to millions of people throughout the flood zone.

National

- **In NerObama Land:
All Circus, No Bread**

Sources close to the Administration freely admit that the President Obama's energy is totally focused on his reelection, and that all policy decisions are being made on the basis of what will best serve that fixation. The Billion-Dollar Man has all-but abandoned the day-to-day work of the Presidency to the likes of Valerie Jarrett, as he races from coast to coast for behindcloseddoors sessions with big bucks donors.

- **Fed Up with Obama, Mitchell Resigns**

Development

- **North Africa: Making the Sahara Bloom:
The Blue Revolution**

The edited transcript of a Schiller Institute video. The 'Arab Spring,' which has swept Northern Africa and Southwest Asia, now poses the opportunity to replace the murderous imperial financial policies of the IMF et al. with great development projects, such as nuclear power development and desalination to green the deserts.

- **Interview:
Kamal Ali Mohammed**

Sudan Irrigation Minister: Build Infrastructure, Use Water Resources

Science

- **The Importance of NAWAPA for Geophysical Research**

'Our planet is an integral part of the Solar System. As such, it shows clear resonances with processes in the Sun, and with other planets. The whole system is also part of a galactic system, along with the Crab Nebula, which itself is part of a greater local group of

intergalactic spacetime, which includes over 30 galaxies, and beyond that, supergroups and superclusters. What is emerging from the research into earthquake precursors, and correspondences with other phenomena of our galaxy, is a scientific revolution,' writes Peter Martinson, of the LaRouche Basement Team.

Editorial

- **Crisis in the British Monarchy**

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This Week's News

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U.S. Economic/Financial News

2011 College Grads Can't Afford Housing

Bloomberg Announces Massive Layoffs of NYC Teachers

U.S. Rail Starved While China Accelerates Its Grid

U.S. Housing Market Disaster Worsening, Hitting Fannie Mae Bailout

2011 College Grads Can't Afford Housing

May 14 (EIRNS)—85% of this year's graduating class will be forced to move back to the family home, reports a study conducted by Twentysomething Inc., a consulting firm specializing in young adults. 2011 graduates also face record amounts of student-loan debt: an average of \$27,200 for those who borrowed money to finish school, Mark Kantrowitz found. "This is our country and this is our future and we're failing them," says Andrew Sum, a Northeastern economics professor.

Sum also details the lack of decent jobs for current graduates. Using data from the U.S. Bureau of Labor Statistics, Sum showed that as many as 50% of college graduates under the age of 25 are underutilized, meaning they're either working no job at all, working a part-time job, or working outside of the college labor market—for instance as a waiter or bartender.

Bloomberg Announces Massive Layoffs of NYC Teachers

May 8 (EIRNS)—New York City's Mayor Michael Bloomberg announced massive cuts and layoffs for the city school system on May 5. Bloomberg announced plans to eliminate 4,278 teachers, and to eliminate another 1,500 teaching slots through retirement/attrition. This is the first time that there have been serious layoffs of New York City teachers since the 1970s, when Felix Rohatyn was decimating the city through his Big MAC Schachtian austerity. The layoffs and cuts in the school budget were announced by Bloomberg in his overall budget presentation. He blamed the cuts on New York State, which has cut back funding of New York City schools, from 45% of the total budget last year to 39% this year.

U.S. Rail Starved While China Accelerates Its Grid

May 9 (EIRNS)—Two billion dollars is being hailed by media outlets as an "unprecedented investment" that Transportation Secretary Ray LaHood said today "will help ensure America is equipped to win the future with the fastest, safest, and most efficient transportation network in the world." Where did this investment money for 22 intercity rail projects come from? As AFP notes, "the funds became available after Florida's Republican governor killed a White House-backed plan for a high-speed link between Tampa and Orlando on the grounds that the state would end up facing huge operating costs."

Vice President Joe Biden says the redeployed funds will "put thousands of Americans to work, save hundreds of thousands of hours for American travelers every year, and boost U.S. manufacturing by investing hundreds of millions of dollars in next-generation, American-made locomotives and railcars."

The Transportation Department selected 15 states and Amtrak to receive \$2.02 billion for the projects, part of a plan to connect 80% of the nation's population to high-speed rail within 25 years.

Sen. Frank Lautenberg (D-N.J.) said at a Penn Station news conference that the New York portions of the improvements will take between six and eight years. Development across the United States was "piecemeal," he said. He noted that China is investing three times as much as the United States in infrastructure. That may be an understatement.

China's Ministry of Railways affirms that during the country's 12th Five-Year Plan, railway construction will continue to accelerate. This year, Ministry of Railways set their scale of investment at 745.5 billion yuan (\$114 billion), of which 600 billion yuan is investment in capital construction. That's in the Railways Ministry alone.

Under the new Five-Year Plan, 30,000 kilometers of lines will be put in production; railway investments will total 2.8 trillion yuan and nationwide railway operational mileage will reach about 120,000 kilometers, according to *People's Daily*.

U.S. Housing Market Disaster Worsening, Hitting Fannie Mae Bailout

May 9 (EIRNS)—"Really staggering declines" in home prices in the United States occurred in the first quarter, reported Zillow, Inc. chief economist Stan Humphries on May 9. The total drop in median price for existing homes for the quarter was 3%, comparable to several quarters in 2008, and Humphries forecasts a 9% drop in values for all of 2011. Other housing economists such as Robert Shiller are now forecasting a drop in the range of 10-12%, on top of the 30% drop from

late 2006 through the end of 2010.

This year is seeing a drop in foreclosure *reposessions* of homes because of the "foreclosuregate" mortgage fraud scandal against the banks; combined with a 20% increase in foreclosure *initiations*, meaning that the shadow inventory of foreclosed homes looming in the next several years ahead is growing further. Already in the first quarter, 40% of all home sales were "distressed sales," either foreclosed homes or "short sales" by households underwater on their mortgages. "Strategic defaults," by strapped households who decide to use the mortgage money to make other ends meet while waiting out foreclosure, have grown into the millions.

Zillow finds that 16 million households are now underwater on their mortgages (28% of all; and this has risen from 22% in one year, and will be over one-third at end of 2011). Some \$10 trillion of equity wealth has been lost.

This is pushing the size of the Fannie/Freddie bailout upwards. Fannie Mae's new "request," which Treasury will give them, is \$8.6 billion now, for their first quarter losses (bringing the F&F bailout total to date close to \$200 billion); but CEO Michael Williams already says, "We expect our credit-related losses to remain elevated in 2011 as we continue to be negatively impacted by the prolonged decline in home prices." Since they "own" virtually all of the mortgages issued in past 30 months, Fannie and Freddie are now absorbing the entire losses of the securitized mortgage sector, at taxpayer's expense—rather than write the mortgages down, as LaRouche's Homeowners and Bank Protection Act (HBPA) specified.

Global Economic News

China Reconstructs Sichuan; What Obama Didn't Do in Haiti, Nor Bush in New Orleans

Another EU60 Billion To Be Piled on Greece

China Reconstructs Sichuan; What Obama Didn't Do in Haiti, Nor Bush in New Orleans

May 11 (EIRNS)—Immediately after the Sichuan Province M8.0 earthquake on May 12, 2008, which killed 87,000 and left millions homeless, the nation of China mobilized itself, its military, and its population to rescue the trapped, care for the helpless, and bring food and shelter to those without.

Now, three years later, the worst-hit areas there and in neighboring provinces have been rebuilt. Ninety-five percent of planned reconstruction projects have been completed, with the rest to be finished by the end of September, according to China's National Development and Reform Commission (NDRC).

By the end of April, 885.15 billion yuan (\$136 billion) had been spent, according to official figures from the NDRC. And there's enough left to complete the remaining scheduled work.

In Sichuan alone (neighboring provinces, such as Gansu and Shaanxi, were also affected), nearly 3,000 schools, 1,000 hospitals, and more than 5 million homes have been built or renovated, according to Wei Hong, executive vice-governor of Sichuan province.

Another EU60 Billion To Be Piled on Greece

May 12 (EIRNS)—In a desperate attempt to forestall the complete collapse of the Greek bailout, and thereby, the euro

system, yet another EU60 billion in debt is being planned to be piled onto the backs of the Greeks.

"Greece is expected to sign a new memorandum with the troika (ECB-EU-IMF) to secure its continued funding with about EU60 billion, in addition to the EU110 billion bailout that is being disbursed," wrote the *Ta Nea* daily. "The new loan, provided that it is approved, will cover the needs of 2012, about EU27 billion, and those of 2013, which are estimated at around EU32 billion. It will be given by the European Financial Stability Facility."

Another daily, *Imerisia*, claimed that a EU50 billion deal was in the works. This is supposed to be backed by a fire sale of Greek government-owned assets worth EU50 billion.

But the real issue is to shore up Greece in a desperate attempt to prevent contagion from striking Spain. London's *Financial Times* writes under the headline, "Greek Woes Hit Hopes for Spain," that the looming collapse of the Greek bailout, is dashing the hopes that Spain will not be next. After Greece, Ireland, and now Portugal. "Spain's EU1,744 billion gross external debt burden and its dependence on foreign financing place it technically next in line for emergency aid from the European Union and the International Monetary Fund."

United States News Digest

[HMOs Post Record Profits, Thanks to Obama/GOP Obeisance to Wall Street](#)

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[Vallejo, Calif., Presages Extinction Of U.S.A., with Obama in White House](#)

[Blair's 'Responsibility To Protect' To Become U.S. Military Doctrine](#)

HMOs Post Record Profits, Thanks to Obama/GOP Obeisance to Wall Street

May 14 (EIRNS)—The top HMOs are all posting big profits, as their premiums go up, while their expenses are falling because enrollees are utilizing less medical care. Across the board, enrollees are foregoing even insurance-approved treatment, because they can't afford deductibles, co-pays, gas to travel to medical providers, etc. The HMO profiteering just shows the success of the intent of both Obamacare, and of its GOP fascist critics, who all along proclaimed their commitment to retain the existing privateer insurance system!

UnitedHealth Group, Inc., the largest of all HMOs (22nd in the Fortune 500), reported its net income for Q1 as \$1.35 billion, significantly up from \$1.19 billion Q1 last year. The next four HMOs in rank, WellPoint, Aetna, Humana, and Signa, likewise posted rising income. WellPoint reported Q1 net income of \$926.6 million, up from \$876.8 million.

Insurance companies have been approved to raise premium rates for all kinds of reasons, including, for example, because a policy holder can now add adult offspring up to the age of 26; or just because they say their costs are higher, even if they are not. Insurers even assert that they have to preemptively raise rates, because in 2014 and 2015 new Obamacare provisions kick in, such as requirements to insure someone with a pre-existing condition.

In California, the state insurance commission recently denied a request for a double-digit rate hike for health insurers, but the companies are going to apply again.

Meantime, millions of Americans still paying their premiums for health insurance are foregoing or delaying doctor visits and treatments, because their household money is so tight. With gas, food, and every other necessity hyperinflating, medical care is put off. Many policyholders have annual deductibles of \$10,000 and higher. In 2008, 10% of workers still covered by employer policies, had a deductible of \$2,000 a year, way up from 5% in 2008. People are delaying skin cancer tests, blood tests, colonoscopies (often a \$500 co-pay), and all manner of care. Less utilization of health care is automatically more loot for the HMOs.

White House Chatter on Bin Laden Raid Damages National Security

May 13 (EIRNS)—In an unusual statement that is being widely interpreted as a slap at Obama and his top aides, Defense Secretary Robert Gates said Thursday that "operational details" on the Osama bin Laden raid were disclosed in violation of an agreement among top U.S. officials, thus harming the military's ability to conduct such operations in the future. The London *Daily Telegraph*, for example, called Gates' remarks "a thinly veiled attack on White House officials."

Speaking to Marines at Camp Lejeune in North Carolina, Gates disclosed that "a week ago Sunday, in the Situation Room, we all agreed that we would not release any operational details from the effort to take out bin Laden," and then, "That all fell apart on Monday—the next day."

Pentagon press secretary Geoff Morrell told ABC News that "all of a sudden airwaves and newspapers were filled with details about a covert military and intelligence operation and that's concerning, because one of the reasons that these operations—and this operation in particular—are effective is because how they do their work, how they're equipped, how they're trained, their tactics and procedures are all secret.... The more that's in the public domain the less likely we'll be able to pull these operations off in the future."

The *National Journal* reported today that the Joint Special Operations Command (JSOC), which ran the bin Laden raid, has opened an operational security review to determine how damaging the public disclosures might be for future operations. JSOC will almost certainly be forced to adopt new methods, which poses an acute problem because the intelligence that's being analyzed may require it to conduct similar raids before long, the *National Journal* said.

Others have pointed out that the torrent of detailed information, much of it emanating from the White House, endangers the military and intelligence operatives involved, as well as their families.

Rob Curtis, who writes the Gear Scout blog for *Military Times*, told *US News*: "It's my feeling that the administration has aimed a spotlight into one of the darkest corners of our national security apparatus without regard for the damage it might do to its ongoing operations."

Vallejo, Calif., Presages Extinction Of U.S.A., with Obama in White House

May 12 (EIRNS)—"At 11 a.m. on a Friday morning, you'd be hard-pressed to file a police report or meet with a detective in this sprawling blue-collar city of 120,000. The city's sole police station is closed to the public three days a week, and its three substations are permanently shuttered.

"Drug sales are on the rise and so is prostitution on Sonoma Boulevard, one of the town's main drags. Burglaries are commonplace. Amid a rising tide of unemployment—12 percent—and a surge of foreclosed homes, squatters have taken hold even in upscale areas."

The American Association of Retired Persons (AARP) Bulletin of May 2011, featured a two-page report from Vallejo, about 25 miles north of San Francisco at the mouth of the Napa River.

"People who used to eat at Taco Bell now are robbing Taco Bell," says Nancy, a 69-year-old resident who didn't want her last name published.

On a recent midday, the busiest retailers in the faded downtown were establishments selling medical marijuana. Dozens of storefronts stood vacant.

"When you don't see streets paved, when you see crime soaring and squatters taking over foreclosed houses, something is wrong with this picture," says Bob Sampayan, 58, a retired Vallejo police officer. He now works with the Fight Back Partnership, a community group that organizes crime watch campaigns. Its operating hours, too, have been cut.

"It's harder for seniors to get the resources they need," says Vicki Conrad, 72, director of the Florence Douglas Senior Center, whose public support has been slashed. As gas and food prices rise, homelessness among seniors is headed up, she says. And with the police cutbacks, "people are afraid to go out at night."

The fire department, which once had 122 members, now has 65. Three of nine firehouses have been permanently closed. Firefighters took a 25-percent pay cut and must do more work with fewer resources. And with only a handful of police officers now working the street, Vallejo has gained a reputation as a good place for criminals to set up shop, some residents say.

Blair's 'Responsibility To Protect' To Become U.S. Military Doctrine

May 10 (EIRNS)—A Pentagon spokesman confirmed this morning, a story in the *Wall Street Journal*, that senior officials in the Department of Defense are working on adopting a "mass atrocity response" concept for incorporation into U.S. military doctrine. This has been brought into the Administration of Barack Obama, who is nothing but a British tool for genocide, by a longtime spokeswoman for British imperial strategy.

Sarah Sewall, a professor of human rights policy at the Kennedy School of Government at Harvard University, is leading the effort to force military planners to think about interventions which include "protecting" the civilian population in "Country X" from its own government. The concept is little more than British counterinsurgency strategy writ large, for which Sewall came to prominence in 2006 because of her collaboration with Gen. David Petraeus in producing the Army-Marine Corps Counterinsurgency manual, which incorporates the same British concepts.

Pentagon spokesman Col. David Lapan told reporters this morning, that Sewall's Carr Center for Human Rights Policy is cosponsoring two interagency conferences, this year, with the Army War College's Peacekeeping and Stability Operations Institute, to advocate for the incorporation of mass atrocity prevention into military operational doctrine. "No decisions have been made, yet," Lapan reported, "but there is a DoD initiative on it that continues to influence what we are doing going forward."

Sewall, it should be noted, is a close collaborator of Samantha Power, who has been advocating for this same outlook as an advisor to Obama, on the National Security Council.

Ibero-American News Digest

Fascist Humala Promoted Again for Peruvian Presidency

Greater Earthquake Risk in South America's Andean Sub-Region

Fascist Humala Promoted Again for Peruvian Presidency

May 16 (EIRNS)—That the Peruvian left would back the Presidential candidacy of neofascist Ollanta Humala, packaged as the next "Hugo Chávez" clone for South America, is no surprise. Neither is it surprising that right-wing British agents such as fanatic drug legalization champion and Spanish Marquis Mario Vargas Llosa have joined them in backing Humala for the June 5 run-off Presidential election. Installing would-be Hitlers in power under conditions of breakdown crisis is not new under the British system.

EIR exposed Humala and his "ethno-nationalist" project as a neo-fascist operation created by British-run international Synarchists in its book, *The Return of the Beasts: International Neo-Fascism Behind Humala*, published in Peru during the 2006 Presidential elections in which Lt. Col. Humala, then a relative unknown, was put up for his first Presidential run. *The Return of the Beasts* played a key role in blocking Humala's bid for the Presidency that year, by demonstrating that this unstable, existentialist, drug-pushing former military officer, a member of an entire family of wild-eyed ideologues of British race science, separatism, and economic feudalism—father Isaac is a French-trained indigenist; brother, Antauro, led a military putsch linked to cocaine traffickers in January 2005, not more successful than Ollanta's own 2000 uprising against President Alberto Fujimori—was a tool of unrepentant outright Nazi networks stretching back into France and Spain.

Now, once again, the Humala project is making its bid for power. Humala is tied in the polls with his opponent Keiko Fujimori, daughter of the former President, who led the fight to defeat the Shining Path narcoterrorists in the 1990s, and was driven from power and into jail for his efforts, by George Soros.

That the run-off election ended as a contest between the "anti-system" Humala and a Fujimori whose very name is vilified by the establishment, is a demonstration of just how enraged the Peruvian electorate has become against anything that smacks of "more of the same," either politically or economically.

Greater Earthquake Risk in South America's Andean Sub-Region

May 12 (EIRNS)—The risk of a large-magnitude earthquake in the eastern flank of the Andean mountain chain, in the range of M8.9, is far greater than originally thought, according to the Central and Southern Andes Project (CAP) study carried out by scientists at the University of Hawaii at Manoa and several other U.S. universities, as well as at Bolivia's Military Geographical Institute (IGM) and Army Engineering College. The study was published in the May 8 edition of *Nature Geoscience*.

Earlier studies had determined that the maximum expected earthquake in the region would be "only" of a 7.5 magnitude. Researchers now estimate that the epicenter of a larger quake would be in the Santa Cruz and Chaco region of Bolivia, a zone inhabited by 2 million people. Santa Cruz is an economic and agricultural hub that is also the center of Bolivia's oil industry.

University of Hawaii geodesist Benjamin Brooks, the lead scientist on the team, reported that GPS data showed that the area to the west of the region's Mandeyapequa thrust fault, which runs north-to-south, had moved far more than the area east of the fault. The shallow section in the eastern region is in fact locked in place over a length of about 100 kilometers, which allows stress to build up as the Nazca oceanic tectonic plate and the South American plate slowly move against each

other. The team concluded that a rupture of the locked section could result in an 8.9-magnitude quake.

"It could be like a combination of the 2010 earthquake in Chile,"—magnitude 8.8—"with the 2010 earthquake in Haiti," Brooks warned, producing incalculable destruction and death.

CAP researchers are currently performing paleoseismologic studies, gathering data on the dates and sizes of previous earthquakes, and working to determine if some of the accumulated pressure along the fault can be released aseismically. Estela Minaya, director of Bolivia's San Calixto Observatory, also a CAP participant, reported that there is no historic record of seismic activity in the targetted region, which doesn't mean that an earthquake wouldn't occur, however. The problem, she said, is that there hasn't been consistent monitoring of the region, due to a lack of the technology required to perform that monitoring.

Western European News Digest

Revolt Against Bailouts Building in Germany

Impact of European Drought Could Have Been Mitigated

'Finland' Agrees To Back 'Portugal' Bailout

Zepp-LaRouche Interviewed on Radio Padania

Hundreds of Refugees Dying in Mediterranean

Britain and Germany Face Record High Inflation

Greeks Hold Strike; Early Elections Loom

Irish NGOs to Conduct Debt Audit

Sinn Fein: Euro Is Cause of Collapse

Revolt Against Bailouts Building in Germany

May 14 (EIRNS)—Frank Schäffler, a euro-skeptic German lawmaker from the liberal Free Democratic Party (FDP), the junior partner in Chancellor Angela Merkel's ruling coalition, told the press that he has information that already some 40 or more members of the governing coalition are opposed to the Chancellor's plan for a permanent euro bailout mechanism to go into effect in mid-2013. That means the Chancellor, who governs by a majority of 20, has no majority of her own for the parliamentary vote in September, and will have to rely on the opposition Social Democrats to support her—at least in part.

Impact of European Drought Could Have Been Mitigated

May 13 (EIRNS)—French farmers are becoming increasingly angry with their unions and politicians for doing nothing to

prevent the current disaster created by the drought affecting both aquifers and surface water. As with earthquakes, there have been plenty of "precursors" that were more than neglected:

First, as early as September 2007, in regions such as Poitou-Charente, 47% of all rivers were dry.

Second, technical experts knew that rainfall was anywhere between 10% and 20% below normal over the last six months.

Third, on April 1, the French Bureau of Geological and Mining Research (BRGM) sounded the alarm, pointing to the fact that at that date, 58% of underground water reservoirs had a lower level than normal.

Fourth, ten days ago, Météo France, published a bulletin saying that April 2011 was the second hottest month (+4° C) since 1900, slightly behind April 2007.

'Finland' Agrees To Back 'Portugal' Bailout

May 13 (EIRNS)—The just-ousted Finnish government has announced that it will support the European Union bailout package for the recently toppled government of Portugal. Both governments were voted out of office by their respective populations, for trying to implement precisely these bailout policies.

The British Empire is not amused by such displays of popular will. The subjects have now been reminded that they are to do as they are told.

The True Finn party, however, which won record backing in the recent elections precisely because of its opposition to the bailout insanity, remains totally opposed to the package and will not join any government that backs it: "We will now do opposition politics," True Finn leader Timo Soini stated.

Zepp-LaRouche Interviewed on Radio Padania

May 12 (EIRNS)—Helga Zepp-LaRouche, chairwoman of the German BüSo party, and Liliana Gorini, chairwoman of Italy's Movisol, were interviewed May 10 by Radio Padania, the official radio of the government coalition partner Lega Nord in Italy, on the campaign to abolish the WBGU, which is pushing an anti-human green agenda, and its role in "turning the economic giant Germany into a nonexistent economy," as host Ortelli put it. Other issues addressed were the euro crisis, the Italian situation in this context, and the perspective that the U.S. Congress adopt LaRouche's Glass-Steagall policy, which was at the center of numerous previous interviews with Gorini and Movisol General Secretary Andrew Spannaus on that same radio show in the last months.

Hundreds of Refugees Dying in Mediterranean

May 10 (EIRNS)—At least 1,400 refugees fleeing Libya have died or disappeared while trying to cross the Mediterranean to Europe since the end of March, the United Nations announced today in Geneva. After up to 600 people died on May 6, when an overcrowded boat from Misrata broke apart off Tripoli, the UN High Commission for Refugees is calling on all European states and Mediterranean boat captains to rescue refugees. Another three boats, at least, carrying an estimated 800 people fleeing Libya in March and April, have not made it into any harbor. Italian authorities had to rescue another 400 Libyan refugees whose boat ran aground off the island of Lampedusa May 4.

Already 12,360 people have arrived in Italy and Malta in recent weeks, on top of 28,000 Tunisians who fled northern

Africa over the past three months.

Lyndon LaRouche's response, was, "This is why the best people in Europe decided 400 years ago that they had to leave that oligarchical snake pit and settle in North America. The same moral rot is still fermenting in Europe, led from London by the British Monarchy."

Britain and Germany Face Record High Inflation

May 12 (EIRNS)—On the release of the Bank of England's inflation report, BOE governor Mervyn King forecast an "uncomfortably high" inflation rate of 5%. His forecast is based on the consumer price index, but inflation would be even higher if the retail price index were used. He warned of a rate increase by the end of the year. Energy prices for consumers could increase by 15%, he said. Growth is expected to be lower than thought, and the country will be "facing a difficult time ahead."

In Germany, inflation figures for foodstuffs increased for the month of May, year on year, by an average of 7%, with selected basic food products, such as butter, jumping by 30%; coffee and apple juice up 30%; frozen french fries jumped by 43%. More increases are expected. The price rise is attributed to higher packaging and energy costs and exploding raw materials prices.

Greeks Hold Strike; Early Elections Loom

May 11 (EIRNS)—Greece's two major trade unions held their tenth general strike in the last year and half to protest the European Union-IMF bankers' dictatorship, while an early demise of the Greek government of Prime Minister George Papandreou looks increasingly likely.

A poll for the privately owned Mega TV channel this week also showed that 60.3% of Greeks want the bailout deal renegotiated, and 26% think that Greece should scrap the program altogether and abandon the euro single currency.

Irish NGOs to Conduct Debt Audit

May 9 (EIRNS)—A group of Irish organizations has announced their intention to conduct an audit of Ireland's debt, with the aim of separating legitimate debt from the bankers' bailout debt. The audit will be led by Dr. Sheila Killian, head of the Department of Accounting and Finance at the University of Limerick, and the plan for the independent audit is supported by the UNITE trade union, Action from Ireland (AFRI), Debt and Development Coalition Ireland, as well as other trade unions and civil society groups.

Sinn Fein: Euro Is Cause of Collapse

May 9 (EIRNS)—Speaking before a special parliament debate today to mark Europe Day, Sinn Fein spokesperson on European Affairs Pádraig MacLochlainn said: "Contrary to the views expressed by Commissioner Geoghegan-Quinn last week, membership of the euro did not save [Ireland] from the worst excesses of recession in 2008 and 2009. Rather, euro membership and the Stability and Growth Pact, along with the failed policies of the Fianna Fail party, the party to which Commissioner Geoghegan-Quinn belongs, contributed to the collapse of the Irish and European economies."

Russia and the CIS News Digest

- [Russia Leads Space-Based Earthquake Warning Project](#)

Russia Leads Space-Based Earthquake Warning Project

May 9 (EIRNS)—Under the headline "Portents of Earthquakes," state-owned Voice of Russia radio reports that "Russian and foreign experts will study the signs of earthquakes together. On the European part, the participants in the project are Germany, Italy, and Turkey; NASA, representing the U.S.A., and Greece are associated members. Russian science is represented by the Russian Space Systems company, the Fedorov Institute of Applied Geophysics, and the Pushkov Institute of Terrestrial Magnetism, Ionosphere and Radio Waves Propagation.

"As early as 2006, the Russian Space Systems company built a network of ground stations to monitor the ionosphere on the island of Sakhalin. Scientists analyzed changes in this upper layer of the atmosphere caused by seismic activity. Since that time, Russian satellites have more than once registered ionospheric disturbance ahead of earthquakes. Seven hours before the first tremors in Japan, scientists discovered similar anomalies over the site of the forthcoming disaster. At that time, Russian experts did not know what to do with this information. Scientists thought it was premature to predict underground tremors on the basis of monitoring the ionosphere alone. They believed that this was only an indicator of some occurrences in the Earth. A whole system of overall investigation of earthquake signs is needed for well-grounded scientific earthquake forecasts.

"For this reason, an International Aerospace Monitoring System is being established within a joint project with the EU. The system is supposed to have a universal character in the future, the director and chief designer of the Russian Space Systems Yuri Urlichich told the Voice of Russia. 'The system will warn people of earthquakes as well as other catastrophes, such as meteorite danger, tsunامي, and any other threats of a natural or anthropogenic character. I can give you one impressive example: From 1900 until today, about 36 million people have died in natural cataclysms.'

"It is planned to monitor the ionosphere mostly with the use of nano-satellites which weigh less than 10kg, Yuri Urlichich explained. 'To provide an overall coverage of the whole surface of the Earth, we propose to launch nano-satellites into orbit and to use the existing satellites as well, equipping them with the special-purpose gear. This will give us an opportunity to see a high content of free electrons over this or that surface, which is the sign of a coming earthquake.'

"The project of monitoring and analyzing the portents of earthquakes is financed by the EU. Italy functions as the coordinator on the part of united Europe. Some other countries also declared their intention to participate in the project. The final line-up of participants will be determined by the middle of October when all of them get together for a session on Sakhalin."

Southwest Asia News Digest

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Turkey To Build Two Earthquake-Proof Satellite Cities in Istanbul

May 12 (EIRNS)—The Turkish government has taken the extraordinary decision to build two earthquake-proof cities in Istanbul province, with the aim of evacuating parts of the city which are most endangered, in the event of an earthquake. This follows the announcement of building a canal in Istanbul province to connect the Black Sea to the Sea of Marmara.

Turkish Prime Minister Recep Tayyip Erdogan announced the project at a public event yesterday, where he described the plans. The Prime Minister said the project aims to alleviate the possible effects of a major earthquake that is feared to hit the city of 12 million, one-quarter of the country's population, in the near future. The new project foresees the transfer of residents from areas at high risk of earthquake damage to these cities.

"Just as how Kanal Istanbul [the new waterway project] became a world project, today's projects will also be so. We are going to start building two new cities in Istanbul [province]. One of these cities will be along the Black Sea coast on the European side and the other on the Anatolian side. We will not increase Istanbul's population with these two cities. We will build these cities with urban transformation and quake preparation in mind. We are now set to take steps to realize these," he said.

He underscored that the people who currently reside in high-risk areas will not be forced to move, but given the option to do so. Erdogan said the Black Sea coast is where the risk of an earthquake is lowest in Istanbul and 2 million people are expected to call the two cities home. Construction of these cities will begin one year after the general elections this June, and will be built along the highway that will cross over the third bridge to be built over the Bosphorus.

"These two cities will not harm Istanbul's spirit or its environment," Erdogan assured, saying that they will be built in a way that will comply with the city's "spirit." Erdogan said the new city to be built on the European side will be close to the canal, but not right on its banks, which will have large parks, shopping centers, and meeting halls.

In March 2010, the Turkish chamber of civil engineers presented a report to the parliament, warning that up to 150,000 people could be killed, 200,000 injured, and 300,000 buildings destroyed, leaving 400,000 people homeless, in an earthquake which is expected to hit the city of Istanbul within the next 30 years. The report revealed that over half of construction projects approved by engineers of inspection companies are not earthquake-proof, and that 86% of the hospitals are susceptible to collapse. Many buildings certified as earthquake-proof are not, in fact, because of the poor quality of the inspections.

In 1999, a powerful earthquake struck the Istanbul region, killing 20,000 people. According to seismologists, the region is overdue for an even more powerful quake that could strike the middle the city.

Violence and Protests in Arabia Take on a New Life

May 9 (EIRNS)—Attempts by the Arabian rulers to suppress protests and demonstrations against genuine grievances of the people seem to have met with a fresh round of resistance. Confrontation between the protesters and the rulers have been reported from Morocco, Yemen, Oman, and Syria.

In the North African Maghreb nation of Morocco, thousands took to streets in Marrakesh today calling for reform and demanding that the ruling monarchy change its policies. AFP quotes the protesters: "The king must not be at the center of power; there must be a separation of power." Marrakesh experienced such protests two days in a row.

In Yemen, where President Abdullah Saleh has fended off protesters for months using violence and engaging in

negotiations, and then breaking them off, security forces opened fire on protesters in Taiz today, killing at least six and injuring hundreds, according to a medical official in the southwestern city. Similar clashes occurred in al-Hodiedah, a city on the Red Sea, and in Dhammar, said witnesses and medical officials in those cities. Saleh's Presidency had long been on life support provided by Saudi Arabia, with benign backing of the Obama Administration.

In Muscat, Oman, where the ruler had successfully withstood the first wave of protests months ago, protests suddenly erupted again over the May 7-8 weekend in eastern Oman when a demonstration turned violent. Protesters, demanding jobs, vandalized government buildings. The state-run Oman News Agency said today that demonstrators participated in a riot and "acts of sabotage" on state buildings yesterday in the town of Jaalan Bani Bu Ali, which is about 125 miles east of the capital, Muscat.

In Bahrain, where the besieged ruling House of Al-Khalifa has brought in thousands of Saudi troops and dozens of tanks, along with security personnel from Pakistan, to silence the demonstrators, the military prosecutor accused 21 political activists of seeking to overthrow the ruling monarchy with the help of a "foreign terrorist group"—an apparent reference to Hezbollah—in a widening crackdown on a pro-reform uprising by the island nation's Shi'ite majority.

In Syria, the government troops backed by tanks have entered residential areas in the country's third-largest city, Homs, and in Tafas, a town in the south, activists say. The forces reportedly entered the Bab Sabaa and Bab Amr neighborhoods in Homs in the early hours yesterday amid the sound of gunfire. The army intensified its presence across the Hauran region, having partly pulled out of Deraa this week and redeployed in nearby rural towns, witnesses said.

Protesters have been prevented from entering Deraa, which remains surrounded by tanks, even after troops withdrew from the city following an 10-day siege. Activists say dozens of people were killed during days of "indiscriminate" shelling of the city.

Egypt Deploys People's Diplomacy

May 10 (EIRNS)—The Egyptian Revolution is being put on the road to solve crucial problems facing Egypt and the region. The Egyptian Peoples Diplomatic Delegation, comprising 48 representatives of the 25 January Revolution, has already deployed to Ethiopia and Uganda, in an effort to help resolve tensions involving the use of the waters of the Nile River Basin. The Delegation will also visit the troubled Nuba region along the Egyptian-Sudanese border to help resolve the decades-long plight of the people living there.

Perhaps most significantly, the delegation intends to go to the United States and France in an effort to get Egypt's debts written off, although no date has been set. The delegation consists of representatives of the youth groups who launched the revolution, three Presidential candidates, representatives from various political parties and movements, previous members of the parliament, journalists, and public figures.

The deployment of this powerful delegation is clearly aimed at tackling the country's economic problems, especially foreign debts and food production, the latter directly related to solving the regional conflicts over the development of the waters of the Nile Basin. Egyptian Prime Minister Essam Sharaf made a groundbreaking visit to Sudan earlier this year, where discussions were held on prioritizing development of the Nile waters, and especially to reactivate the Jonglei Canal project in order to dramatically expand food production.

The delegation's deployment is part of an effort to resolve conflicts that have arisen over the renegotiation of the 1929 agreement between Egypt and Great Britain on behalf of the British Empire's African colonies, an agreement which gave Egypt the right to most of the water of the Nile, and gave it the right to veto any new projects. Negotiations along the

riparian waterway under the Mubarak government broke down, resulting in Ethiopia, Uganda, Tanzania, Rwanda, Kenya, and Burundi signing their own agreements and delivering an ultimatum to the others to sign within a year, or they would implement the agreement unilaterally. Egypt and Sudan have refused to sign the agreement.

The Delegation's well-received visit to Ethiopia secured Ethiopian Prime Minister Meles Zenawi's promise not to sign the above agreement until the new Egyptian government comes into power. He also agreed to convening a committee comprising Ethiopia, Sudan, and Egypt which would review Ethiopia's proposed Millennium Dam project, to assess whether it would affect downstream water flows. The delegation also met with Ethiopian Foreign Minister Hailemariam Desalegam, members of the parliament, government officials, university professors, and religious leaders.

The same group made a visit to Uganda, where they met with Ugandan President Yoweri Museveni and other officials.

Making the Sahara Bloom: The Blue Revolution

See InDepth for coverage of the ["Blue Revolution,"](#) and an [interview with Sudan's Irrigation Minister Kamal Ali Mohammed,](#) in *Development*.

Asia News Digest

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Chinese Scholar: Obama's Money Printing Is Destroying World Economy

May 10 (EIRNS)—A leading Chinese scholar, Yu Keping, head of the China Center for Comparative Politics and Economics at Beijing University, addressed a Brookings Institute dinner May 9, about the gradual but steady democratic reforms in China as the economy drives forward. Asked by *EIR* what he thought about the anger in China over the hyperinflation driven by the money-printing in the U.S., Prof. Yu responded: "As you observed, many scholars and economists are very critical of Obama for printing bills, and making the rest of the world pay for it. I share this view with you. I have paid close attention to this discussion on the websites in China.... I am not an economist, but I know two things: one, development depends on real production of real goods, not just printing bills, and two, I understand that governments must raise funds by taking loans, but if this goes over to future generations without production, things will come to an end."

Under Green Threat, Japan PM Rushes To End Nuclear Program

May 10 (EIRNS)—A day after strong-arming Chubu Electric to renounce the three 1,100-mw nuclear reactors at its

Hamaoka plant, Japan's Prime Minister Naoto Kan called for the end of the aggressive nuclear program in Japan. He told a news conference today that Japan needs to "start from scratch" on its long-term energy policy. Kan said nuclear and fossil fuel used to be the pillars of Japanese energy policy, but now it will add two more: renewable energy such as solar, wind, and biomass, and a conservationist-oriented society as a fourth pillar. Japan will thus abandon a plan that the same Kan government had released last year to build 14 more nuclear reactors by 2030, to increase the share of nuclear power in Japan's electricity supply to 50%, as well as to expand the nation's large nuclear export business to the rest of the world.

As many as 42 of Japan's 55 reactors "could be offline during the peak electricity demand period this summer. That situation could lead to power outages spreading throughout Japan," according to the *Asahi Shimbun* on May 10. There are now 34 reactors offline. Four of these are those damaged by the tsunami at Fukushima, but the rest are reactors shut for one reason or the other, and never restarted. There are seven additional reactors that automatically shut down, as designed, during the March 11 quake; the rest were shut down for normal maintenance, unplanned safety checks, refueling, minor faults, etc. The government has not announced that the plants are to be permanently shut, but there are no plans at this time to restart any of them.

There are another six reactors that are scheduled to be closed for pre-planned maintenance by mid-summer. With these plants shut, over 20% of Japan's total generating capacity will have been lost by the peak summer period.

The rationale being given for the continuing shutdown of perfectly functional plants, is not only "safety" reasons, but now also "local opposition."

China Takes Preemptive Route To Deal with Disasters

May 8 (EIRNS)—China has begun a project to relocate as many as 2.4 million people from disaster-prone areas in Northwest China's Shaanxi Province to other parts of the province, Xinhua reports. The 2.4 million people are from, especially, the three cities of Hanzhong, Ankang, and Shangluo in southern Shaanxi, and account for 26.4% of the total population in the southern part of Shaanxi Province.

The area that people are being moved from is especially vulnerable to mud-rock flows, landslides, and flooding. Every year there are hundreds of deaths due to these kind of problems, and it is difficult to develop the area to modern standards because of the extremely rough topography. One of the goals of the resettlement plan is to allow the population to "lead a better life."

The construction of the first batch of resettlement projects will kick off at the end of May, allowing 240,000 people to be resettled this year. The resettlement is expected to cost more than 110 billion yuan (\$16.9 billion), most of which will be funded by the government, according to the plan.

Suicide Bombing in Pakistan Is Revenge for bin Laden Killing

May 13 (EIRNS)—A double suicide bombing on a paramilitary training center took 80 lives and wounded 140 others, of whom 40 were reported to be fighting for their lives, at Charsadda, a town about 30 kms north of Peshawar, the capital of Pakistan's Khyber-Pakhtunkhwa province. Charsadda is where the father of Sanskrit grammar, Panini, lived around 500 B.C.

"This was the first revenge for Osama's martyrdom. Wait for bigger attacks in Pakistan and Afghanistan," Pakistani Taliban spokesman Ehsanullah Ehsan told Agence France Presse by telephone from an undisclosed location.

In addition to the double suicide bombing, later in the day a remote-controlled device planted under one of the tankers carrying fuel for NATO troops in Afghanistan went off, triggering a fire that engulfed four more tankers, local administration official Iqbal Khan Khattak said. The tankers were parked in the Torkham area of the troubled Khyber tribal region near the Afghan border. Although the targets of the attacks were Pakistanis, these attacks were a violent expression of opposition against Islamabad for lending support to the U.S. and NATO troops' military operations in Afghanistan.

In light of these developments, Gen. Khalid Shameem Wynne, chairman of the Pakistani Joint Chiefs of Staff, on Friday cancelled a scheduled six-day (May 22-27) visit to the United States, a military official said. Islamabad does not say why the trip was cancelled, but there was speculation that it is the fallout from the raid on bin Laden's compound May 1. A senior Pakistani official told AFP the visit had been cancelled "in view of the prevailing environment."

The visit could have been canceled also because the influential U.S. Sen. John Kerry has announced his visit to Pakistan ostensibly to mend fences. "A number of people suggested it would be good to get a dialogue going about the aftermath and how we get on the right track," Kerry, who heads the Senate Foreign Relations Committee, told reporters. "There are some serious questions, obviously, there are some serious issues that we've just got to find a way to resolve together," he said.

China Building Industrial Park in North Korea on the Yellow Sea

May 16 (EIRNS)—China and North Korea have begun preliminary construction of an industrial park in a North Korean city bordering China's Dandong, the border city where the Yalu River flows into the Yellow Sea. This is the second major industrial development project to be launched by China in North Korea, the first being the development of Rason in the far northeast at the tri-border of China, Russia, and North Korea, where China has developed a modern port and upgraded the road from China to the port.

The new industrial park is being developed along the lines of the Kaesong industrial zone in North Korea run jointly by North and South Korea. A new bridge over the Yalu is also under construction.

Jang Song Thaek, the brother-in-law of North Korean leader Kim Jong Il, will take part in a groundbreaking ceremony on May 28, together with Chinese Vice Premier Wan Qishan.

Africa News Digest

Libya: Italian Government Says War Must Cease

British Military Chief: Destroy Libya To Save It from Qaddafi

Libya: Italian Government Says War Must Cease

May 14 (EIRNS)—In an interview today, Italian Interior Minister Roberto Maroni (Lega Nord) called for an end to the war against Libya, in response to European critics who accuse the Italian government of being too soft on illegal immigrants coming from North Africa, because Italy is accepting them into the country instead of sending them back.

"In order to reject illegal immigrants," Maroni says, "you must have a government on the other side, able to receive its citizens. Spain has Morocco as interlocutor, and we are doing it with Tunisia, but with Libya, it is impossible, because

there is a war there and those who are coming here are immigrants whom we cannot send back."

British Military Chief: Destroy Libya To Save It from Qaddafi

May 15 (EIRNS)—Gen. Sir David Richards, chief of the British Defence Staff, said that he wanted the rules of engagement against Libya changed so that attacks can be launched against the infrastructure holding up Qaddafi's regime.

"The vise is closing on Gaddafi, but we need to increase the pressure further through more intense military action," Richards told today's *Sunday Telegraph*. "If we do not up the ante now, there is a risk that the conflict could result in Gaddafi clinging to power. At present NATO is not attacking infrastructure targets in Libya. But if we want to increase the pressure on Gaddafi's regime then we need to give serious consideration to increasing the range of targets we can hit."

Liam Fox, the British Defence Secretary, admitted today that a number of NATO countries were "less happy" with Britain's decision to extend the number of targets, to include command and control centers and what he called "intelligence networks." Speaking on BBC1's Politics Show, Fox said: "Not all NATO countries take the same view."

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