

EIR Online
Online Almanac
*From Volume 38, Issue 22 of **EIR Online**, Published June 3, 2011*

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[What Happened to Us?:](#)

[What Is Our Constitution?](#)

[by Lyndon H. LaRouche, Jr.](#)

May 17, 2011—The history of our Federal Constitution dates to the processes both leading into, and as a result of the Fifteenth-century Great Ecumenical Council of Florence. That was the Council from which Cardinal Nicholas of Cusa emerged to become the most significant figure for modern European science and law. It was Cusa who launched that commitment to development of new civilizations across the great oceans on which Christopher Columbus premised his famous voyages. However, for reasons chiefly located in the Habsburg dynasty's apparently inherent disposition for corruption of the Spanish and Portuguese systems, the realization of the essentials of Cusa's intentions first appeared in the founding of Massachusetts by the combined actions of the Mayflower party, and of the Massachusetts Bay Colony under the leadership of the Winthrops and Mathers. It was here, that the future United States emerged as a form of nation-state which has been unmatched in its quality of political-economy, since the revival of that Massachusetts colony's actual intention as the original Constitution of our United States.

What has happened to us since those times? What happened to tend to ruin our Federal Constitution up to the present day? What might be the remedy near at hand for the failures which our nation is suffering presently? I explain....

Separate In-Depth articles from

Executive Intelligence Review

Vol. 38, No. 22

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

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This Week's Cover

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[What Is Our Constitution?](#)
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It was in the Massachusetts Bay Colony under the leadership of the Winthrops and Mathers, 'that the future United States emerged as a form of nation-state which has been unmatched in its quality of political-economy, since the revival of that Massachusetts colony's actual intention as the original Constitution of our United States. 'What has happened to us since those times? What happened to tend to ruin our Federal Constitution up to the present day? What might be the remedy near at hand for the failures which our nation is suffering presently? I explain.'

- [**The American Tradition of Natural Law**](#)

National

- **After Strauss-Kahn:**

- **The Bailout Is Finished! Now Go for Glass-Steagall!**

Lyndon LaRouche gave this interview to LPAC-TV on May 26, on the strategic significance of the arrest of IMF director Dominique Strauss-Kahn.

- **Glass-Steagall Bill Picks Up More Support**

- **Obama's Impeachable Offenses:**

- **Defies War Powers Law in Libya**

Congressmen and others are noting that Obama's blatant and unconstitutional disregard of the Congress 'kind of reminds you of the monarchy that we attempted to rid ourselves of when we became an independent nation years ago.'

International

- **'Grandson of the Empire' Bombs at Westminster**

While President Obama's bungling and groveling public performances in London were widely ridiculed by the British media—for good reason— behind the scenes, the President forged an Anglo-American security partnership that, in essence, places U.S. national security under the umbrella of the British Empire, and its doctrine of permanent war/ permanent chaos.

- **A Knight To Remember**

- **Only Glass-Steagall in the U.S. Can Break the EU Dictatorship**
by Helga Zepp-LaRouche.

The euro system is at the very brink of collapse, and the fascist advocates of eco-dictatorship are on the march. Will Europe learn the lessons of its past, and join the fight for a two-tier banking system—a Glass-Steagall standard?

Economics

- **What Obama, Media Won't Say:**
Storms Threaten Food Supply

Food shortages and sky-high food prices are in the making in the United States, from the combined results of the extreme weather on the continental farm belt, and inaction by the Obama Administration. The rice, wheat, corn, and soybean crops are all threatened.

- **NY Bank Investigation Challenges Bailouts**

New York Attorney General Eric Schneiderman is investigating the issuance of fraudulent mortgage products and securities, by all the biggest Wall Street banks.

- **NAWAPA, Agriculture, and the Food Crisis**

By land project development manager Wayne Voelz.

- **Volcano, Earthquakes a Hot Issue in Italy**

Instead of worrying about risks of nuclear energy, said astrophysicist Margherita Hack, 'we should worry about the next eruption of Mt. Vesuvius, which will occur with certainty in the future, and will kill 2 million people who live at the foot of the volcano.'

Editorial

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U.S. Economic/Financial News

[Bankrupt U.S. Banks Are Getting Very Nervous](#)

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Bankrupt U.S. Banks Are Getting Very Nervous

May 27 (EIRNS)—In discussions with economists in the environs of the Federal Reserve on May 27, *EIR* found a good deal of openness about what Lyndon LaRouche had to say on the implications of the Dominique Strauss-Khan affair. The reality is, they are faced with an impossible situation.

Topping the agenda, they said, are the looming crises of Bank of America and Citigroup, which are in desperate need of funds—between \$50 billion and \$75 billion more in "capitalization"—i.e., bailout money—before the end of the fiscal year. Bank of America is apparently trying to unwind its mortgage-backed securities positions, but is finding it impossible, given the continuing collapse of the housing markets, and the (criminal) investigations under way. If the California investigation goes forward, one of the economists said, Bank of America could have huge problems.

These economists were well aware of the motion around Glass-Steagall, including H.R. 1489, the bill introduced by Rep. Marcy Kaptur (D-Ohio), now before the House, to revive it.

Glass Steagall or Die! Republicans Will Go Down in Default

May 22 (EIRNS)—Lyndon LaRouche denounced those Republicans who say that a U.S. default on its debt will be a good thing, because it would force the needed austerity measures. "They will *go down*," said LaRouche. "They think that others will be hit, but *they will be the ones to go down*."

Rep. Devin Nunes (R-Calif.), in a statement to *Politico*, said that default is an option. "By defaulting on the debt, in the short and long term, it could benefit us to go through a period of crisis that forces politicians to make decisions" on major budget issues.

But Nunes didn't come up with this on his own. Writing in the May 14 *Wall Street Journal*, George Soros's longtime former partner Stanley Druckmiller said that he'd be willing to accept a delay in interest payments on the Treasury paper that he owns, if, in the words of the *Journal*, "the result is a Washington deal to restrain runaway entitlement costs."

"'I think technical default would be horrible,' [Druckmiller] says from the 24th floor of his midtown Manhattan office, 'but I don't think it's going to be the end of the world. It's not going to be catastrophic. What's going to be catastrophic is if we don't solve the real problem,' meaning Washington's spending addiction," wrote the Wall Street mouthpiece.

Global Economic News

Will the Eurozone Exist Beyond June 30?

Greece Given Mission Impossible; Bailout Is Frozen

Big Pharma Buying What It Cannot Control

Will the Eurozone Exist Beyond June 30?

May 26 (EIRNS)—With the British Empire's hyperinflationary bailout strategy stopped dead in its tracks with the arrest of IMF director Dominique Strauss-Kahn, the second half of June is shaping up as a financial blowout point for Greece and Portugal's bankrupt creditors—and for the rest of Europe as well.

And that's assuming that things last even that long.

Greece risks not getting its next tranche of financial aid from the IMF, due on June 29, with little prospect that European countries can make up any shortfall, a depressed Eurogroup president Jean-Claude Juncker stated today. Last week, the head of the Greek Central Bank had warned that the country would default if it didn't get fresh money by mid-June.

In Portugal, EU3 billion in government bonds comes due on June 15 and has to be repaid or refinanced. June 5 elections in that country will choose a new government, since the outgoing one was toppled over precisely this issue.

And the explosive charge on Spain's debt is looking much greater than previously reported. The hidden debt of the autonomous regions is expected to come to light over coming weeks, and is thought to be quite large. And a study issued by the Comisiones Obreras (Workers' Committees) reports that over a third of the districts in greater Madrid are bankrupt, and in desperate need of bailouts to keep functioning—just like the United States. Over the last three years, more than 212,000 jobs were lost in Madrid alone, 102,000 of them held by youth—principally in industry and construction.

Greece Given Mission Impossible; Bailout Is Frozen

May 23 (EIRNS)—The Greek bailout is indefinitely on hold. Every European Union leader is screaming that there can be no restructuring of Greek debt or default; the representatives of the troika from the International Monetary Fund, the European Commission, and the European Central Bank are leaving Athens, having refused to sign off on their quarterly review of Greece's austerity program. Greece has been told to come up with a "credible" plan, including more austerity measures and privatizations, or it will not receive the next tranche of funds from the EU110 billion bailout fund.

Greek Prime Minister George Papandreou is expected to meet with his Cabinet and the leaders of other parties to go over plans for further cuts, at a time when a poll shows that 80% of the population would refuse to suffer any more sacrifices. The poll shows that support for the ruling PASOK party has dropped to 21.5%, a loss of more than half what it had to win the election in 2009. This puts it on the same level as the opposition New Democracy, which also lost popularity; it is just not collapsing as fast as the PASOK. The Communist Party came in third with 8.5%, and is apparently increasing incrementally. Some 45% of those polled said they did not want either the leader of PASOK or the New Democracy as prime minister.

All the leaders in Euroland are denying that any Greek restructuring is possible until Greece implements more austerity and moves more quickly on privatization of government assets. Luxembourg Prime Minister and Eurogroup head Jean-Claude Junker called on Greece to form an organization like the Treuhand, which was used to privatize East German assets after Germany's reunification, which would be monitored very closely by the EU.

None of this addresses the problem, that the Greek bailout has failed and can't be fixed within the parameters of the current system.

Big Pharma Buying What It Cannot Control

May 27 (EIRNS)—International "Big Pharma" is buying into Indian generic drug manufactures in a big way: Six Indian drug firms have been acquired since 2008. Notably, Daiichi Sankyo of Japan took over India's largest drug producer, Ranbaxy, for \$4.6 billion, and U.S.-based Abbott Laboratories acquired the domestic business of Indian firm Piramal Health Care, for \$3.7 billion last year.

India supplies much of the world's lower-priced generic drugs. For years there have been battles over the right to manufacture and distribute generic variants of necessary but expensive drugs, such as for HIV. A key clause of World Trade Organization rules which allows poorer countries access to vital generic drugs, even if they are still under patent, has stood up.

A condition of a number of free-trade pacts in various stages of negotiation with Asia-Pacific countries, is that they include provisions that limit, constrain, and increase the cost of generics. The big pharmaceutical companies are taking no chances, by buying what they may not be able to control.

United States News Digest

[Shocking Effects on Veterans of 10-Year War](#)

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Shocking Effects on Veterans of 10-Year War

May 29 (EIRNS)—CNN's "State of the Union" today exposed the shocking treatment of America's war veterans. Some examples:

Gen. Peter Chiarelli, Vice Chief of Staff of the U.S. Army, confirmed that more veterans have killed themselves over the past two years, than were killed in combat. "We have been fighting for a decade," he said, "and I don't think we, as a nation, we, as an army, and we, as the armed forces, know the total effect of a decade of war. But, I think that's what we're seeing. These hidden injuries of war, post-traumatic stress, and traumatic brain injury, and other behavioral health issues have been with us forever. But we've been fighting now for a decade in a different kind of fight where everybody that finds themselves in theater finds themselves in danger.... In the U.S. Army last year, we had 162 suicides in about a force of 725,000 folks.... We just don't know as much as we need to know about the brain. And the effects that these long deployments and repetitive deployments are causing for the brain...."

Half of the suicides had seen a mental health professional, Chiarelli reported, and there has been a perception of soldiers, at least in the past, that "we are relying too heavily on drugs." Chiarelli called for research, and said, "I got to tell you, I worry, given the fiscal situation, that some of the money that's being used to do this critical research is going to dry up."

Tim Tetz, legislative director of the American Legion, and Paul Rieckhoff, founder of Iraq and Afghanistan Veterans of America (IAVA), appeared next. "What is the biggest problem a returning veteran faces today?" host Candy Crowley asked. It's unemployment, said Rieckhoff—the unemployment rate for veterans of Iraq and Afghanistan officially is at 11%. When we talk to IAVA members, it's 20%. Tetz said the largest number of unemployed veterans is in the 35-50 age category—that's over 500,000 veterans.

The VA is "atrocious" in getting benefits in a reasonable time to those who have signed up, Rieckhoff said. A young vet coming back from Iraq-Afghanistan must wait six months to get disability benefits. If the vet appeals his benefit level, that adds another two years before benefits start.

Although good people have headed the VA, Tetz said, "When you sit there and look at a transitioning service member whose goal is to get benefits in 295 days after separation, and the reality was 404 days, that's over a year where that person is sitting there ... waiting for any kind of benefit. And that's why you have the 14,000 calls to the hotline for suicides."

Austerity Only Begets More Austerity

May 28 (EIRNS)—Budget-cutting is an exercise in entropy, and can only lead to more budget-cutting, leading to the disintegration of essential local functions, such as schools and public safety.

For example, thousands of firefighters have been laid off by municipalities all across the country, in the name of balanced budgets, but the near future only promises more layoffs and other means of eliminating jobs.

In Tucson, Ariz., a fire department spokesman warned that response times will increase by about a minute because the city will not be replacing 60 firefighters scheduled to retire this Summer.

In Sacramento, Calif., about 150 firefighters and their families protested a city budget proposal that would cut \$9.1 million from the Fire Department's budget. The proposed cuts "will put neighborhoods at risk, lengthen response times, and stand in the way of our ability to deal with real life-and-death emergencies," said the vice president of the fire union.

In New York City, the firefighters union is planning a June 3 rally at City Hall, to be kicked off by a march across the Brooklyn Bridge, to protest Mayor Bloomberg's plan to close 20 fire companies.

Public education seems to suffer the most, however, because, it takes up a greater proportion of local budgets, and employs the most people. Local education budgets not only suffer from loss of local revenues, but also the loss of state funding, as many state governors are cutting state aid to education. A survey of 692 school administrators late last year by the American Association of School Administrators found that 48% of them laid off employees last year, and 66% anticipate doing so this year.

Budget-Cutters on the Rampage

May 26 (EIRNS)—In the wake of the Democratic upset in the May 24 special election in New York State's 26th District (near Buffalo), Republican advocates of further cuts to budgets at all levels are in a flight forward. Kathy Hochul, the Democratic candidate, won in this district, which had been staunchly Republican for more than four decades, by campaigning to defend Medicare from the GOP/Paul Ryan campaign to privatize it.

Ohio's Republican Gov. John Kasich (a former Lehman Brothers executive) told Fox News today that House Republicans need to go speak to their Senate counterparts right now, to ensure that they hold firm on cutting entitlement programs, or that agenda might run into problems. "When I was chair of the House Budget Committee," he said, "we were always living in fear that the Senate would be weak."

"This is not the time to go wobbly," cried Rep. Paul Ryan (R-Wisc.), echoing then-British Prime Minister Margaret Thatcher's prodding of George H.W. Bush. Ryan is the designated leader of the anti-Medicare pack. South Dakota's Republican Sen. John Thune demanded that Republicans "get out there and fight" to defend the Ryan plan. And Rep. Mike Simpson (R-Idaho) tried to macho it up: "We knew that the first person that threw something on the table was going to get the living crap beat out of them [and] we might be beat up in the elections in the future. But you got to be willing to take that if you want to reform the system."

Support from Dick Cheney will not help this cause. "I worship the ground that Paul Ryan walks on," Cheney pronounced in a talk at a KPMG Global Energy Institute event in Houston.

New York's Rep. Steve Israel (D-N.Y.), chair of the House Democratic Congressional Campaign Committee, declared today that after the District 26 election result, he is now willing to say that the 2012 election for the House is "in play" again, if the Democrats campaign strategy nationally continues what was done in New York.

But if Democrats don't want to be tarred and feathered along with the Republicans, they will have to break with President Obama's equally fascist budget proposals, including Obamacare, and his bailout mania.

Apollo Astronauts: Is Obama Grounding JFK's Space Legacy?

May 25 (EIRNS)—On the anniversary of President John F. Kennedy's address to a Joint Session of Congress on May 25, 1961, in which he declared the mission of landing a man on the Moon and returning him safely to the Earth before the decade was out, former astronauts Neil Armstrong, Jim Lovell, and Gene Cernan, all of whom commanded Moon missions, published a column which was published in newspapers around the country, entitled, "Is Obama Grounding JFK's Space Legacy?"

The three astronauts put the blame for killing JFK's commitment squarely on Obama. The column details how an administration-appointed review committee concluded that the Constellation program was "not viable," due to inadequate funding. Then, "President Obama's proposed 2011 budget did not include funds for Constellation, therefore essentially

cancelling the program."

The astronauts detail how members of Congress attempted to reverse the President's decision. "However, the President's 2012 budget reduced funding significantly below the authorized amount," and shifted funding in the direction of a partnership between government and commercial entrepreneurs. The column points out that the costs, "including funds to insure safety and reliability, can be expected to be substantially larger and more time consuming than the entrepreneurs predict."

As a result, "today, America's leadership in space is slipping. NASA's human spaceflight program is in substantial disarray, with no clear-cut mission in the offing. We will have no rockets to carry humans to low-Earth orbit and beyond for an indeterminate number of years. Congress has mandated the development of rocket launchers and spacecraft to explore the near-Solar System beyond Earth orbit. But NASA has not yet announced a convincing strategy for their use. After a half-century of remarkable progress, a coherent plan for maintaining America's leadership in space exploration is no longer apparent."

The column concludes: "Kennedy launched America on that new ocean. For 50 years we explored the waters to become the leader in space exploration. Today, under the announced objectives, the voyage is over. John F. Kennedy would have been sorely disappointed."

Ibero-American News Digest

Sudden Cholera Upsurge in Dominican Republic Sows Panic

Florida Expert Warns: Cholera Likely Already in Central America

No Slowing of Argentine-Russian Nuclear Cooperation

Sudden Cholera Upsurge in Dominican Republic Sows Panic

May 24 (EIRNS)—A sudden upsurge in cholera cases—100 appearing in just the last 24 hours—is overwhelming medical facilities in the Dominican Republic, which shares the island of Hispaniola with Haiti.

The Dominican College of Physicians (CMD) is warning that the country isn't just facing a new "outbreak," but a full-blown epidemic that is "out of control," and for which no one is prepared. Cholera appeared in the country last November, shortly after it broke out in Haiti, and to date, there have been 1,143 cases reported and 14 deaths. Now it's estimated to have spread to 28 of the country's 32 provinces.

The number of new cases reported on May 23 represented a 50% increase from two weeks earlier. Public Health Minister Bautista Rojas Gomez warns that the rainy season will bring a significant increase over the next four weeks. Flooding that comes with the rains also contributes to the spread of dengue and leptospirosis.

As in Haiti, poverty and lack of sanitation infrastructure facilitate cholera's spread. The Health Minister has declared a state of emergency in the capital of Santo Domingo, and ordered full-time monitoring of the city and provision of potable water, while asking the population to practice good hygiene. But there are several cities in the southeastern region in which the large number of cholera cases has overwhelmed local hospitals. Exacerbating the situation is the fact that people use the local rivers—in which they bathe and defecate—as their source of drinking water. This is also the case along the

Haitian-Dominican border, in cities such as Dajabon, where, given the lack of potable water, people bathe and defecate in the aptly-named Massacre River.

Florida Expert Warns: Cholera Likely Already in Central America

May 31 (EIRNS)—With cholera rampaging through the Dominican Republic, a leading public health expert at Florida State University warned last week that "it is very likely that cholera cases will occur in other countries of Central America and the Caribbean area. I do not know if the surveillance systems in these countries are alerted about this possible event."

The alert was sent out to a private network of medical professionals formed to mobilize action against cholera and other epidemics sweeping Haiti, in the face of the failure of the Obama Administration and others to provide necessary assistance.

The expert suggested that the diarrheal diseases surveillance system already established in these countries be used to monitor cases of diarrheal diseases among children older than five years, "because that can be an early indication that cholera cases are happening in the area but are classified as generic diarrhea cases."

No Slowing of Argentine-Russian Nuclear Cooperation

May 25 (EIRNS)—Argentina and Russia signed a memorandum on May 23 for cooperation in the peaceful uses of nuclear energy. Argentina's Planning Minister Julio De Vido said that he and Rosatom head Sergei Kiriyenko had evaluated the post-Fukushima nuclear energy situation, agreeing that "international regulatory organizations shouldn't impose conditions relating to nuclear safety that signify support for one system to the detriment of others, without taking into account each country's sovereign opinion."

De Vido was in Russia as part of a larger delegation led by Foreign Minister Héctor Timmerman, discussing a broad range of topics on economic cooperation, particularly nuclear energy. Rosatom has prequalified in the bidding to build Argentina's fourth nuclear reactor, vying with Westinghouse, and South Korean, French, and Chinese companies. De Vido also reported that he and Kiriyenko had "discussed the possibility of another joint project to build a 640 MW reactor based on enriched uranium, in addition to the development of our own CAREM reactor."

A number of other projects were discussed involving Lukoil's interest in investing in oil development in Argentina. De Vido invited Lukoil to send a delegation to Argentina to discuss joint ventures with state oil company YPF and Pan American Energy (PAE) in offshore drilling for oil and gas. Likewise, Russia conveyed its intention to propose financing plans for hydroelectric projects in Argentina.

Western European News Digest

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Unidentified Fingerprints on Kelly's Records

Spain's Zapatero Government Takes Election Hit

May 23 (EIRNS)—Spanish Prime Minister José Luis Rodríguez Zapatero's Socialist Party (PSOE) got smashed in yesterday's municipal elections. Early returns show—as expected—that the ruling Socialist Party took a big hit in several regions, to the benefit of the right-wing People's Party (PP) of former President and fascist lunatic José Maria Aznar and his henchman, Presidential aspirant Mariano Rajoy.

With half of the vote counted, the PP garnered 36% of the vote, compared to 28% for the PSOE. It appears that the PSOE may have lost local elections in Barcelona, Spain's second largest city. In the Castilla-La Mancha region, where the PSOE has controlled the regional legislature for decades, the election is still too close to call.

There are already calls for early elections in Spain, but Zapatero said he has no plan to call them before the 2012 scheduled date.

'The Revolution Is Here and Now': Spanish Youth

May 22 (EIRNS)—The key dynamic behind the Spanish elections is the ongoing protest organized by Spanish youth—calling themselves the "Indignados"—who remain camped out in Madrid's Puerta del Sol, as well as in other urban centers. This morning, the general assembly, which has played a leadership role at Puerta del Sol, voted to extend the protest there "for at least another week," and in the meantime, to debate what form the continuing protest would take. That it will continue, however, there is no doubt. As one youth told the daily *El Mundo*, the protest will continue "until there is a just social change for the majority, because the revolution is here and now, for the whole world."

Protesters also want to start moving into Madrid's other neighborhoods and setting up permanent campsites there.

French Deputies Create Inquiry on Toxic Loans

May 25 (EIRNS)—The Finance Commission of the French National Assembly has decided to create a Parliamentary Inquiry Commission on Toxic Loans, to deal with loans that local governments have contracted and which, as Bloomberg puts it, "threaten their existence."

Such an initiative was called for by LaRouche associate and French Presidential candidate Jacques Cheminade on March 1, when it became obvious that hundreds of local governments, hospitals, fire departments, and similar agencies, had been swindled into taking low-interest loans whose interest rates were indexed to derivatives parameters, such as currency rates, which caused the rates to balloon, thereby driving them even more disastrously into the very debt they had taken to loans to alleviate.

The proposal to create such a commission was unanimously adopted by the Finance Commission.

Germany's Anti-Nuclear Drive Widely Denounced

May 24 (EIRNS)—International Energy Agency (IEA) director Nobuo Tanaka warned yesterday that Germany's exit from nuclear power threatens energy security for all of Europe. Because Europe's energy market is increasingly interconnected, the German decision affects the entire continent, Tanaka said in an interview with the *Financial Times Deutschland*.

Four German electrical grid operators warned Chancellor Angela Merkel that her intent to keep the seven older reactors, which account for a combined capacity of 8,000 megawatts of power, permanently shut beyond the current three-month moratorium, which expires on June 17, could lead to widespread blackouts this Winter.

The Office of Technology Impact Assessment, in a survey commissioned by the science and research committee of the German parliament, warned that power blackouts lasting for several days could be a "national catastrophe" for Germany. Crucial infrastructure such as transportation, telecommunications, energy supply, and the health-care system, would be affected severely.

Swiss Government Goes for Nuclear Phase-Out

May 26 (EIRNS)—The Swiss cabinet decided yesterday not to replace the country's five existing nuclear reactors. If the policy gets through parliament, the last nuclear energy could be generated in the mid-2030s.

This decision comes despite a February referendum that supported replacement of reactors, and despite a report this month from Switzerland's Federal Nuclear Safety Inspectorate (ENSI) that found no immediate danger for Swiss nuclear plants, in light of the Fukushima incident.

The move has been denounced by Economiesuisse, the national association of Swiss firms in the power and manufacturing sector.

Will France Impose Water Rationing?

May 25 (EIRNS)—The current drought hitting Europe keeps worsening. While farmers pray for rain, close to half the French departments (counties) are in a state of alert, and measures rationing water have been imposed.

On May 16, French Environment Minister Nathalie Kosciusko-Morizet consulted the Drought Committee, a technical committee in charge of monitoring the situation. But nothing has been decided to reverse the situation. Even worse, Kosciusko-Morizet stressed that the French government will go ahead with its policy of reducing water consumption by 20% between now and 2020, "by calling on consumers to become aware of the necessity to act."

To prepare for rationing, a brainwashing program has started. According to an IFOP poll for the weekly *Sud-Ouest Dimanche*, 86% of French citizens are willing to accept freshwater rationing during the day, when presumably many are at work, and not making household use of water.

BAE Implicated in New/Old Bribery Case

May 23 (EIRNS)—New evidence has surfaced in Sweden implicating the Swedish jet fighter manufacturer SAAB and the

British company BAE in a bribery case to sell Swedish Jas Gripen fighters to South Africa. SAAB and BAE established a joint venture in the early 1990s, Gripen International, to market the Swedish jet fighter to a number of countries by paying bribes to politicians and government officials. An investigative news program on Swedish TV4 said showed new evidence on how SAAB, mostly through BAE and its wholly-owned subsidiary Sanip in South Africa, paid up to EU150 million to Fana Hlongwane, the advisor to then-South African Defense Minister Joe Modise, in order to facilitate the deal.

Unidentified Fingerprints on Kelly's Records

May 25 (ERINS)—According to oxfordmail.co.uk/news, yet another "irregularity" has emerged in the case of the death in 2003 of U.K. weapons expert, Dr. David Kelly, who had challenged the Blair government's claim that Iraq had weapons of mass destruction. Kelly's death was deemed a suicide, despite massive evidence to the contrary.

Unidentified fingerprints have now been found on Kelly's dental records, which were not reported to the Hutton Inquiry Commission, which investigated his death.

Kelly's file disappeared for 48 hours following an alleged break-in at his dentist's office on the day his body was discovered in 2003.

Southwest Asia News Digest

Prominent Israeli Figures Urge Europe To Recognize Palestinian State

Egyptian Revolution Takes a Big Step Forward

Egypt Continues Role in Palestinian Stabilization

Turkey Supports Japan's Nuclear Industry

Prominent Israeli Figures Urge Europe To Recognize Palestinian State

May 27 (EIRNS)—An Israel pro-peace group, the Sheikh Jarrah Solidarity Movement, has sent a letter to European Union leaders, signed by several prominent Israeli peace activists, calling on Europe to officially recognize a Palestinian state when the issue comes before the United Nations General Assembly in September.

Among the signers are former Knesset Speaker Avraham Burg, Nobel Laureate Prof. Daniel Kahneman, former Foreign Ministry Director General Alon Liel (who also signed the recently announced Israeli Peace Initiative), former Attorney General Michael Ben-Yair, former Ambassador to South Africa Ilan Baruch, former Civil Service Commissioner Itzhak Galnoor, popular Israeli authors Nir Baram and Ronit Matalon, and Israel Prize winners Yirmiyahu Yovel, Menachem Yaari, and Prof. Avishai Margalit.

The Sheikh Jarrah Solidarity Movement also organizes weekly demonstrations in the East Jerusalem neighborhood of Sheikh Jarrah. The statement declares:

"Peace has fallen hostage to the peace process.... As Israeli citizens, we announce that if and when the Palestinian people declare independence of a sovereign state that will exist next to Israel in peace and security, we will support such an

announcement of the Palestinian State with borders based on the 1967 lines, with needed land swaps on a 1:1 basis....

"We urge the countries of the world to declare their willingness to recognize a sovereign Palestinian State according to these principles." The letter added that "the Palestinian appeal to the United Nations to recognize a Palestinian State does not harm the Israeli interest, and is not at odds with the peace process. [Prime Minister Benjamin] Netanyahu's speech in Washington and the support he received from the U.S. Congress shows that the peace process has reached its end."

The statement stressed that for Israel now, the choice is between recognizing a Palestinian State, and renewed violence.

Egyptian Revolution Takes a Big Step Forward

MAY 30 (EIRNS)—The Egyptian revolution, which began with mass demonstrations in Cairo's Tahrir Square in January, has taken a dramatic leap forward, with well-planned demonstrations all over the country on May 27, to keep up pressure on the ruling Supreme Military Council to continue with reforms. In Cairo, an estimated 600,000 to 700,000 people turned out in sweltering heat. In Alexandria, over a million people filled the center of the city, extending from the new Library of Alexandria on the Mediterranean Sea, to the heart of the downtown area, stretching more than five miles. According to one of the organizers, there were also large demonstrations in Port Said, Suez, and dozens of other cities. The size of the turnout was even more significant, because the Muslim Brotherhood opposed the demonstrations and mobilized to diminish the turnout.

The demonstrators from the January 25th youth movement organized for over a month to pull off the nationwide protests. The message was clear: No backroom deal between the Army and the Muslim Brotherhood is going to happen without fierce protests. The demonstrators, according to one of the organizers, have been circulating papers on the American Constitution, the Bill of Rights, and on the history of the American Revolution, clearly looking to the United States as the model for the "civil state" that they are demanding.

Egypt Continues Role in Palestinian Stabilization

May 28 (EIRNS)—Egypt reopened the Rafah border crossing with Gaza today, finally ending its collaboration with Israel in the siege that began four years ago, after Hamas won elections in Gaza. The Israeli government, of course, is unhappy, but Palestinians are jubilant at the prospect of a normal chance at travel and commerce.

This long-awaited decision by Egypt comes on the heels of its role in facilitating negotiations between the Fatah and Hamas leadership to bring about a unity agreement between the two Palestinian groups. The unity agreement is a crucial step in the Palestinian effort to gain recognition of Palestine as an independent state, at the September 2011 meeting of the United Nations General Assembly.

Turkey Supports Japan's Nuclear Industry

May 29 (EIRNS)—The Turkish Ambassador to Japan, Abdurrahman Bilgic, said Turkey wants to reopen negotiations on importing a nuclear power plant from Japan. He told a news conference that he still trusts Japanese technology, and that his country will not give up on nuclear energy. He said if talks reopen and a nuclear agreement is signed by the end of this year, Turkey will be able to start operations in 2019, as originally planned.

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Chinese IMF Advisor Advocates Harry Dexter White over Keynes

May 27 (EIRNS)—Chinese economist Min Zhu, Special Advisor to the International Monetary Fund's Managing Director (when they have one), cited Assistant Treasury Secretary Harry Dexter White, Franklin Delano Roosevelt's point man against the British Empire's hitman John Maynard Keynes at the 1944 Bretton Woods Conference, as a reference for today's discussions of what to do about the global crisis.

Zhu was speaking May 26 at an IMF-Brazilian government conference on "Managing Capital Flows in Emerging Markets." While Zhu did not allude to the urgency of replacing the bankrupt monetary system in his remarks, his mere revival of the work of FDR's Harry Dexter White, from within the now-leaderless IMF, and in the midst of the frantic debate globally over Lyndon LaRouche's warning that only a global credit system pivoted on FDR's Glass Steagall and a Bretton Woods-style fixed exchange rate system can save nations and civilization, will drive the British Empire wild.

Zhu reported that he has been reading up on the debate between British Lord Keynes and Harry Dexter White. Since Keynes's views are generally known, he said, he wished to discuss those of White, who "took as his starting point that 'the desirability of encouraging the flow of productive capital to areas where it can be most profitably employed needs no emphasis.' " The general assumption that Keynes favored capital controls and White opposed them, is "too simplistic a reading of history," Zhu said. He cited White's advocacy of "some measure of the intelligent control of the volume and direction of foreign investments" going back to his 1930 doctoral dissertation at Harvard University, and from White's Plan for the IMF.

The IMF is studying and discussing the impact of the actions of the five largest economies (China, the Euro area, Japan, the United Kingdom, and the United States) upon the world economy, Zhu reported. He does not want to anticipate these reports, "but to quote the eloquent Mr. White once more: 'It is true that rich and powerful countries can for long periods safely and easily ignore the interests of poorer or weaker neighbors or competitors, but by doing so they will imperil the future and reduce the potentiality of their own level of prosperity. The lesson that must be learned is that prosperous neighbors are the best neighbors; that a higher standard of living in one country begets higher standards in others; and that a high level of trade and business is most easily attained when generously and widely shared.' I believe that White's words are as true today as they were seventy years ago."

Kim Jong-il's China Trip Is Endorsed by South Korea

May 25 (EIRNS)—North Korean leader Kim Jong-il's China trip last week included stops in North China to visit Chinese industrial locations, the South Central China city of Yangzhou (where he met with former Chinese President Jiang Zemin), and nearby Nanjing, Shanghai, and Beijing, where he met with China's national leaders.

Kim's discussions included China and North Korean cooperation on ambitious development projects on the border area on the Yellow Sea as well as in the Tumen River area in the North.

South Korean media outlets and experts expressed support for economic cooperation between China and North Korea. "We hope Pyongyang and Beijing will produce successful results in their bilateral economic cooperation to help ease the North's economic hardship," the *Korean Times* commented.

South Korean President Lee Myung-bak also said that South Korea welcomes a more politically open and economically developed North Korea. Chinese Premier Wen Jiabao had told Lee that Beijing had invited Kim to study China's economic reforms, according to a statement by Lee's office during the three-way China-Japan-South Korea summit held the previous weekend.

The Fight for Nuclear Power in Asia Continues

May 25 (EIRNS)—Yasuhiro Nakasone, Japan's Prime Minister 1982-87, strongly rejected the anti-nuclear policies being pursued by the current Japanese government in the wake of the Fukushima crisis. Speaking of his own role in developing the nuclear capacities in Japan following the use of nuclear weapons against his nation in World War II, Nakasone said: "When I learned that U.S. President Dwight D. Eisenhower was switching to a policy of peaceful utilization of nuclear power, I said to myself: 'Japan must not lag behind the United States. Nuclear energy is going to define the next era'.... I believed, and also told everyone, that without energy security and science and technology, Japan would remain a fourth-class nation that depends on farming only. I had serious concerns then about our country's future."

On today's situation, he added: "Even though the Fukushima accident has done tremendous damage, I believe we must thoroughly examine what happened and learn lessons from it in order to maintain and advance our nuclear policy. Considering the global trend, the future of our country, our energy needs and our scientific and technological capabilities, we must move forward bravely and overcome this crisis and the hardships it has brought. We Japanese are not quitters. The majority of the world is not against peaceful utilization of nuclear energy."

"There will be more talk about renewable energy sources, such as solar energy. But the power supply we can expect from those sources is still negligible. For instance, solar and wind combined won't even meet 10% of our needs. Our country's energy policy has to move forward along with the people. Until the people become fully able to understand the present situation, the government must proceed very carefully, and should avoid making a rash decision."

Human Reproduction Is a Physical Economic Issue of Profound Implications

May 23 (EIRNS)—The strongly Catholic country of the Philippines has been wracked in the recent period by debate over a "reproductive health" bill. Archbishop Emeritus Oscar Cruz last week identified the fight as one between anti-human, depopulation policies as opposed to the development of nations. He said Philippines President Aquino's support for population control programs was an official admission of his administration's inability to undertake socioeconomic programs to ease poverty.

"His government's simplistic option and blatant decision," said Archbishop Cruz, "is to lessen [the number of] Filipinos to have a better Philippines. Forgotten is the once proud and loud shout '*Kung walang corrupt, walang mahirap*' (If there's no corruption, there's no poverty). Now the maxim sounds '*Kung walang ipapanganak, walang mahirap*' (If no child is born, there's no poverty)," he said.

Instead of thinking of ways to produce more food and houses for people, he continued, the government had subscribed to

the idea that "the less people eat, the more food there is; the fewer people are housed, the more houses there are."

Myanmar's President Seals Strategic Partnership with China

May 29 (EIRNS)—Myanmar's new President Thein Sein completed a three-day trip to Beijing today, sealing a comprehensive strategic cooperative partnership between the two countries after meetings with top officials, including President Hu Jintao and Premier Wen Jiabao.

A supplemental agreement to an MOU between the Myanmar Union Ministry of Rail Transportation and the China Railways Engineering Corporation, completes a deal for China's assistance in developing a railroad from the Yunnan, China, border to a western Myanmar port city.

Myanmar and China also signed nine accords, including ones for a \$765 million loan and a hydroelectric project. China accounts for almost half of all investment funds that have gone into Myanmar since 1988.

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