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**The Russian 'Surprise':**  
**Putin Flanks the Empire**

Sept. 28—Noted American economist and political leader Lyndon LaRouche issued a statement of warm congratulations on Sept. 25 to Russian Prime Minister Vladimir Putin, upon the latter's nomination for the Presidency of Russia in the 2012 elections. He also congratulated Russian President Dmitri Medvedev, who nominated Putin for President at this week's United Russia party convention; Medvedev has announced his candidacy for the Russian Duma, as head of the United Russia slate. 'This Putin-Medvedev move is just the kind of strategic surprise the world needs,' LaRouche said. 'This assertion of leadership sends a clear message of defiance against the British Empire's divide-and-conquer games, and represents a major step forward toward a new Pacific-centered recovery program for the entire world.' 'The Putin-Medvedev decision,' LaRouche continued, 'is actually a sign of hope for all mankind. What is required now is for the American population to dump its British-puppet President, and join with Russia and China to form the 'Great Pacific Alliance that can rescue mankind.' The decisive Russian move, coming precisely as the bankrupt British-run financial empire is engaged in a panic-stricken drive to maintain even the semblance of life, is a master stroke. Russia and China have recently been making exciting strides ahead, toward expanded cooperation in the areas of nuclear energy, rail, and development of the mineral-rich areas of Siberia. Their approach to development provides a clear alternative to the globalists' demands for austerity and bailouts...

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## **This Week's Cover**

- **The Russian 'Surprise':**  
**Putin Flanks the Empire**

The announcement by Russian President Dmitri Medvedev and Prime Minister Putin 'is just the kind of strategic surprise the world needs,' Lyndon LaRouche said. 'This assertion of leadership sends a clear message of defiance against the British Empire's divide-and-conquer games, and represents a major step forward toward a new Pacific-centered recovery program for the entire world.' The decision that Putin will run for the Presidency of Russia in the next elections 'is actually a sign of hope for all mankind.'

## **Feature**

- **G20 Demands Global Weimar;**  
**LaRouche Has Only Alternative**

The leaders of the G20 nations, while attempting to reassure the world that they would take 'all measures required' to save the system, actually pushed it one step closer to financial Armageddon, writes Helga Zepp-LaRouche, by promising to open the monetary floodgates for hyperinflation, à la Weimar 1923.

- **Eyewitness Report from Athens:**

- **Greece Needs LaRouche's Solutions To Reverse Crisis, Launch Development**

A first-hand account from our EIR correspondent, who recently returned from Greece. He writes, 'In the view of Greeks today, it is 1940, and Greece is in the position of France; the European Union and the bankers are the Nazi invaders; the Athens government is Vichy, marching to the tune of the invaders; and the United States has yet to enter the war.'

## International

- **Palestinians Take Historic Step to Sovereignty**

In the face of heavy-handed opposition from the Obama White House and its ally, Israeli thug Netanyahu, Palestinian President Mahmoud Abbas has made an official request for full membership in the United Nations, with the backing of most of the members of the General Assembly. Obama's veto will prove once again that he is a sworn agent of the British Empire.

- **Interview: Giovanni Fasanella:**

- **The Postwar British Coup Against Italy and the Contrary American Policy**

An interview with the author of a new book exposing the British destabilizations of Italy from 1924 to 1978.

- **Iran Joins Group of Nuclear Power Nations**

Iran celebrates the completion of its first nuclear power plant, built with Russia's help, in the port city of Bushehr.

- **Afghanistan Heads Back to the 1990s as Civil War Looms**

The atrocities in Kabul this month signal an upshift of the British-led policy of chaos and violence in the region.

## National

- **Will Obama Self-Destruct?**

- **We Can't Afford To Wait and See**

President Obama's bizarre behavior at the Congressional Black Caucus meeting Sept. 24 is an indication that he is melting down. Even his staunchest supporters are having trouble defending him.

- **'Occupy Wall Street':**

- **The U.S. Indignados**

LaRouche Congressional candidate Diane Sare reports on the anti-bailout rally in New York.

- **The 'Occupy Wall Street' Demands**

- **Future of Manned Space Exploration:**

- **'One Planet Is Not Enough'**

## Economics

- **LaRouche's Seven Necessary Steps:**

- **Step Four: 'Honest Bailouts' for Bankrupt Cities, States**

The Obama Administration has funneled trillions of dollars to financial institutions which bankrupted themselves through their reckless speculative gambling, while state and cities are being crushed by soaring deficits, and brutal, increasingly deadly budget cutting to survive.

- **FERA:**  
**Aiding the Cities and States, FDR-Style**
- **Federal Government Must Give Backing to the States**
- **Among the Gnomes:**  
**Swiss Lawmakers Moot Glass-Steagall Law**

## Editorial

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## This Week's News

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## U.S. Economic/Financial News

**Bank of America Considers 'Nuclear' Option**

**Beginning Move To Eliminate Food Stamps?**

**Fed Announces Another Bailout, Over Weak Republican Protest**

### Bank of America Considers 'Nuclear' Option

Sept. 18 (EIRNS)—With all the shrieks coming from Europe, don't forget about Bank of America, which could well beat all the European banks to the finish line of official bankruptcy. Bank of America is reportedly considering the "nuclear" option of filing for bankruptcy for its Countrywide unit—for which it conveniently maintained a separate legal identity after its 2008 acquisition. Since Countrywide only has about \$11 billion in assets, the idea would be to shovel the shit of hundreds of billions of dollars of bad mortgage loans under the rug, and try to bury them along with Countrywide.

That's exactly what they are going to try to do, Lyndon LaRouche said on Sept. 18. They'll try to bury it. They have no

choice: they are bankrupt, like the rest of the system.

## **Beginning Move To Eliminate Food Stamps?**

Sept. 21 (EIRNS)—It may be recalled that during the debate over an extension of Federal long-term unemployment benefits in August 2010, President Barack Obama infuriated Congressional Democrats by telling them to "take it out of food stamp money" to offset the cost of the extended benefits. The Administration seems to have been exploring ways—besides allowing all-crop food production in America to fall seriously this year—to cut the program that currently provides food stamps to 42 million poor and/or unemployed Americans.

On Sept. 20. the FBI raided eight Michigan stores—primarily Dollar Stores (a chain that sells only markdown items costing \$1), charging their owners with conducting "widespread food stamp fraud" and arresting them. But on the same day, the Michigan Department of Human Services announced a crackdown on the recipients—all 2 million who receive food stamps in the state—which could have drastic effects in increasing hunger, and "saving money" in Federal food stamp aid.

Michigan announced that it had adopted a strict impoverishment regulation for food stamps, one which requires recipients to get rid of "assets" in order to get food aid. Up to now, in all states, income is the only criterion for food stamp aid. But in Michigan's initiative, recipients' assets will be "surveyed," and can't be worth more than \$5,000 (a car less than 10 years old, a house with any mortgage equity, trifling savings). Otherwise, they "could be" cut off from food stamps. The "survey" is starting immediately with 15,000 people, but will be progressively applied to all 2 million recipients in Michigan, by "visits."

A large share of the recipients will have assets "too high," enabling them to be denied food stamps.

## **Fed Announces Another Bailout, Over Weak Republican Protest**

Sept. 21 (EIRNS)—Four Congressional Republican leaders protested in advance of the Federal Open Market Committee (FOMC) on Sept. 21, but Helicopter Ben Bernanke and the FOMC went ahead with another bailout for U.S. debt securities. This is separate from its "swap lines" bailout just announced for European banks, and its role in the monster "EuroTARP" bailout being demanded by Obama and Geithner and the British.

The Fed's latest program is a commitment to buy \$400 billion in U.S. Treasury securities with maturities of "six to 30 years" (primarily 10- and 30-year Treasuries) by next June, while selling some of its holdings of 1-3 year Treasuries. This is supposedly to force down long-term interest rates for mortgages, etc.—which are already at all-time record lows. Not only is it idiotic, but the Fed's years-long "zero-interest" regime is also seriously damaging to commercial banks, particularly small and mid-sized community banks, and becoming more so. The FOMC reiterated its intention to keep short-term rates effectively at zero until "at least mid-2013"; i.e., for a total of five years or more.

In addition to this so-called "Treasury twist", however, the Fed also announces it would resume purchases of mortgage-backed securities—in particular from Fannie Mae and Freddie Mac.

As at the August FOMC meeting, three out of the ten members—Presidents Fisher, Plosser, and Kocherlakota, respectively of the Dallas, Philadelphia, and Minneapolis Federal Reserve banks—voted against this new bailout.

Just before the FOMC meeting, four GOP Congressional leaders publicized a highly unusual, but mildly worded, letter to Bernanke requesting that the Fed conduct no more "quantitative easing" bailouts. "Further measures to loosen credit could

exacerbate current problems or further harm the U.S. economy," said the letter from Senators Mitch McConnell and John Kyl and Representatives John Boehner and Eric Cantor. It asked Bernanke to avoid further action "particularly without a clear articulation of the goals of such a policy, direction for success, ample data proving a case for economic action, and quantifiable benefits to the American people.... It is not clear that the recent round of quantitative easing undertaken by the Federal Reserve has facilitated economic growth or reduced the unemployment rate."

The truthful "H-word," hyperinflation, was not used.

## **Global Economic News**

### **Russia, China Move Forward on Floating Nuclear Power Cooperation**

### **China Calls for International Development of Its Eastern Provinces**

#### **Russia, China Move Forward on Floating Nuclear Power Cooperation**

Sept. 18 (EIRNS)—A high-level meeting of Chinese and Russian nuclear leaders has resulted in an agreement to "develop cooperation" on floating nuclear power plants, according to World Nuclear News.

"Our Chinese partners have shown great interest in the Russian project," said Rosatom chief Sergei Kiriyenko, referring to the first floating plant, the Akademik Lomonosov, being built in Saint Petersburg. The Lomonosov, whose hull was completed last year, will host two 35 MW reactors.

The floating NPP project was announced in 2006 under the administration of then-President Vladimir Putin. Within a year, there were discussions between Russia and China on the technology. Early plans for the plant had foreseen the Russian marine power reactors being fitted to a Chinese-built barge.

The countries are also discussing cooperation for space nuclear power systems, and from mid-2012 on, Russia will supply radioisotope thermal generators to the Chinese space program. Further nuclear cooperation should be on the table when Putin makes his important October visit to China.

#### **China Calls for International Development of Its Eastern Provinces**

Sept. 24 (EIRNS)—In keeping with the call for China-Russia-U.S. cooperation in the development of the Russian Far East as a "Peace Through Development" approach to the world crisis, China has issued a similar call for international cooperation in the development of the less-developed provinces in the western regions of China.

Speaking at an Shanghai Cooperation Organization (SCO) conference called the "Euro-Asia Economic Forum" in Xi'an, the capital of Northwest China's Shaanxi province, Li Changchun, a member of the China's Standing Committee, said: "Global financial markets are sharply fluctuating while world economic recovery is getting more and more uncertain and instable." But rather than agreeing to demands for the Chinese to pump money into the euro-debt bubble, Li proposed: "European and Asian countries should have a long-term view to deepen cooperation, accommodate and help each other and overcome the difficulties together... through common development."

Li proposed that the countries involved speed up regional economic integration and deepen cooperation in energy, new and

high technology, and humanitarian sectors as well as other areas related to "people's livelihoods."

Earlier this month, Vice-Premier Li Keqiang announced in the Xinjiang Uyghur autonomous region that Beijing will quicken the process of opening up inland regions, especially China's western parts, to the world.

## United States News Digest

### Obama Demands Congress Pass Another \$3 Trillion in Cuts

### Postal Union President 'Outraged' at Obama

### Obama Administration Hired Lazard To Plan Solyndra's Bankruptcy

### Counties To Sue Banks Over Fraudulent Foreclosure Practices

### More Support for Glass-Steagall Bill

## Obama Demands Congress Pass Another \$3 Trillion in Cuts

Sept. 19 (EIRNS)—Barack Obama today demanded on that Congress adopt his \$4 trillion deficit reduction plan, by passing an additional \$3 trillion in budget cuts.

In August, Congress and Obama enacted legislation to cut \$1 trillion over the next 10 years, and established an unconstitutional super committee of 12 Congressmen to agree on another \$1.2-\$1.5 trillion in cuts by Nov. 23.

Now, Obama, still under British orders to "Go big!" on deficit reduction, is trying to play to his collapsing political base, by including a \$447 billion "jobs" bill, and new taxes on the rich to "fully pay for it."

Lyndon LaRouche declared Obama is finished and unelectable. A *New York Times* poll on Sept. 18 reported that 80% of the American people see jobs building infrastructure as the way to a U.S. economic recovery.

Obama's "jobs" bill is "fully paid for" by cuts in payroll taxes for Social Security—a step to eliminating the funds which pay for the retirement plan. Obama also proposes "modest adjustments" to other Federal retirement programs," such as Medicare and Medicaid, by punishing hospitals for "readmissions"; and "reforming Medicare payments" to doctors and hospitals, causing them to go bankrupt or cut quality care. Obama proposes to increase patient costs by higher "deductibles" in 2017, 2019, and 2021; increasing home health-care copayments by \$100 per episode; reduction of graduate medical education payments to teaching hospitals, and, of course, at the heart of Obamacare, "Strengthen the Independent Payment Advisory Board ["death panels", by reducing its growth rate target by half."

Obama's unconstitutional super committee must either agree on cuts by Nov. 23, or else defense and entitlement budget areas are automatically equally cut to achieve a balanced budget. (Unless the American people overturn the appletart.)

## Postal Union President 'Outraged' at Obama

Sept. 23 (EIRNS)—Fred Rolando, President of the National Association of Letter Carriers (NALC), said Sept. 22 that he and the postal workers that he represents are "outraged" at President Obama for breaking his word and "embracing" the postal management plan to "dismantle the postal service." He said that the Postal Service is not bankrupt, and, in fact, has made \$700 million profit for four years. In addition, the Postal Service is sitting on billions of dollars in over-payments to retirement plans which nobody disputes.

Rolando's strongest words against Obama were for breaking his word on maintaining Saturday mail delivery, which will not make the Postal Service stronger, but rather, less competitive. He said that Obama has no long-term plan for the Postal Service, and that the President's only sign of compromise was on the idea of giving a 90-day grace period for the \$5.5 billion payment for the future retirees. (Rolando pointed-out that paying 75 years of future employee health and retirement benefits are for employees who have not even been born yet!) But Rolando emphasized that even Obama's 90-day grace period is not a solution, and Congressional action is required to change the retirement plan to that of other federal agencies.

## **Obama Administration Hired Lazard To Plan Solyndra's Bankruptcy**

Sept. 23 (EIRNS)—In early August, the Obama Administration's Department of Energy brought in Lazard Ltd.—the "investment bank" formerly run by that fascist Felix Rohatyn—to plan the impending restructuring and bankruptcy of Obama's pet Solyndra solar-power boondoggle.

The Sept. 22 *Washington Times* reported that six days before the Solyndra bankruptcy, DOE signed a no-bid contract with Lazard for \$1.1 million, with the contract being effective as of ten days earlier, on Aug. 12. One of the unexplained aspects of this deal, is why the DOE, rather than Solyndra itself, retained the Lazard firm.

This means that as of early August, planning was underway for a Solyndra bankruptcy. Yet throughout July, Solyndra executives were marching up and down the halls of Congress, presenting a rosy picture of the firm's future.

The *Wall Street Journal* reports that on Sept. 27, Solyndra will ask a bankruptcy court for permission to auction off its assets, which it wants to do on Oct. 28. Meanwhile, House Judiciary Committee chairman Lamar Smith has asked Attorney General Eric Holder to appoint an outside investigator to probe whether the Obama Administration's conduct in granting the loan guarantee to Solyndra was politically motivated.

## **Counties To Sue Banks Over Fraudulent Foreclosure Practices**

Sept. 23 (EIRNS)—In addition to the state attorneys general negotiating penalties on the banks and the Mortgage Electronic Registration Systems Inc. (MERS) for filing foreclosures with fraudulent documents, a number of counties are now preparing to sue major banks for using MERS to avoid paying filing fees with the counties. In fact, MERS' website boasts that its system is specifically designed to avoid paying the fees to county clerks, according to an April 25 filing by the Dallas County District Attorney in Texas state court, in which Dallas demands payment of as much as \$100 million in missed filing fees. MERS president R.K. Arnold testified in 2009 that assuming each mortgage has been resold and recorded just once, it would have saved the industry \$2.4 billion in recording expenses.

The Dallas suit names Bank of America and MERS, which is owned by financial institutions including Citigroup, JPMorgan Chase, Wells Fargo, industry trade groups, and Fannie Mae and Freddie Mac. Other counties around the country are watching closely, with similar actions in preparation. MERS, by claiming it was the "mortgagee of record" as long as the note promising repayment was owned by a MERS member, foreclosed on millions of homes without actually owning the mortgage, while also allowing banks to buy and sell loans without properly recording transfers with counties and paying the fee.

County clerks in Kentucky have also sued MERS, while officials in Massachusetts, Delaware, and Michigan say they are exploring the possibility.

## **More Support for Glass-Steagall Bill**

Sept. 26 (EIRNS)—On Sept. 17, the Louisiana State Central Democratic Committee and the Washington State Democratic Central Committee each passed resolutions in support of a return to Glass-Steagall. They are the first two statewide Democratic Committees to do so.

## **Ibero-American News Digest**

### **No Man-Made Climate Change, Argentine Scientists Show**

### **Nuclear Technology Aids Guatemalan Agriculture**

### **SAC-D/Aquarius Satellite Fully Operational**

## **No Man-Made Climate Change, Argentine Scientists Show**

Sept. 19 (EIRNS)—Directly taking on the genocidal lunatics of the environmentalist movement, who say human beings and their carbon dioxide emissions cause global warming, a group of Argentine scientists is asserting that it is the Sun—not man—that is responsible for climate change, and that this has been the case for tens of thousands of years.

Scientists from the Argentine Oceanographic Institute (IADO) and the Geological Institute of the South (Ingeosur) collected data from an estuary in the city of Bahía Blanca, in the province of Buenos Aires, at a depth of 15 meters, which they say contradict several studies and forecasts made by radical environmentalist groups. "We intended to prove a theory that opposes several [environmentalist] dogmas," says Dr. Eduardo Gómez, IADO's deputy director.

The studies, performed over two decades, show that climate change isn't a simple anomaly, but rather has always existed, as verified in geological records corresponding to the last 10,000 years. The data show that during that period, there have been oscillations in average sea level caused by alternating periods of freezing and melting, due to global climate change, and that these variations are uncontrollable.

Unlike radical environmentalists who propose killing people as a means of controlling global warming, Dr. Gómez explained that his studies imply that changes in human activity cannot stop global warming, which will reach its maximum point in 600 years. "It's clear to us that at least over the past 10,000 years, the Sun determined—and determines—global temperatures on Earth; climate change obeys natural cycles, and the evidence of same is beneath the sea where variations in sea level produced by fluctuation in solar activity, can be found. When the sea level dropped, it was cold, and when it rose, it was hot."

The Argentine scientists used carbon-14 dating to determine the age of sedimentary deposits and also conducted paleo-environmental studies of microfossils. These analyses indicated the existence of many different sea levels, well below today's level, spaced out over time. "These studies show that global temperature changes *always existed*, including during historical eras: there are clear indications that approximately 1,000 years ago, the Vikings colonized Greenland during a period of heat, when there was less ice on the surface of the Earth than today," Gomez said.

"Man's action on the planet is important," Gomez said. "But in this case, it's not a determining factor for changing the climate on a planetary scale, because this doesn't depend on human activity, but rather on the Sun."

## **Nuclear Technology Aids Guatemalan Agriculture**

Sept. 26 (EIRNS)—The United Nations International Atomic Energy Agency (IAEA), together with the Food and Agriculture Organization (FAO), is using a nuclear application known as sterile insect technology to assist Guatemala in ridding its crucial northern agricultural region of the Mediterranean fruit fly, as well as native fruit flies.

Both varieties of fruit flies have wreaked havoc in this region over the past several years, destroying such key export products as tomatoes, bell peppers, and papayas.

According to Jesús Reyes Flores, an entomologist at the FAO/IAEA Division of Nuclear Techniques in Food and Agriculture, sterile insect technology consists of "rearing massive quantities of the same pest, sterilizing it by irradiation through a simple radiation device that otherwise causes no harm to the insect. The male insects are fed and later systematically freed in the fields, where they then mate with the pest insects present in the field, producing no progeny so that after the continuous release over several years, the pest disappears."

The successful application of this technology in the region bordering Mexico has allowed Guatemala to quadruple sales of tomatoes in 2010, to \$10 million, up from \$2.5 million in 2007. Export income from bell peppers almost tripled to \$3.2 million in 2010, while papaya sales doubled, also to \$3.2 million for 2010.

The IAEA also reported that pest control and canning and packing jobs increased in this Central American country, once the fruit fly population was eradicated.

## **SAC-D/Aquarius Satellite Fully Operational**

Sept. 26 (EIRNS)—The SAC-D/Aquarius satellite, a joint project of NASA and Argentina's space agency CONAE, is now fully operational and has begun to measure the salinity of the Earth's oceans from its perch in near-polar orbit.

The satellite was launched June 10 from Vandenberg Air Force Base in California. NASA's Aquarius instrument's space observations of the oceans' salinity, at the surface, is a key variable in satellite studies of Earth. Variations in salinity influence the oceans' deep circulation, outline the path freshwater takes around the Earth, and help drive Earth's climate.

CONAE reports that in addition to the Aquarius instrument, the Argentine-Canadian NIRST infrared camera is functioning properly, as is the Italian ROSA instrument, and several others contributed by the French and Brazilian space agencies.

Gary Lagerloef, of the Seattle-based Earth & Space Research, noted that with all aspects of the SAC-D/Aquarius satellite fully operational, "this marks the end of the long odyssey to design, build and launch this mission, and the start of a new journey of scientific exploration."

## **Western European News Digest**

**Papandreou Considering Referendum on Euro Exit**

## **50,000 Trade Unionists Protest EU Policies**

## **Berlin Vote Spells End of FDP; Merkel Coalition**

## **Danish Op-Ed Reflects Schiller Institute Platform**

## **Karlsruhe Judge: No European Economic Government Without Referendum**

## **Pharmaceutical Companies to Greece: Pay or Die!**

## **Spanish 'Indignados' Hold Large Demos**

## **British PM Cameron's 'Big Green Society'**

### **Papandreou Considering Referendum on Euro Exit**

Sept. 20 (EIRNS)—The Greek government is reportedly considering holding a referendum on whether Greece should leave the euro and return to the drachma. Is this why Papandreou cancelled his recently scheduled Washington trip at the last minute? Citing unnamed sources, the Greek liberal daily *Kathimerini* claims that the government of Prime Minister George Papandreou is considering calling a referendum, in the hope that the vote would be in favor of Greece staying in the Eurozone and thus give him a popular mandate to carry out the austerity measures being demanded by the EU-EC-ECB Troika.

*EIR*'s Greek sources report that if a referendum were held, people would vote against the euro.

### **50,000 Trade Unionists Protest EU Policies**

Sept. 18 (EIRNS)—By most press accounts, upwards of 50,000 trade unionists were outside the Sept. 16 European finance ministers' meeting in Wroclaw, Poland, protesting the EU's neoliberal policies. The protest was organized by the European Trade Union Council, which said, in a statement: "Current austerity policies are fostering unemployment and rising inequalities. Wages are not the enemy of the economy, but their engine." Union activists came from Spain, Portugal, Italy, Germany, Norway, Lithuania, and Slovenia, as well as Poland, to participate in the rally.

### **Berlin Vote Spells End of FDP; Merkel Coalition**

Sept. 19 (EIRNS)—With the Free Democrats (FDP) getting cut down to 1.9%, from their 7.8% in the last Berlin city-state elections five years ago, the minor coalition partner of Chancellor Angela Merkel in the national government has been turned into a virtual reality, a fringe party, and Merkel's government is a "lady without underbelly" now—nominally still there, but significant parts of the body have been lost. The elites and mainstream media don't want the FDP anymore. They are boosting other artificial parties, like the "Pirates," which now enter the Berlin city-state parliament after getting 9% of the vote.

As for the Merkel government coalition, it may not even last until the Bundestag vote on the bailout package on Sept. 29. The SPD and the Greens, the two "winners" of the Berlin elections, might try a no-confidence vote against Merkel, and the FDP may quit the Merkel government in the coming week. With the SPD and Greens having far less scruples about doing

the super-bailout, the markets are in favor of a Red-Green new government in Germany anyway.

## **Danish Op-Ed Reflects Schiller Institute Platform**

COPENHAGEN, Sept. 23 (EIRNS)—A week after the Danish elections, in which three independent candidates from the Friends of the Schiller Institute (SIVE) put Glass-Steagall on the agenda with their slogan "Glass-Steagall—or Chaos!" an op-ed in the major Danish daily *Politiken* about what the policy of the new government should be, calls for reviving the idea of a separated bank sector. It is penned by two people from a new think tank, Cevea.

In addition, they call for "Man on the Moon" projects, including high-speed rail to "drive technological development," reflecting the SIVE candidates' proposals for a science-driver and maglev across the Kattegat.

Both of these proposals were central to the Swedish Schiller Institute campaigns.

## **Karlsruhe Judge: No European Economic Government Without Referendum**

Sept. 19 (EIRNS)—Peter Michael Huber, judge at the Karlsruhe Constitutional Court, this weekend in *Süddeutsche Zeitung* said that any plans for an European economic government with extended areas of jurisdiction, which German Chancellor Merkel and French President Sarkozy are pushing for, and which the SPD and Greens have enthusiastically welcomed, cannot be done without a referendum in Germany, and is unconstitutional. This is a useful echo of Helga Zepp-LaRouche's call for a referendum on any such decisive steps two weeks ago—even though it does not address the need to return to the national currency, D-mark, and regain full economic sovereignty.

Huber also attacked EU Commissioner Günter Öttinger for his outrageous call to send state commissioners to Greece. This would endanger peace in Europe, since none of the citizens of Greece, Spain, Italy, or Portugal would submit to such a foreign rule forever. Solidarity yes, he said, but you cannot put people "under the heel."

## **Pharmaceutical Companies to Greece: Pay or Die!**

Sept. 19 (EIRNS)—The Swiss pharmaceutical Roche, which makes some of the world's most important cancer medications, has halted deliveries of medications to several state-owned Greek hospitals.

Roche isn't the first pharmaceutical company to stop supplies to some Greek buyers. Denmark's Novo Nordisk S/A last year stopped shipping certain brands of insulin, after Greece said it would cut the amount it would pay by more than a quarter. The cutoff lasted a few weeks, until a compromise was reached.

Roche is considering taking similar action with Spain, said Swan, and noted that some state-funded hospitals in Portugal and Italy are also late on their payments. "America's Future? Greece Defaults on Cancer Treatments in State-Owned Hospitals," suggests *Forbes*.

## **Spanish 'Indignados' Hold Large Demos**

Sept. 19 (EIRNS)—Some 35,000 people marched in Madrid on Sept. 18 to demonstrate against the horrendous cuts in public services—especially education and health care—which are being forced upon Spain's regional governments by the IMF, the ECB, and the EU, as part of their insane bailout schemes. The demonstration, along with parallel Sunday rallies in Barcelona, Valencia, and Malaga, were called by the M-15 grouping within the "Indignados" youth protest movement,

and included major participation by unionized and other workers—indicating the way at least some in the "Indignados" movement continue to raise broader issues to involve other layers of the population.

For example, over recent months the "Indignados" have also mobilized to stop evictions and demand changes in mortgage default legislation, which is a very hot issue in Spain.

The march's main slogan, according to Cuba's *Prensa Latina*, was: "Bankers and Politicians, Get Your Hands Off Public Services."

## **British PM Cameron's 'Big Green Society'**

Sept. 24 (EIRNS)—A video surfaced last week of British Prime Minister David Cameron giving a press conference at Greenpeace's London headquarters, just before he became prime minister in 2010. In the video, the Tory candidate proclaims his support for all the things that the ghoulish Prince Philip advocates: solar power, decentralizing the power grid, micro-power projects, reducing "heavy" investment in power projects, and making local communities "energy self-sufficient." The video opens with Cameron standing amid the solar panels on the roof of Greenpeace headquarters touting solar power, although the day was overcast with no Sun visible.

## **Russia and the CIS News Digest**

### **Russia Expert: 'Putin Is Good for Germany'**

### **Russia Making Big Indonesian Investments**

### **Russian Expert: Solution to Korea Crisis Is Regional Cooperation**

### **Putin's 'Surprise'**

## **Russia Expert: 'Putin Is Good for Germany'**

Sept. 26 (EIRNS)—Interviewed by Germany's leading mass-tabloid *Bildzeitung* today, Alexander Rahr, Russia expert at the German Foreign Policy Association (DGPA) in Berlin, said: "With Putin, there will soon be a man in the Kremlin again, who is very much a Germanophile. That we have to utilize. Putin wants to go West via Germany. The alternative to Putin would be anti-Western nationalists."

As for German industry, Rahr said the prospects are improved, because doing business with Russia will be easier with Putin, because as it is now the case, people talk to President Medvedev but everybody knows that the final decisions are taken by Prime Minister Putin. "With him, there will be one single command center again."

## **Russia Making Big Indonesian Investments**

Sept. 22 (EIRNS)—Russia is making large resource and transport investments in Indonesia. Gita Wirjawan, chairman of the Indonesian Investment Coordinating Board (BKPM), said Sept. 21 that he had met with the state-owned Russian Railways, which confirmed its intention to build a railway line in Central and East Kalimantan provinces on the island of Borneo. The Russian company is expected to invest \$2.5 billion in the construction of a 185-kilometer railroad connecting

the two provinces, which have large coal deposits.

Gita also met with representatives of Russia's Solway Industries, which confirmed plans to build a nickel smelter in Halmahera, North Maluku Province, with investment of up to \$3 billion. The Maluku islands are situated between the islands of Borneo and Papua. Earlier reports suggested the smelter would have a capacity of 150,000 tons per year. The Russian company possesses several exploration concessions in Indonesia, including one in Halmahera that is estimated to contain about 114 million tons of high-quality nickel ore.

The signing of a memorandum of understanding between Russian and Indonesian entities is expected in November, when Russian President Dmitri Medvedev visits Bali for the East Asia Summit.

## **Russian Expert: Solution to Korea Crisis Is Regional Cooperation**

Sept. 23 (EIRNS)—Alexander Zhebin, the director for Korean Studies at the Russian Institute of Far Eastern Studies, told a Washington audience Sept. 21 that "this is the opportunity—don't waste time," in getting international cooperation for regional development around the Korean Peninsula. "No channel other than the economic development channel can bring North Korea into the world community, and it is the only channel that North Korea will be interested in," said Zhebin.

In response to a question from LaRouchePAC which reviewed the Bering Strait concept, the recent Yakutsk conference, the urgency of Russia/China/U.S. cooperation on development, and the idea of "peace through development," Zhebin responded: "Such great projects aim at meeting several tasks. One, to stimulate Russian integration in Asia and diversify Russian export markets; two, to develop the Far East; three, the APEC [Asia-Pacific Economic Cooperation] meeting next year puts a big obligation on Russia to further increase its role in the Pacific and internationally."

As to China, Zhebin said that "some say that China is not happy with this process, but they forget that it is a priority for both Russia and China that there be peace and stability in Korea and in the region." As to the North Korea situation, he said that "some countries say 'all options are on the table,' but Russia and China say that the military option is not on the table. Russia and China have different approaches—Russia is offering big infrastructure and technology, while China is focused on trade, "but our interests are complementary and coincide."

## **Putin's 'Surprise'**

[See InDepth for "Putin Flanks the Empire."](#)

# **Southwest Asia News Digest**

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**Obama Gave 'Bunker-Buster' Bombs to Israel**

Sept. 23 (EIRNS)—Two years ago, President Obama secretly approved the transfer of 55 "bunker-busters" to Israel, *Newsweek* magazine reports in its upcoming Sept. 26 issue. Israel had asked President George W. Bush for "bunker-busters" in 2005, but the Bush Administration refused the request at the time, and then, reportedly, Bush later promised them in 2009 or 2010. According to various reports of the *Newsweek* account, U.S. and Israeli officials say that the GBU-28 type bombs, which could potentially be used in an attack on Iran's nuclear sites, were transferred to Israel in 2009, shortly after Obama took office.

According to *Politico*, the *Newsweek* piece also describes additional measures taken by Obama to assist the Israeli military. Rep. Steve Rothman (D-N.J.) told *Newsweek* that Obama issued orders to the U.S. military "to ratchet up the cooperation at every level with Israel."

As context for the disclosures, it should be noted that about two weeks ago, Dick Cheney told *Newsmax* that Israel is likely to attack Iran's nuclear facilities if deems it necessary in order to prevent Iran from acquiring WMD. "I think Iran represents an existential threat, and (Israel) will do whatever they have to do to guarantee their survival and their security," Cheney said, as reported by the Israel website Y-Net.

### **Blair Out of Control; Lining His Pockets in the Middle East**

Sept. 24 (EIRNS)—Britain's Channel 4's *Dispatches* exposes how former Prime Minister Tony Blair blurs his role as Special Middle East Envoy, by lining his pocket with millions of dollars in contracts and fees, according to a report in the *Independent*.

Blair has a £2 million-a-year consultancy with the U.S. investment bank JPMorgan, advising the insurance group Zurich Financial, while his company Tony Blair Associates, signed a reported £27 million deal advising the Kuwaiti government. This son of a church minister and former prime minister now has accumulated a fortune of £20 million since leaving office in 2007.

A senior French diplomat, Anis Nacrou, who advised Blair on security for three years, is spilling the beans on Blair, saying he applies no code of conduct to himself in his capacity as special envoy for the coordinated economic aid to the Palestinians on behalf of the so-called Quartet, which represents the U.S., the UN, the EU, and Russia in the Middle East.

"I think he makes his own rules depending on the experience he has as a former Prime Minister for over 10 years," Nacrou told the program.

### **Jewish Scholar Answers: 'Is Zionism a Positive Expression of Jewish Nationalism?'**

Sept. 26 (EIRNS)—Historian Norton Mezvinsky, president of the International Council for Middle East Studies (ICMES) has recently published a brief but thorough discussion of Zionism titled "Is Zionism a Positive Expression of Jewish Nationalism?" Dr. Mezvinsky has been a scholar of Middle East studies, and an activist for Palestinian rights for more than 48 years. Among his closest collaborators were the late Israel Shahak and Maxim Ghilan, two of Israel's most heroic peace activists and intellectuals.

A portion of the article is excerpted here:

"David Ben-Gurion in his book, *Rebirth and Destiny of Israel*, confirmed much of the above by candidly writing: Until the British left (May 15, 1948) no Jewish settlement, however remote, was entered or seized by Arabs, while the Haganah

captured many positions and liberated Tiberias and Haifa, Jafa and Safad so on the day of destiny, that part of Palestine, where the Haganah could operate was almost clear of Arabs (p. 530).

"The ethnic cleansing mission was completed in six months. More than one-half of the then indigenous Palestinian population, nearly 800,000, were uprooted, 531 villages were destroyed and eleven urban neighborhoods were emptied of inhabitants. Such ethnic cleansing is today regarded under international law as a crime against humanity. The massacres of Palestinians by Jewish militants, also well documented in both Arab and Israeli sources and written about in some detail by Arab and Jewish historians, make the case even against this Zionist endeavor even more horrible.

"The traditional Israeli Zionist version of what happened underplays the massacres of Palestinians and argues that Palestinians voluntarily left their homes and properties. They were allegedly often pushed to do so by Arab governments, in order to allow Arab armies to invade and presumably destroy the Jewish state shortly after its establishment. Walid Khalidi and other Arab historians refuted this Zionist case convincingly from Arab sources before the 1980s. Beginning in the mid-1980s, a group of Israeli Jewish scholars, known as the new Jewish historians, were able to study Jewish militant and Israeli sources in the recently opened Israeli State Archives. These Israeli historians with Israeli State Archive sources and Arab sources have disproven the traditional Zionist version. Even Benny Morris, one of these new Jewish Historians, who disregarded Arab sources showing the horrible treatment of Palestinians by Jewish forces and has in the past few years argued that in 1948 more Palestinians should have been moved out of what became the state of Israel, clearly documented from Israeli sources that the argument of Palestinians leaving their lands and homes voluntarily is a myth."

Mezvinsky's essay is posted on the web, and can be read in full at [http://turcopolier.typepad.com/sic\\_sempertyrannis/2011/09/is-zionism-a-positive-expression-of-jewish-nationalism-.html#more](http://turcopolier.typepad.com/sic_sempertyrannis/2011/09/is-zionism-a-positive-expression-of-jewish-nationalism-.html#more)

## **Palestinian Leader Ashrawi Blasts U.S. Policy at UN**

Sept. 25 (EIRNS)—Longtime Palestinian negotiator Hanan Ashrawi, when asked about negotiating between the Palestinians and Israelis, on ABC's "This Week," responded that this [negotiating] is what "we've been doing for the last 20 years ... negotiating ad nauseum with a process that had no relationship to reality ... if you negotiate and you buy Israel time to create unilateral facts, to build more settlements, to steal more land, it is in danger of destroying not just peace process, but the prospects of peace."

As to the "Jewish state," Ashrawi said: "We recognized Israel in '93. If Israel wants to change its name, it has to go to the Security Council or whatever and ask everybody that's recognized it to recognize it again as a Jewish state. We want a Palestinian state that is pluralistic, inclusive, and tolerant. I don't want an Islamic state or a Christian state. Why should I want a Jewish state? But at the same time, look, in Israel, there are Palestinians who are Christians and Muslims. And when we say Jewish state, it means not only are they legitimately discriminated against, but that the Palestinian refugees have no right to return.... Now, if Israel wants to call itself a Jewish state, then it has to go through the proper procedures to change its name."

Ashrawi has been elected numerous times to the Palestinian Legislative Assembly, is a prominent human rights activist, and was the first woman elected to the Palestine National Council.

## **Asia News Digest**

### **China Develops New Super-Rice; Yields Are Up**

## **Putin Is Top Candidate for China's 'Confucius Peace Prize'**

## **India, China, Czechia Remain Steadfast on Nuclear Power Development**

## **Wu to Medvedev: China and Russia Need Technological Cooperation**

### **China Develops New Super-Rice; Yields Are Up**

Sept. 21 (EIRNS)—China's legendary, 81-year old "father of hybrid rice," Yuan Longping, has developed a new hybrid rice strain, DH2525 (Y two superior No. 2) that has produced 13.899 tons per hectare during trial runs in Longhui county in Central China's Hunan province, the provincial academy of agriculture announced at a press conference on Sept. 19. The breeding will be considered a success after the new breed produces the targeted yield of over 13.5 tons per hectare on at least 6.7 hectares of farmland for two consecutive years, said the team's leader Cheng Shihua.

Yuan, who began developing hybrid rice in the 1960s, and his research team, reached the target unit yield of 10.5 tons and 12 tons per hectare in 1999 and 2005 respectively, setting world records both times. Wang Huayong, a farmer who contracted the trial field, said the field had yielded 12.634 tons and 13.08 tons of rice per hectare over the past two years, and the yield finally exceeded 13.5 tons per hectare this year. "The seed was further upgraded, new manure was used, and we also received guidance from Mr. Yuan himself," Wang said.

Li Guoxiang, an expert on agriculture with the Chinese Academy of Social Sciences, said the higher yield target was of great significance for both heavily populated China and the world as a whole.

### **Putin Is Top Candidate for China's 'Confucius Peace Prize'**

Sept. 18 (EIRNS)—Russian Prime Minister Vladimir Putin and the Panchen Lama, second to the Dalai Lama among Tibet Buddhists, are both leading candidates for an Asian alternative to the Nobel Peace Prize.

The Confucius Peace Prize was first organized last year as anti-Chinese "dissident," Liu Xiaobo, was about to get the Nobel. The Confucius prize was awarded to Lien Chan, a former Taiwan vice president. Awards executive chairman Liu Haofeng told AFP that the prize had been set up by an association overseen by China's culture ministry.

Liu said this year's jury panel consists of 20 Chinese from the fields of arts and literature with an interest in politics. The winner is to be announced on Dec. 9, a day before the Nobel Peace Prize ceremony in Oslo, and awarded 100,000 yuan (\$15,700).

Other candidates include German Chancellor Angela Merkel for her contribution to regional peace in Europe, South African President Jacob Zuma, and Yuan Longping, a Chinese agricultural scientist known as the father of hybrid rice.

### **India, China, Czechia Remain Steadfast on Nuclear Power Development**

Sept. 21 (EIRNS)—Speaking at the ongoing IAEA conference in Vienna, the chairman of India's Atomic Energy Commission, Srikumar Banerjee, told the audience that nuclear power remains vital for developing countries even after the Fukushima disaster in Japan. "The role of nuclear power as a safe, clean, and viable source to meet energy needs, as well as to adequately address the concerns of global warming and climate change, cannot be undermined. This is all the more so for developing countries and emerging economies, which aim to provide a better quality of life for their people," Banerjee

said. He also pointed out that nuclear had caused "far fewer" human casualties than other power-generation methods.

On the same day, The *China Securities Journal*, a business daily, reported the state media saying that China will start approving new nuclear power projects next year, after suspending them in the wake of the disaster at Japan's Fukushima atomic plant. China's aim to increase its nuclear power capacity to 40 gigawatts by 2015 from 10.8 gigawatts in 2010, is unaffected by the review, the *Journal* said, citing experts.

Meanwhile, the government-run power giant CEZ of Czechia has announced that it will press ahead with nuclear energy in order to ensure the country's future energy independence. The Czech nuclear program has been opposed by the anti-nuclear mob of Austria, in particular. CEZ, Europe's second-largest power exporter, expects nuclear energy to account for 50% of its output after adding two units at Temelin around 2025. "If the Czech Republic wants to be self-sufficient in terms of energy, there are not many options other than nuclear energy," Daniel Benes, CEZ chairman and chief executive, told the largest Czech broadsheet daily *DNES*.

Even in Japan, where the earthquake- and tsunami-caused breakdown of nuclear power plants in Fukushima created a new surge of anti-nuclear activities, particularly in the developed nations, the recently elected Prime Minister Yoshihiko Noda, in an interview with the *Wall Street Journal*, again emphasized the necessity of reopening of Japan's nuclear power plants, which were shut down in the aftermath of the Fukushima incident. "We must bring them back as best as we can, because if we have a power shortage, it will drag down Japan's overall economy," Prime Minister Noda said.

## **Wu to Medvedev: China and Russia Need Technological Cooperation**

Sept. 20 (EIRNS)—"Boosting cooperation on technological innovation is an important element in reaching the target which the [Russian and Chinese] heads of state have set for the next decade," Wu Bangguo, chair of the Chinese National Peoples Congress' standing committee, told Russian President Dmitri Medvedev during a visit to the Skolkovo innovation center near Moscow, Sept. 16. CCTV (China's state-run TV) reported that Wu proposed that both nations expand planning and cooperation on emerging strategic industries. Skolkovo is being developed not only as Russia's Silicon Valley, but also as a center for developing nuclear and other essential advanced technologies.

Wu is touring four key Eurasian partners: Russia, Belarus, Uzbekistan, and Kazakhstan. On Sept. 14, when he arrived in Moscow, Wu had told Prime Minister Vladimir Putin that "As the world's major emerging economies, China and Russia enjoy complementary advantages in areas like capital, technology, market and manpower resources."

On Sept. 16, Wu Bangguo met Acting Chairman of the Russian Federation Council A. Torshin, with whom he discussed not only parliamentary exchanges, but also the need to implement the Outline of Regional Cooperation between Northeast China and the Russian Far East Area and Eastern Siberia, 2009-18, which had been proposed by Hu Jintao in August 2007 and approved by the presidents of China and Russia on Sept. 23, 2009, before Putin's landmark visit to China in October that year. Wu told Torshin that the two sides must speed up infrastructure construction in the border areas, especially key connection projects such as cross-border bridges, oil and gas pipelines, electric transmission lines, and ports.

In Minsk, Sept. 17, Wu announced that China would give Belarus a \$1 billion in loans, on favorable terms, to help deal with its financial crisis. The Belarus ruble was devaluated by 36% earlier this year, and Minsk has been trying, unsuccessfully, to get \$8 billion from the IMF.

## **Africa News Digest**

### **Obama Administration Sets Stage for Permanent War in Africa**

## **Carson Issues Cover Story for Following British Permanent Warfare Policy**

### **Obama Administration Sets Stage for Permanent War in Africa**

Sept. 19 (EIRNS)—U.S. Assistant Secretary of State for African Affairs Johnnie Carson today revealed that after playing a leading role in the toppling of the Libyan government of Muammar Qaddafi, the Obama Administration intends to play a prominent role in the spread of permanent warfare throughout Africa, an imperial policy demanded by the former colonial powers of Britain, and also France. He made the revelation in an address to the Air Force Association's Air & Space Conference at National Harbor, MD, near Washington, D.C., on the first day of its Sept. 19-21 conference.

Media sources of the NATO countries and non-NATO countries allied with NATO forces which toppled the Libyan government, are now reporting that there has been a widespread distribution of Libyan arms captured by the rebels, and that these arms are finding their way across much of Africa. Actions by special forces of NATO countries their allies (Qatar, Jordan, United Arab Emirates, and Egypt), and the prolonged NATO air assault against the Qaddafi government, to the benefit of an armed rebellion of the National Transitional Committee (NTC), has led to this arms proliferation, allegedly from supply depots of Qaddafi's government, but these sources do not mention that the backbone of the rebels were radical Libyan Islamists, many of whom had been active in Iraq and Afghanistan, who have seized the contents of the arms depots.

In an earlier speech, in Dakar, Senegal Sept. 1, Carson had called on African states to adopt laws against terrorism, so that these governments could collaborate with Washington's anti-terrorist program, according to a report in Africa Online the day the speech was delivered. He indicated that this was the way to avoid an expansion of international terrorism in West Africa.

Ironically, NATO's regime-change operation has ended up allowing the provision of arms, either from Qaddafi's depots, or from gun-running networks under the control of the imperial networks, for the organized crime networks being labeled "terrorists" that will create the possibility for an ongoing NATO military intervention in the region, from West Africa across to Somalia, and beyond. These conditions of prolonged warfare, in the interests of British financial power, are to be spearheaded by the United States.

The U.S. Army's Africa Command (Africom) division is already more openly discussing how to implement this move to permanent warfare, a shift in which military activity becomes prominent, and humanitarian disaster relief operations become secondary.

Army Gen. Carter Ham, commander of the U.S. Africa Command, and other unnamed senior U.S. officials said Sept. 14, according to published reports, that a number of al-Qaeda-affiliated terror groups in Africa and the Arabian peninsula are growing in significance and ambition, despite the number of al-Qaeda fighters who have been killed. He said these include groups not only in North Africa but also on the Arabian Peninsula and in Somalia.

In Africa he singled out three groups as significant anti-American threats: al-Qaeda in the Islamic Maghreb, Boko Haram in Nigeria, and al-Shabaab in Somalia. The three have taken responsibility for numerous bombings in Algeria, Nigeria, and East Africa.

### **Carson Issues Cover Story for Following British Permanent Warfare Policy**

Sept. 19 (EIRNS)—U.S. Assistant Secretary of State for African Affairs Johnnie Carson today issued a cover story for the

Obama Administration's switch of U.S. policy in Africa, to that of openly adopting, and playing the lead military role in implementing, brutal imperial City of London policy of internal conflict and military intervention in Africa, just at the time that the global financial system is collapsing in bankruptcy.

He put forward the cover story, designed to sell the British policy to his military audience at the U.S. Air Force Association conference, and to the American population, that the United States had to intervene militarily in Africa because the continent's oil and gas resources are crucial for the U.S. economy.

To build support for his case, Carson noted that Africa provides 18% of U.S. oil imports. He said that Nigeria, the biggest supplier to the United States, provided 8% of U.S. imports, equivalent to the amount imported from Saudi Arabia. He added that Angola was just behind Nigeria.

He also stated that Algeria now provides the majority of the liquefied natural gas (LNG) supplies for the U.S. East Coast. Carson said that over the next decades, African gas and oil exports to the United States are expected to increase to 25% of U.S. consumption.

Instead of infrastructural development, he delineated Obama's approach in Africa as being that of fostering good governance and democratic institutions, revitalizing of the traditional agricultural sector (i.e., using manual labor), health collaboration (which will be ineffective without economic development), resolving conflicts across the continent (which result from the lack of physical economic development in the first place), and what he termed "proactive diplomacy" to deal with unrest, to defend long term U.S. interests. He singled out governments which "peddle extremist ideologies" as causing problems.

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