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There Is No 'Greek' Crisis:
It's the Euro That Has Failed
by Helga Zepp-LaRouche

Greece and many other countries in the Eurozone and around the world are insolvent. The southern Eurozone countries are EU520 billion in debt to Germany alone, and about the same amount to other countries. Greece alone would need EU135 billion over the next three years. A wildfire is threatening to spread: Spain, whose banks are closely intertwined with those of Great Britain, is a much bigger problem, but also Portugal, Italy, and Ireland will soon require enormous sums of money. The crisis has long since developed into a systemic banking crisis, government bankruptcies, and, in reality, the failure of the euro. But Britain and the U.S. are also insolvent. We are dealing with a breakdown crisis of the system.

The therapy that the international financial institutions are ordering is fatal, and would lead directly to the death of the patient—namely, the world economy. What the IMF, European Central Bank (ECB), European Commission, and financial interests are demanding—on the one hand, endless rescue packages paid for with taxpayer money, and on the other, “draconian austerity measures” for the recipient countries—will lead to hyperinflation, and will plunge the recipient countries into a deep depression. These measures are just as disastrous in their effects as they are hair-raisingly incompetent....

In-Depth articles from EIR, Vol. 37, No. 18

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This Week's Cover

- **There Is No 'Greek' Crisis:**
It's the Euro That Has Failed
by Helga Zepp-LaRouche.

The IMF, the European Central Bank, and the financiers want to open up the money spigots. The only problem being that the sums involved will reach mind-boggling heights, and the result would be hyperinflation like in 1923 during the Weimar Republic.

- **Court Challenge to Lisbon Euro-System**
An interview with Prof. Joachim Starbatty.

- **What Is Value?:**
Russia's Role as a Scientific and Economic World Power

The LaRouche PAC-TV Weekly Update features **Lyndon LaRouche**, EIR Russia desk head **Rachel Douglas**, and LPAC Economics Editor **John Hoefle**.

Economics

- **Glass-Steagall:**

- **The Constitutional Solution To Goldman Sachs' Criminality**

FDR would be delighted by the Pecora-like hearings conducted by Sen. Carl Levin against Goldman Sachs' CEO Lloyd Blankfein, who's arrogant defense of his company's role in blowing up the U.S. economy, rivalled that of J.P. Morgan himself in 1933. But the question remains: How far, and where does the Senate intend to go?

- **Why Renewable Energy Sources Are Ruining Us**

From a speech by Heinrich Duepmann, the chairman of Germany's National Movement Against the Renewable Energies Law (NAEB), to the Industrial Policy Conference of the Civil Rights Solidarity Movement (BüSo), on March 10, 2010.

National

- **Obama's T4 Genocide Program Has Just Begun**

The so-called health-care reform, modelled as it is on both the Nazi T4 euthanasia program and the British NICE, is riddled with procedures to cut care; but the most important is the Independent Payment Advisory Board (IPAB), popularly known as 'death panels.'

- **Obama's 'Mistakes':**

- **The President Is Ever More Impeachable**

- **'Helium-3 Crisis':**

- **Reverse Obama's Murder of NASA**

Written testimony to the House Committee on Science and Technology's hearing on 'Caught by Surprise: Causes and Consequences of the Helium-3 Supply Crisis,' by Peter J. Martinson of the LaRouche Political Action Committee.

International

- **In the Face of Successful Elections:**

- **British Empire Strategy Unchanged: Balkanize Sudan**

Even before the April 11-15 elections took place, London announced that its goal was to split up Sudan, and that it arrogantly thought that it would be able to rip the nation apart.

Interviews

- **Joachim Starbatty**

Dr. Starbatty is Professor Emeritus of Economics at the University of Tübingen, Germany. Along with Professors Wilhelm Hankel, Wilhelm Nölling, and Karl Albrecht Schachtschneider, he brought a complaint against the Amsterdam Treaty for the introduction of the euro before the Federal Constitutional Court in 1997.

Editorial

- **Iran War Is at Top of London's Agenda**

This Week's News

U.S. Economic/Financial News

- [Chicago's Broadway Bank Loans \\$20 Million to Felons](#)

Chicago's Broadway Bank Loans \$20 Million to Felons

April 25 (EIRNS)—"\$20 million in loans to felons" was the headline of an article in the *Chicago Tribune* on April 1. Alexi Giannoulias, who was elected Illinois State Treasurer with Barack Obama's help, is now the Democratic candidate for Obama's former U.S. Senate seat. When he was the senior loan officer at the family-run Broadway Bank, which was just shut down by the FDIC on yesterday, the bank loaned a pair of Chicago crime figures about \$20 million during a 14-month period.

According to the *Tribune*, Broadway Bank had already lent millions to Michael Giorango and a business partner, Demitri Stavropoulos, in mid-2004, although both men were preparing to serve Federal prison terms.

In 2005, Stavropoulos began a two-year sentence following a felony conviction for running a multi-state bookmaking ring, while Giorango would serve six months of intermittent confinement on a felony conviction for promoting a nationwide prostitution scheme, as Broadway financed their land deals from downtown Chicago to Florida, California, and South Carolina.

Giannoulias's older brother, Demetris Giannoulias, the bank's president and CEO, told the *Tribune* that he established Broadway's relationship with Giorango in the mid-1990s. Giorango began investing in Chicago properties after completing two Federal prison stints for bookmaking schemes.

Stavropoulos recently worked as a \$5,000-a-week consultant to a Bridgeview strip club, according to his testimony in a September 2009 civil court deposition.

Alexi and Demetris's father, Alexis Giannoulias, donated \$10,000 to former Illinois Gov. Rod Blagojevich on June 29, 2005. Demetris Giannoulias was first appointed by Blagojevich in 2004 for a stint on the Illinois Financial Authority Board that expired in 2005. After his father's contribution, he was reappointed Sept. 1, 2005, for a term that expired July 21, 2008.

According to the May 16 criminal complaint, Obama pal Tony Rezko was also closely tied to Broadway bank.

Global Economic News

- [Spain Loves 'Green' Energy, Begging Bowl in Hand](#)

Spain Loves 'Green' Energy, Begging Bowl in Hand

April 30 (EIRNS)—The roaring boom of Spain's solar industry is now a mere whisper, and the racket is now under the spotlight. It shows how the green energy and its promoters killed Spain's power sector financially.

In 2004, imbued with anti-science ideology, Spain's power-sector authorities, promoting green energy, established, through a Royal Decree, a feed-in-tariff (FIT) to the electrical grid at US\$0.56 per kilowatt-hour (kwh). That price was almost ten

times what was paid by the authorities to the fossil fuel power generating utilities. At the time, this advantage was bestowed to all "clean energy" generators with a capacity of 100 kilowatts or less. This was done ostensibly in order to bring in clean energy to replace the old "unclean" energy. It was also done to strengthen the "green energy" mafia with a handout of about \$0.20/kwh. All this time, Spanish authorities were selling the clean energy to consumers for about \$0.10/kwh. In 2007, the authorities changed the upper limit on the size of the installations that qualified for the FIT, to 10 megawatts.

As a result of this action, two things happened. Every photovoltaic cell manufacturer of Europe and North America moved in to raise the installed solar power capacity to 3,300 MW, making a financial killing. The second outcome was that the power industry lost as much as \$24 billion between 2004 and 2009. When they were forced to face the reality of bankruptcy, authorities reduced the FIT to \$0.32/kwh in 2009—still more than five times what it pays to coal-fired power plant suppliers. After the FIT was reduced, many photovoltaic manufacturers could not maintain their operations, and have since laid off 25,000 of their employees.

United States News Digest

[Dirty Dem Laundry To Be Aired?](#)

[Wall Street Demands No Extension of Unemployment Benefits](#)

[Cap-and-Trade Scam Faces More Trouble in Congress](#)

Dirty Dem Laundry To Be Aired?

May 1 (EIRNS)—The *New Yorker* magazine is reportedly about to publish the life story of Haim Saban, Los Angeles "media mogul" *cum* hedge fund billionaire, and deep-pocket Democratic Party moneybags. According to Hollywood leak-sheet *The Wrap*, Saban, an Egyptian-born Jew, is reportedly nervous, and has already warned author Connie Bruck—even speaking directly to editor David Remnick about the 11,000-word opus, almost a year in the making—that there will be consequences if the article contains any "disparaging" information.

The Saban story touches many chords close to the seamy side of the Democratic Party cash machine, that, if told, could spell additional trouble for President Obama and friends. It is his money, for example, which is behind the Saban Center for Middle East Policy at the Brookings Institution. The Center, founded in 2002, houses a host of Democratic heavies, including former ambassador Martin Indyk.

Saban is closely connected to the \$12 billion hedge fund Quellos, started by Seattle Starbucks founder Howard Schultz in 1994. Quellos quickly developed a relationship with San Francisco/Silicon Valley venture capitalist firm KPMG (Kleiner Perkins), recycling dot-com nuevo-billionaires cash into offshore tax dodges. After the Y2K bust, Quellos shifted into hedge funds, becoming a leader in the new "fund of funds" industry, as hard-put institutional investors turned to them for "profitable" places to put their cash. Quellos's relationship with KPMG was the subject of a hearing by the Senate Permanent Subcommittee on Investigations, after the dot-com bust, in 2003. In 2007, after the exposure of the fraudulent tax shelters led to lawsuits, Quellos got \$1.7 billion from Peter Peterson's former fund BlackRock, which took control of Quellos's investment unit.

Saban has an additional weight around his neck, with a lawsuit involving his former accountant Matthew Krane, who turned state's evidence (and is reportedly also the major source in the *New Yorker* piece) against Saban last year. According to *LA Noir* Nov. 12, 2009, Saban had instructed Krane to find him a tax dodge for the \$1.5 billion profit he reaped when he "sold" Fox Family Channel to Disney Productions for \$5.3 billion, in 2001. Krane's solution (in addition to apparently

giving a big chunk of funds to Brookings that year) involved laundering cash through some connections in Austria, with the help of UBS bank Switzerland; and the legal case that has been playing out in Austria is about to be brought to the U.S.

Saban has since been hit with a \$250 million tax bill by the IRS, and Krane was convicted for identity theft and passport fraud in 2008. His cooperation with the Feds, however, came only after Saban accused him (in Seattle court) of stealing \$36 million and laundering the profits of the tax dodge.

Wall Street Demands No Extension of Unemployment Benefits

April 29 (EIRNS)—Wall Street's Bloomberg news service is putting out the word that unemployment benefits are not to be extended again; people who have been unemployed for over 99 weeks be damned. Bloomberg reports that that means more than 1 million more Americans will be thrown onto general relief, or have no income at all in the immediate months ahead, but says "the deficit" requires it. Sen. Max Baucus (D-Mont.), chair of the Senate Finance Committee, agrees with Wall Street, telling Bloomberg, "You can't go on forever.... 99 weeks is sufficient."

Blogs run by desperate unemployed and families of unemployed, organizing Congress for an extension, feature stories of growing numbers of suicides of those abandoned, as the social fabric of the United States disintegrates under the unchecked breakdown of the monetarist system.

Unemployment figures are as much lies as everything else the Obama team and Wall Street says, and even they estimate that only 70% of the nation's jobless received benefits in March. State officials told Bloomberg that 130,000 people in Florida, 57,000 in New York, and 30,000 in Ohio have now received their last check; state officials in California told the *Los Angeles Times* that nearly 100,000 people still looking for work, have run out their benefits. The notorious under-estimating Bureau of Labor Statistics says 44% of the unemployed have been out of work for at least six months; a study by Pew Fiscal Analysis calculated that 3.4 million Americans have been out of work for more than a year.

Cap-and-Trade Scam Faces More Trouble in Congress

April 25 (EIRNS)—The Obama Administration's effort to ram through cap-and-trade legislation, the same way it did the health-care bill, has taken a hit. Sen. Lindsey Graham (R-S.C.) has been the patsy Republican working on a "bipartisan bill," but part of the deal appears to have been that the Democrats would hold off on the immigration bill. Now Senate Majority Leader Harry Reid (D-Nev.), who appears to be losing his reelection bid, is desperate to win the Hispanic vote, and is moving to put immigration reform up front.

Graham responded with a public letter yesterday, saying that, "The political environment that we needed to have a chance [to pass the bill] has been completely destroyed by the push for immigration reform. What was hard has become impossible.... Moving forward on immigration in this hurried, panicked manner is nothing more than a cynical political ploy. What's happened here is, mid-terms are on us and Harry Reid's in a state with a heavy Hispanic vote."

Without at least one GOP vote, the bill will die in the Senate.

Ibero-American News Digest

- [Carry Trade Killing Brazilians](#)

Carry Trade Killing Brazilians

April 29 (EIRNS)—While the Spanish economy blows out along with the euro, in releasing its first quarter results for 2010 today, Spain-based Banco Santander, a wholly-owned asset of the British Empire's Inter-Alpha Group, tried to put a good face on its own bankruptcy, by pointing to its dependence on looting Brazil to show a "profit."

Santander's year-on-year profits inside Spain *fell* 8%, but their profits in Brazil soared by 38%, and by 17% in the United Kingdom. Brazil now constitutes 21% of the total profits of Santander. (Santander owns 20% of the collapsing British mortgage market.)

But Brazil, itself, is about to disintegrate as part of the same financial meltdown, Lyndon LaRouche has emphasized.

Consider what's happening with the Brazilian currency's carry trade. Brazil's Central Bank today aggressively increased its benchmark Selic interest rate by 0.75%, from 8.75% to 9.5%. Expectation is that there will be three more rate hikes this year, bringing the Selic to 11.75% by year's end—if the Brazilian economy survives that long. As Reuters noted: "The higher interest rate in Brazil will likely keep drawing in investors who, after borrowing money at near-zero rates abroad, look to Brazilian assets for higher yields. Last year that so-called carry trade helped the real [the Brazilian currency] strengthen 34% against the dollar."

This is going to kill the Brazilian economy and population. Today's interest rate increase means the government payments on public debt will leap from 146 billion reals per year (about \$86 billion) to 180 billion reals (\$103 billion). The existing Selic rate already translated into an average 27% interest rate for business loans in April, 42% for consumer loans, and a staggering 600%+ for credit cards. Now, all of those rates will rise. Understandably, the central bank announcement provoked a huge outcry inside the country, from both business and trade union sectors. The head of the machine tool producers association ABIMAC, for example, said the rate hike is a "crime against investments."

Western European News Digest

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Sign of the Times: Euro-Enemy Klaus Applauded in Berlin

April 30 (EIRNS)—Vaclav Klaus, President of the Czech Republic, and longtime opponent of the euro, spoke yesterday at the Humboldt University in Berlin, where he charged that the euro has failed, and is to blame for the Greek crisis. (That

morning, many of these same charges had appeared in a full-length interview with the financial daily *Frankfurter Allgemeine Zeitung*.) "And what happens? Warm, long applause," writes the *Financial Times Deutschland*. "I had not expected applause," Klaus said. "I expected tomatoes and eggs. This shows that something has changed in Europe."

At such speeches as Klaus's yesterday, "Members of the European Parliament used to exit the plenary room in rage. But the audience in Berlin, a mixture of students, politicians and diplomats, remained calmly seated."

Apparently, before the discussion period, the representative of the EU Commission in Germany left the podium, so that Klaus could speak freely, making fun of EU attitudes, and eliciting laughter from the audience.

Great Britain as the Next Greece

May 1 (EIRNS)—Great Britain could become the "next Greece," sooner than people may think. The Greek crisis began after the Pasok Party came to power in October, and had a look at the books, which showed them to have been "cooked, well done." The same could happen after the British elections this month. City of London mouthpiece Ambrose Evans-Pritchard revealed in today's *Daily Telegraph* that government debt worth billions is currently "off the books," through an accounting trick involving "PFIs."

PFIs are a derivative of public-private partnerships, and have been used extensively by the British government to finance infrastructure and other capital projects, including to build embassies, hospitals, schools, and even Britain's contribution to the European aerial tanker project. Since these are off the books, it is apparently not known publicly how much is actually involved, but it obviously runs into the tens, if not hundreds of billions of pounds.

No matter how many billions are hidden as PFIs, none of this includes the hundreds of billions in pounds that the government has used to bailout the British banks. Furthermore, now that the government virtually owns such banks as the Royal Bank of Scotland, it is responsible for their liabilities. The press and government have stopped publishing this figure.

Greek Unions Call for General Strike on May 5

April 27 (EIRNS)—Greek trade union federations GSEE and ADEDY have called for a 24-hour general strike on May 5, to protest massive cuts being mandated by the International Monetary Fund and European Union.

Today, the transport workers held a 24-hour strike.

Greeks will also be taking to the streets May 1, the traditional Labor Day. Strikes by Athens public transport staff will mark the Labor Day celebrations, with early morning work stoppages by buses, the electric railway, and the metro, and full-day strikes by railway workers.

Teachers, lawyers, and journalists will participate on May 5, while doctors will strike on May 5 and also 6, which is Public Health-Care Day. Unions have decided to call a strike when the Parliament begins debate on the new social security bill.

This will be the third general strike by the two federations, which together represent about 2.5 million workers, half of Greece's workforce.

High-Speed Rail Is Center of Swedish Campaign

April 26 (EIRNS)—As a weak shadow of the proposal of the LaRouche Movement in Sweden, the European Labor Party (EAP), the two blocs competing in the September elections are putting forward proposals for infrastructure development. The EAP proposal is to build a maglev train system in the Nordic Triangle connecting the Scandinavian capitals—both via Denmark with the European continent, and via a new tunnel between Sweden and Finland to Helsinki-St. Petersburg, and the Eurasian Land-Bridge.

Not so with the current politicians. After the rescue packages to the banks, there is no money for the development of the country, leaving cowardly politicians to fight over crumbs. In the budget last month, the government put forward an infrastructure plan for railways, roads, and shipping lanes, deploying 1.4% of the GDP. The government did not even propose the high-speed rail project between the main cities Stockholm, Gothenburg, and Malmoe, investigated last year.

How About Germany Leaving the Eurozone?

April 30 (EIRNS)—The public debate about the future of the euro and a return of the D-mark has massively intensified in Germany, with more and more mainstream media putting the issue onto the agenda. Most prominently, the Markus Lanz Show on German television tonight had as a guest Olaf Henkel, the former head of the Association of German Industry, who said, in response to a question about Greece's leaving the Eurozone, that one might also see it the other way around, namely "Germany leaving the Eurozone." Lanz then did an instant opinion poll of the audience, asking those who would prefer a return of the D-mark to raise their hands, and concluded that "this is a clear majority."

EU Commission vs. Italian-Russian Nuclear Deal

April 30 (EIRNS)—The spokesman for EU Environment Commissioner Günther Oettinger said yesterday that part of the recent nuclear deal between Italy and Russia, according to which Italy will export its nuclear waste to Russia for reprocessing, is forbidden by the EU, and that an EU guideline to that effect will be issued later this year. No nuclear waste is to be moved outside of the EU borders, according to the to-be-issued ukase.

This is sabotage of a key aspect of Italy's nuclear revival, which aims at neutralizing the main environmentalist argument against nuclear energy, i.e., radioactive "waste." Unconfirmed rumors are that the Italians are going to ignore the EU diktat, and will smuggle nuclear waste to Russia inside jumbo-sized tomato cans.

Prince Charles' 'Medieval' Health Quackery Foundation Closed Down

May 1 (EIRNS)—Britain's Prince Charles has had one of his foundations closed down. While the official reason involves financial fraud, another good reason was that it promoted quackery.

Charles' Foundation for Integrated Health was closed down after one of its employees, and an accomplice, were arrested on suspicion of defrauding the foundation of £300,000. The foundation, which promoted "complementary medicine," has long been accused of medical quackery. The chairman of the foundation's board of trustees, David Brownlow, claimed that there were plans to shut down the charity within a few months, but since the fraud case broke, they decided to do it now. Its 2008 audit revealed a £300,000 hole, which now seems to be of a criminal nature. The fund also received £1.1 million from the Department of Health.

David Colquhoun, professor of pharmacology at University College London, is quoted in today's *Guardian* that the foundation "has been influential in senior medical circles and it has been largely responsible for the acceptance of complementary medicine in parts of the establishment, and that has been its worst influence.... In much of what it promotes, I believe it has given misleading advice and it has not considered the evidence for and against the effectiveness of various

medicines. The Prince is well-meaning, but he has views about these things that are somewhat medieval."

Russia and the CIS News Digest

Medvedev: Yes, to an International Missile Shield

Italian-Russian Nuclear Cooperation

Russia To Build Nuclear Fuel Fabrication Plant in Mumbai

Medvedev: Yes, to an International Missile Shield

April 26 (EIRNS)—On the eve of Russian President Dmitri Medvedev's state visit to Denmark, he gave an interview to DR National Radio TV news. Asked if he would support the statement by NATO Secretary General, former Danish Prime Minister Anders Fogh Rasmussen, in favor of NATO and Russia joining forces to create a missile shield covering both Russia and Europe, Medvedev replied: "If it is a serious proposal from NATO's Secretary General, then we can say yes to the proposal. For a long time, we have supported the idea that a global defense system, a missile defense system, should not only protect one country, or group of countries, but should be beneficial for all responsible participants in the world community."

Medvedev continued, "If this system has global dimensions, if it will serve to counter threats from states that ... violate the standards of law in one or another level, and are working on independent development of nuclear weapons programs, ... such a defense would, of course, be able to be realized." If, on the other hand, the West were to propose such a joint system, and then go ahead and build one on their own, then Russia would be forced to respond, Medvedev stressed.

Italian-Russian Nuclear Cooperation

April 27 (EIRNS)—Italian Prime Minister Silvio Berlusconi and Russian Prime Minister Vladimir Putin yesterday signed important agreements for cooperation on nuclear energy, including both fission and fusion. On fusion, Italy will participate in the Ignitor fusion reactor in Russia, and Russia will participate in an accelerator project in Italy. On conventional nuclear energy, the Italian electricity company ENEL will probably be the first non-Russian firm to build a third-generation nuclear plant on Russian territory. Last March, Putin had confirmed that the planned nuclear plant in Kaliningrad would be open to private participation, up to 49%. ENEL has signed a cooperation agreement on a joint project for the Kaliningrad plant with the Russian electricity firm Inter Rao Ues. The plant will comprise two reactors, each of 1,170 MW, using VVER 1200 technology. Putin also said that Russia wants to collaborate in the Italian nuclear program, which aims at going from 0% to 25% of nuclear-produced electricity by 2020.

Berlusconi received Putin in the new villa he bought for his party cadre school, called Università Liberale, in the vicinity of Milan, and announced that the school will be inaugurated with a lecture by Putin.

Russia To Build Nuclear Fuel Fabrication Plant in Mumbai

April 26 (EIRNS)—Russia's government-owned nuclear fuel major, TVEL, has announced that it is in discussion with the Indian authorities to set up a nuclear fuel fabrication plant in Greater Mumbai, to supply fuel for the 8-10 Russian VVER-1000 and 4-Russian VVER 1250 type reactors coming up in India. Ivan Dybov, executive director for communications and public affairs, also told the Indian media that the plant could serve the fuel requirements of the new-generation European

Pressurized Reactors (EPR) of 1,650 megawatts each, to be built by the French government-owned nuclear company, Areva SA, in Jaitapur, in the western state of Maharashtra. TVEL is part of the Russian state-run nuclear power company Rosatom.

Areva SA has signed an initial pact with Nuclear Power Corp. of India Ltd. of building up to six nuclear reactors in India, getting a foothold in this potential growth market for nuclear energy. Dybov said TVEL has an understanding with the French nuclear major Areva for fuel fabrication, and has already fabricated 2,000 fuel bundles for them.

TVEL, which holds 17% of the world's nuclear fuel market, already has a contract with the India's Department of Atomic Energy to supply 2,000 metric tons of fuel to the country's pressurized heavy water reactors over the next five years. The company already supplies the two units of the U.S.-built Tarapur Atomic plant, as the U.S. stopped supplying fuel after the Pokhran-I nuclear tests in 1974.

Southwest Asia News Digest

Obama Defends Israeli Nuclear Arsenal

Obama's Cronies Promote War Against Iran

Obama Defends Israeli Nuclear Arsenal

May 2 (EIRNS)—The only obstacle to a nuclear-free zone in the Middle East is Israel—and the British Empire has set up the conflict in that way. Israel has refused to sign the Nuclear Non-Proliferation Treaty (NPT), in order to protect its undeclared nuclear arsenal, but the call for a "nuclear-free Middle East," which was adopted by some 180 countries in 1995, has been put on the agenda of the month-long conference to review the NPT, by Egypt, with the support of most of the other countries in Southwest Asia and the Arab World. The NPT review meeting opens at the United Nations on May 3; it is held every five years.

President Barack Obama is obsessed with the desire for a "breakthrough" there in disarmament, as his crowning foreign policy achievement, well-placed Washington sources report. But British agent Obama has failed in every foreign policy area, and instead, pushes the empire's doctrine of "permanent revolution, permanent war." Obama has been pressuring Egypt, soft-cop style, to alter its nuclear-free-zone proposal—to protect Israel from international attack, since Israel refuses to sign the NPT, and is the only power with nuclear weapons in the region.

"This is typical Obama stuff," said Lyndon LaRouche, "covering for Israel when they are the only obstacle," to the nuclear-free Middle East. "It's called the Israeli factor, but it's actually the British factor.... Today, the British Empire's control depends on their ability to continually unleash chaos."

On April 14, in Washington, Obama threatened the first use of nuclear weapons against countries that don't follow the NPT—a statement directed at Iran and North Korea, while ignoring Israel's nuclear arsenal. At the same time, there are growing indications that Obama has given the green light for an Israeli attack on Iran, if Iran, a signer of the NPT, refuses to stop enrichment of uranium—which is permitted under the NPT for energy purposes. This double standard infuriates Middle Eastern and other developing countries, which see the Anglo-American policy on restricting uranium enrichment as "technological apartheid," to deny them nuclear energy.

Obama's Cronies Promote War Against Iran

April 29 (EIRNS)—An Iran war is on Obama's agenda. Promoting this war drive is the group United Against a Nuclear Iran (UANI), which is both modeled on, and overlaps with, the British war-propaganda operation against Sudan, the Save Darfur coalition.

UANI boasts leadership from well-placed Obama cronies, especially Dennis Ross, Richard Holbrooke, and Alan Solow, a UANI director, who is the current chairman of the Conference of Presidents of Major American Jewish Organizations.

On April 20, Obama wrote to Solow to answer the criticisms about his pressure on Israel. "Let me be very clear," Obama told his friend Solow. "We have a special relationship with Israel and that will not change." Years earlier, Solow was one of the regular financial backers of Obama's career in Illinois, and *The Forward* quotes Solow saying, in 2008, "I said with a smile that he will be the first Jewish President." The Israeli daily *Ha'aretz* highlights Obama's letter to Solow in an April 29 article titled, "Analysis: Why Obama Suddenly Loves Netanyahu."

Obama and friends are carrying out a two-tiered operation for war against Iran. Under the existing Iran Sanctions Act, the U.S. is pressuring one country after another to cancel all its business dealings with Iran. Through the Treasury Department, pressure is also being put on companies, like Malaysia's Petronas, India's Reliance, and Russia's LUKOIL, to stop selling gasoline to Iran. According to the Congressional Research Service, all three of these major companies have capitulated to the U.S. demands.

However, in parallel to this official operation, UANI (corporate name: American Coalition Against a Nuclear Iran), an ostensibly private group, registered in the State of Delaware as a charitable, 501(c)(3) organization, is running a terror campaign against corporations that are still selling products—whether energy-related or not—to Iran, or trading with Iran in matters of construction or industry.

UANI shares members with the British Empire's "Save Darfur" coalition, including the right-wing pro-Netanyahu group, Conference of Presidents of Major American Jewish Organizations (through director Solow), and the Foundation for the Defense of Democracies.

Founded in 2008 by two current Obama officials—Dennis Ross, the National Security Council expert on Iran, and Richard Holbrooke, the special envoy for Afghanistan and Pakistan—UANI, like Save Darfur, uses exposés, stockholder actions, billboard campaigns, and pressure tactics against companies—both U.S. and foreign—that trade with Iran. They run their operations in coordination with Assistant Treasury Secretary Stuart Levey, and the Treasury Department's Enforcement Division, which publishes lists of people, groups, and companies under U.S. sanctions.

UANI wrote major parts of the "crippling sanctions" legislation against Iran, working with Florida Representatives Ron Klein (D) and John Mica (R).

Asia News Digest

[China Begins Construction of Hainan Nuclear Power Plant](#)

[Japan Agrees to Civilian Nuclear Cooperation with India](#)

[Pushing 'Asian Integration' Is Tougher Now, as Euro Collapses](#)

Thai Government Raises the Stakes: Monarchy Is Now the Issue

China To Fund Laos Railroad, Spur to Eurasian Land-Bridge

China Begins Construction of Hainan Nuclear Power Plant

April 26 (EIRNS)—China's National Nuclear Corp., its biggest operator of nuclear power plants, started building a \$2.8 billion nuclear power plant on the southern island province of Hainan. It will consist of two CNP600 pressurized water reactors, each with a capacity of 650 megawatts. The first reactor will be completed and connected to the grid by the end of 2014, according to the provincial government.

China, the world's second-largest energy user, wants 15% of its energy to come from renewable sources by 2020. The country currently has 9 gigawatts of nuclear capacity in operation, the China Electricity Council said in August. That will exceed 70 GW by 2020, Wang Binghua, chairman of the State Nuclear Power Technology Corp., said in March. Mainland China has 11 nuclear power reactors in commercial operation, 21 under construction, and more about to start construction soon. Additional reactors are planned, including some of the world's most advanced, to give an almost eight-fold increase in nuclear power generation capacity by 2020. China is rapidly becoming self-sufficient in reactor design and construction, as well as other aspects of the fuel cycle.

Hainan needs more energy to sustain and boost its rapid development. The safe and clean nuclear power was chosen to avoid affecting the island's ecology, said provincial Gov. Luo Baoming. The province has little coal resources, while 66% of its hydropower resource has been utilized, leaving little potential for future hydropower development, Luo added.

Japan Agrees to Civilian Nuclear Cooperation with India

April 30 (EIRNS)—After years of reticence to develop official civilian nuclear cooperation with India, which is a non-signatory of the Nuclear Non-Proliferation Treaty (NPT), and a possessor of nuclear weapons, Japan has agreed to set aside past differences and now work towards a civil nuclear treaty, with the establishment of a Joint Working Group on civil nuclear cooperation.

Japan's Minister of Economy, Trade and Industry (MITI), Masayuki Naoshima, during the fourth ministerial-level meeting today of the India-Japan Energy Dialogue in New Delhi, finalized the agreement. The chairmen of leading Japanese companies including Toshiba, Mitsubishi, and Hitachi, who are accompanying Naoshima, formed the core lobbying group that has been encouraging the Japanese government to work out a civil nuclear deal with India.

Besides opening up the potential to export nuclear reactors to India, the agreement may also enable joint studies of thorium-fueled nuclear reactor development. Japan has already been working secretly with India on the thorium fuel cycle. However, Japan's area of work had been the use of enriched uranium oxide, in a mix with thorium oxide, to breed fissile U-233, as opposed to India's research using plutonium-239 to breed fissile U-233 from thorium. Not meeting with much success, Japan had abandoned that approach. It seems the new agreement may now help Japan to work closely with India to develop a reactor and fuel, based on a plutonium-driven U-233 breeding cycle.

Pushing 'Asian Integration' Is Tougher Now, as Euro Collapses

May 1 (EIRNS) —The Washington-based ASEAN Studies Center held a forum to release a book titled *Realizing the ASEAN Economic Community*, published by the Singapore Institute for Southeast Asian Studies. The U.S. State Department supported the project, and the State representative at the meeting said it was intended to overcome the

opposition to integration by nationalist interests who fail to see the value of giving up old-fashioned notions (e.g., sovereignty).

The panelists seemed oblivious to the fact that the model for integration—the European Union and the euro bloc—were in a state of freefall, acting as if their projections of prosperity from the globalization process would soon win over the Asian nations to their free trade, imperial views.

Only one question was allowed from the floor, which went to Mike Billington of *EIR*, who stated that everyone in the room knew full well about the disintegration that was going on in Europe, and certainly recognized that any sane Asian leader would reject following Europe's lead in sacrificing sovereignty in the face of a global financial collapse. After a stunned silence and then nervous giggles, one speaker said sheepishly: "Well, it's certainly true that in all our negotiations, the European Union was the gold standard, so there must be a bit of concern." The other panelist, a former member of the U.S. Trade Representative's office, and now at the Peterson Institute for International Economics (free-trade fanatics), acknowledged that the Asian nations were "snickering up their sleeves" at the collapse in the West, since the West failed to follow any of the dictates it had imposed on the Asians after the 1997-98 crisis—but, not to worry, globalization is not the problem, as shown by the fact that Asia is doing so well, and now is the perfect time for integration.

Thai Government Raises the Stakes: Monarchy Is Now the Issue

April 27 (EIRNS)—The Thai government's Centre for the Resolution of Emergency Situations claims that the entire opposition movement is a plot to overthrow the monarchy. The CRES said the network behind the plot included key leaders of the UDD (Red Shirts), members of the Opposition Puea Thai party, and former banned politicians, academics, and hosts of community radio programs. Prime Minister Abhisit Vejjajiva said yesterday that the CRES had put together the pieces of the "political jigsaw." He said people involved in the network could face legal action (*lèse majesté*).

The CRES handed out diagrams to reporters that detailed a network of conspirators working to undermine the royals. "They have orchestrated attacks on the monarchy on the Internet and in their newspapers.... Red Shirt media are always insulting the monarchy," Army spokesman Col. Sunsern Kaewkumnerd told reporters. Ex-prime ministers Chavalit Yongchaiyudh, chairman of the opposition Puea Thai party, and Somchai Wongsawat (one of the prime ministers thrown out by the corrupt royalist courts) are among those named as anti-monarchists plotters.

"I condemn both of you—Prime Minister Abhisit Vejjajiva and Deputy Prime Minister Suthep Thaugsuban—as murderers," Chavalit answered at a press conference. "You will be haunted by your murderous acts, and I am certain you will get your deserved punishment."

China To Fund Laos Railroad, Spur to Eurasian Land-Bridge

April 30 (EIRNS)—Lao National Railway Authority director general Khamseng Sayakone said this week that the Chinese government has signed an agreement with Laos to cooperate in building a rail line that will run from the Chinese border to Vientiane on the Thai border, essentially completing the "Asian Railroad" project of a railway from Singapore to Kunming. China will also extend the rail connection from Vientiane southeast along the Laos panhandle, as far as Thakhek in Khammuan province, where it will meet the Asian East-West railroad connecting Vietnam to Myanmar.

An agreement was signed on April 7 to establish a joint venture company to invest in the project. Funding for the railway and associated facilities would come from the Chinese government in the form of a long-term loan, he said. Initial estimations put construction costs at just above US\$4 billion.

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