

[return to home page](#)

LaRouche:
Strauss-Kahn's Fall Means End of the Bailout Game
by the Editors

May 24—Over the last three to four years of the global economic-financial breakdown crisis, Lyndon LaRouche has warned that if the hyperinflationary policy of bailing out the bankrupt banks of Wall Street and the City of London were continued, it would lead to increasingly dire consequences, up to and including the blowout of the global system. As of approximately ten days ago, it has become patently clear that some powerful forces within the world's policy elite agree with him. The arrest of IMF chief Dominique Strauss-Kahn in New York on May 15 has brought the entire global financial bailout process to a halt. It was no accident. The "clean job" that was pulled on Strauss-Kahn had been in preparation for some time, to the purpose of achieving exactly those effects it did achieve. "What the outcome of those effects will be, is uncertain, but the effects ... cannot be avoided," LaRouche commented in a discussion with associates on May 21.

LaRouche continued: "The entire system is now going to crash in one of two ways. Either, by some unlikely prospect, the backers of Obama, Geithner, and Bernanke will survive this, in which case all Hell busts loose, or they won't survive it, and the situation becomes much more interesting. And what happened to Strauss-Kahn, is an absolutely crucial part of this turning point which has been reached in the past two weeks." ...

Separate In-Depth articles from
Executive Intelligence Review
Vol. 38, No. 21

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

[...Requires Adobe Reader®.](#)

This Week's Cover

- **LaRouche:**
Strauss-Kahn's Fall Means End of the Bailout Game

The arrest of IMF chief Dominique Strauss-Kahn in New York on May 15 has brought the entire global financial bailout process to a halt. 'The entire system is now going to crash,' LaRouche declared. 'If the backers of Obama, Geithner, and Bernanke somehow survive this, all Hell busts loose; if not, the situation becomes much more interesting. 'And what happened to Strauss-Kahn, is an absolutely crucial part of this turning point which has been reached in the past two weeks.' Strauss-Kahn was a key figure in the bailout of the euro and the whole trans-Atlantic system. His arrest has changed the game. The mad-man bailout faction, especially DSK's partners-in-crime, U.S. Treasury Secretary Geithner and Fed Chairman Bernanke, is now in disarray.

- **Don Giovanni Nabbed in New York:**

Go for Glass-Steagall Now!

by Helga Zepp-LaRouche.

The name Dominique Strauss-Kahn stands not only for moral decadence, but also for the decadence of a system that, with its

infamous IMF conditionalities, has degraded entire nations and continents to objects of unconditional greed.

- **Mississippi Basin Extreme Weather:
Floods, Food Losses; Obama Oblivious**

Economic Policy

- **Finance Big Projects with a Glass-Steagall Credit System**

On May 13, Lyndon LaRouche, in a video address to a private meeting, reiterated his evaluation that the trans-Atlantic region is now in a breakdown crisis like that which hit Weimar Germany in 1923—except that now it is affecting the entire world. Only a return to GlassSteagall, worldwide, and great infrastructure projects, will pull us back from the brink.

International

- **Battle Royal Shattering the British Empire**

Three huge scandals are hitting the House of Windsor, and shaking the foundations of the British Imperial Establishment, just as the entire Inter-Alpha banking system is in its death throes. Topping the list is the revival of allegations that the death of Princess Diana was not an accident, but rather a homicide ordered by the ghoulish Prince of Edinburgh.

- **Documentation**

- **A Review of the Evidence:**

The 14-Year Coverup of Princess Diana's Death

- **LaRouche Movement Derails Stockholm Genocide Meeting**

A symposium, led by the genocidalist Hans Joachim Schellnhuber in Stockholm, was polemically disrupted by representatives of the LaRouche movement in Sweden, much to the dismay of its organizers.

- **Documentation:**

Stop Global Eco-Fascism!

National

- **Glass-Steagall Push Intersects Growing Mass-Strike Ferment**

The U.S. mass strike that began in the Summer of 2009 is back, stronger than ever, as citizens mobilize against murderous budget cuts, from health care to life-saving city services. The recognition that the trillions of dollars in bailouts have benefited only the Wall Street and City of London swindlers who caused the crisis, is fueling their anger, and the sense that 'something must be done.'

- **Machinists Back Glass-Steagall:**

IAM Calls on Congress To Pass H.R. 1489

- **The Imperial Presidency:**

Obama Is Worse than Bush and Cheney

In a recent series of measures, the Obama Administration has outdone even the Bush-Cheney Administration in throwing off the Constitutional system of checks and balances, by wielding arbitrary Executive power for wars abroad, and for police-state measures at home.

Science

- [Work in Progress:](#)
[Solving the Problem of, and in, Time](#)

- [It Does Live:](#)
[The Mind in Brief](#)

Lyndon LaRouche continues his provocative discussion of the prevalent, but fraudulent notion that human knowledge is based on sense-perception.

- [Yesterday's Bulletins Briefly Reviewed for Today's Content:](#)
[Real History's Clock Keeps Only Relative Time](#)
- [Voices from the Past:](#)
[Time To Think](#)

Editorial

- [Will You Tolerate the Haiti Treatment?](#)

This Week's News

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

U.S. Economic/Financial News

[Bill Would Allow Unemployment Benefits To Go to States' Debt Payment](#)

[Goldman Sachs Expects DOJ Subpoenas on Mortgage Scams](#)

Bill Would Allow Unemployment Benefits To Go to States' Debt Payment

May 16 (EIRNS)—In a party-line vote last week, the House Ways and Means Committee approved a Republican bill (outlandishly named the Jobs, Opportunity, Benefits and Services Act—JOBS Act, for short) that would allow states to divert \$31 billion worth of Federal money for the long-term unemployed, and use it to pay down state debt instead.

The Federal government currently provides up to 73 weeks' worth of benefits for people who exhaust the initial 26 weeks of unemployment checks that states offer. The bill would let states trim or even eliminate those "extra" weeks of benefits, which currently support more 4.1 million laid-off workers. The bill now heads to the full House of Representatives.

Huffington Post reported that federally funded extended unemployment benefits will expire at the beginning of 2012. For the rest of 2011, states could use that Federal money to pay for the first 26 weeks of benefits, or to repay the Federal government for loans to fund those benefits, or for things like reemployment services or wage subsidies. The bill would also set a national minimum standard for work-search requirements for laid-off workers who apply for benefits.

Goldman Sachs Expects DOJ Subpoenas on Mortgage Scams

May 20 (EIRNS)—Goldman Sachs executives expect to receive Department of Justice subpoenas demanding more information about Goldman's mortgage scams, the *Wall Street Journal* reports today.

Goldman turned over hundreds of millions of pages of documents to the Angelides Financial Crisis Inquiry Commission, and tens of millions of documents to the Senate Permanent Subcommittee on Investigations, which issued a 635-page report laying out Goldman's mortgage fraud last month. The report was endorsed by both Committee chair Carl Levin (D-Mich.) and ranking member Tom Coburn (R-Okla.).

The Subcommittee referred its findings to the Justice Department in April, and Goldman Sachs officials anticipate that it may receive subpoenas within days in response to the information now in the hands of the Federal prosecutors. The Subcommittee's report was completed after a two-year probe of the mortgage securitization machine built by Wall Street firms before the crisis.

As part of last year's civil settlement with the SEC on the its civil action, Goldman admitted "making mistakes," but denied "wrongdoing." Goldman paid a \$550 million fine (about an executive bonus-worth). Goldman's latest quarterly report filed with the SEC includes a 7,800-word "legal proceedings" section. In 2007's first quarter, just before the crisis erupted, the same section was 400 words long.

Global Economic News

[China Opposes Another European at IMF Top](#)

[Stable Chinese Currency 'Last Anchor' for Manufacturing Prices](#)

[China Needs Nuclear, as It Faces Severe Power Shortage](#)

China Opposes Another European at IMF Top

May 20 (EIRNS)—The IMF leadership is in quite some disarray following the resignation of its director, Dominique Strauss-Kahn, who faces criminal sexual assault charges in New York. China's central bank chief said yesterday that "the make-up of top management should better reflect changes in the global economic structure and better represent emerging markets." He said G20 nations had "already decided that IMF leaders and high-level management must be elected through an open, transparent, and meritorious process."

Chinese officials also reminded the trans-Atlantic bloc that the promise given at the G20 summit last November, to reform the Fund's 24-member board of governors, giving emerging economies such as China a bigger say, has not been acted on yet. Europe agreed to give up two seats, and Brazil, Russia, India, and China were to be among the top 10 IMF "shareholders," with China moving up to become the third-largest shareholder.

People's Daily said May 19 that the new IMF boss should be Chinese. "One of the key jobs of the IMF is to monitor trade and provide capital assistance, which the rising China is good at," the *Daily* wrote in an online comment piece. It pointed to several Chinese who had taken pole positions in global finance, including Zhu Min, a former deputy governor of China's central bank. "It will be a great sign of respect for a rising China and a symbolic step of optimizing the international financial order if the 24 executive directors who hold shares of the IMF can see this clearly and elect a Chinese president of the IMF," the *People's Daily* said.

Stable Chinese Currency 'Last Anchor' for Manufacturing Prices

May 20 (EIRNS)—Persistent demands from the likes of U.S. Treasury Secretary Tim Geithner and Federal Reserve chairman Ben Bernanke, that China significantly up-value its currency, the renminbi, shows again that their only policy is hyperinflation. As one economist, Homi Kharas, pointed out yesterday at a Brookings Institution forum on the U.S. and China, the controlled, relatively low valuation of the RMB is the "only anchor" left maintaining stable prices on manufactured goods in the world economy. Were the RMB to be sharply up-valued, a shock wave of inflation would run through the global economy.

At issue is far more than just Chinese-produced or -finished consumer goods. China, for example, produces close to 50% of the world's steel—almost as much by itself, as the entire rest of the world produces altogether. China is also the biggest steel exporter, especially to developing-sector nations.

The United States and China could have a far more productive economic relationship than they currently do, said Jin Liqun, president of the advisory board of China Investment Corp., which is charged with investing some of China's vast pool of forex reserves. Jin emphasized that the United States urgently needs investment in infrastructure, including to improve U.S. manufacturing capabilities, and CIC would very much like to invest in such projects. China is very interested in expanding imports from the U.S., reducing its overall trade surplus and huge amount of forex, now over US\$3 trillion, Jin told the forum.

One good investment sector would be high-speed rail, Jin Liqun said. He reported about a discussion with a counterpart in India, in which the Indian official said, "These Chinese are ferociously efficient builders of infrastructure." However, Jin said, concerns among some Americans that China would send a labor force to build the rail lines are unfounded. "We Chinese did a lot to build your railroads over 100 years ago, but this time, well just supply the money," Jin said.

China Needs Nuclear, as It Faces Severe Power Shortage

May 16 (EIRNS)—Rising coal prices and the worst drought in 50 years are cutting Chinese electricity production sharply, as the country enters the Summer period, when there is usually a power shortage due to increased demand. The China Electricity Council announced at the end of April that there will be a power shortfall of about 30 million kwh this Summer, and the gap between energy generation and demand will expand.

China's State Electricity Grid announced that power supply systems in the central provinces of Hunan, Hubei, Henan, Jiangxi, and Shanxi are under pressure, while Guangdong and other southern provinces are being hit because the lack of rainfall is cutting hydropower production, Xinhua reported today. Coal-fired plants account for 75% of China's total

installed power capacity and 82% of generating capacity. But, due to efforts to lower extremely bad pollution, investment in new coal plants fell from 200 billion yuan (\$33 billion) in 2006 to 130 billion yuan (\$20 billion) in 2010. Despite huge investments in wind power, solar power and other new energy industries, these industries have contributed very little to the growth of the country's installed power capacity, Xinhua reported.

On top of this, high coal prices are causing existing plants to slow production. Coal prices are at a 36-month high, and inventories at the lowest levels in six months. The government regulates energy prices strictly, and producers are not allowed to pass on the high prices. China's five major thermal power plants lost more than 60 billion yuan over the past three years. This past winter, huge floods cut coal production in Queensland, Australia, a major supplier for China.

Severe drought is cutting hydropower, which produces about 15% of China's electricity. Xinhua reported that rivers in Jiangxi province are at the lowest level on record, and hydropower production could be down by as much as 20%. The Three Gorges Dam, the world's largest hydropower project, has had to release water downstream because the drought is affecting shipping on the Yangtze River; if the situation continues, this could affect power production at the dam.

United States News Digest

[Obama and Family To Defect to Buckingham Palace This Week?](#)

[AFL-CIO Chief to Dems: You Are Either With Us, or Against Us](#)

[Princeton Prof: Obama Is 'Black Mascot of Wall Street Oligarchs'](#)

['Creative Destruction' Strikes Hospital Emergency Departments](#)

Obama and Family To Defect to Buckingham Palace This Week?

May 22 (EIRNS)—On May 24, President Barack Obama and his family will arrive at Buckingham Palace, for a three-day state visit with the Queen and Prince Philip. The only questions suitable for the occasion are: Will the President defect? Is he ever coming back to the United States? Should he ever come back?

It is now widely known that the President is defective, but his extraordinary praise for the Queen and her genocidal ex-Nazi husband, in a BBC Oval Office interview, just before his departure for Europe, seriously suggests that he is seeking permanent asylum. Asked by BBC about the chemistry between the Obamas and the Windsors, the President responded, "They are extraordinarily gracious people. They could not have been kinder to us.... I think what the Queen symbolises not just to Great Britain, but to the entire Commonwealth, and obviously the entire world, is the best of England. And we're proud of her." Remember that the Queen is the absolute sovereign and head of state of the United Kingdom, and therefore, it is she, not the prime minister, who hosts all state visits.

The Obamas arrive at Buckingham Palace just a week after the New York City bust of Dominique Strauss-Kahn, and the end of any bailout for the hopelessly bankrupt trans-Atlantic system. This means that the bailout policy of President Obama, Fed Chairman Bernanke, and Treasury Secretary Geithner is finished. *They* are finished, as Lyndon LaRouche emphasized today. The plug has been pulled on the British Empire's Inter-Alpha system, and Obama really doesn't have any good reason to return to Washington.

Of course if Obama finds the accommodations at Buckingham Palace to be a little musty, there are more appropriate accommodations available at the Tower of London—with a majestic view of London Bridge.

AFL-CIO Chief to Dems: You Are Either With Us, or Against Us

May 20 (EIRNS)—AFL-CIO president Richard Trumka declared in a major policy address at the National Press Club in Washington today, that Democrats must defend the labor movement to get its support.

Trumka reported the disastrous outcome of the 2010 election: in state after state, politicians such as the governors of Ohio and Wisconsin are attacking workers' living standards; revoking the hard-won right to form a union, and even attacking the right to vote. Numerous states are passing requirements to curtail voting rights by imposing picture ID requirements; shortening early voting periods; and blocking young people from voting at universities because they are "liberal."

There is gruesome poverty across the United States, Trumka said, while New York's Michael Bloomberg, "a billionaire mayor, proposes to fire 5,000 teachers rather than tax the bonuses of the Wall Street executives who brought down the American economy."

Therefore, said Trumka, organized labor will change its approach: "We will spend the summer holding elected leaders in Congress, as well as the states, accountable on one measure: Are they improving or degrading life for working families?"

"And moving forward, we are looking hard at how we work in the nation's political arena. What workers want is an independent labor movement that builds the power of working people—in the workplace and in political life.... Our role is not to build the power of a political party or candidate. It is to improve the lives of working families and strengthen our country.

"It does not matter if candidates and parties are controlling the wrecking ball, or simply standing aside—the outcome is the same either way. If leaders aren't blocking the wrecking ball and advancing working families' interests, working people will not support them. This is where our focus will be—now, in 2012, and beyond."

Recent remarks by International Association of Fire Fighters national president Howard Schaitberger were also featured on Trumka's webpage during his speech. Schaitberger announced that the Fire Fighters would, "for an indefinite period of time, shut off all contributions to Federal candidates and Federal party committees, who don't stand up against the anti-union onslaught—which is orchestrated, very disciplined, and has a take-no-prisoners approach. We will direct our money to the states, where we are engaged in a fight for our survival."

In the 2010 elections, labor donated \$65 million to Congressional candidates and national party committees, of which 94% went to Democrats.

Princeton Prof: Obama Is 'Black Mascot of Wall Street Oligarchs'

May 18 (EIRNS)—Cornel West, the African-American Princeton professor who was forced out of Harvard by Larry Summers, and who campaigned for Obama in 2008, gave an interview in TruthDig May 16, in which he denounced Obama as a "black mascot of Wall Street Oligarchs."

"I used to call my dear brother [Obama] every two weeks," he explained. "I said a prayer on the phone for him, especially before a debate. And I never got a call back."

"I said, wow, this is kind of strange. He doesn't have time, even two seconds, to say thank you or I'm glad you're pulling for me and praying for me, but he's calling these other people. I said, this is very interesting. And then as it turns out with the inauguration I couldn't get a ticket with my mother and my brother. I said this is very strange...."

"[I]t became very clear when I looked at the neo-liberal economic team. The first announcement of Summers and Geithner I went ballistic. I said, 'Oh, my God, I have really been misled at a very deep level,' " West lamented. "I figured, OK, given the structure of constraints of the capitalist democratic procedure that's probably the best he could do. But at least he would have some voices concerned about working people, dealing with issues of jobs and downsizing and banks, some semblance of democratic accountability for Wall Street oligarchs and corporate plutocrats who are just running amuck. I was completely wrong."

In trying to explain why Obama has not fought "against the greed of the Wall Street oligarchs and corporate plutocrats," West concludes that the President has never truly felt at home in African-American culture.

In interviews with Russia Today and MSNBC last month, West said that Obama had sold out and become a "puppet" of powerful interests. In the latest interview he says he believes Obama is "a black mascot of Wall Street oligarchs and a black puppet of corporate plutocrats. And now he has become head of the American killing machine and is proud of it."

'Creative Destruction' Strikes Hospital Emergency Departments

May 18 (EIRNS)—A study appearing in this week's *Journal of the American Medical Association* found that for-profit and "safety-net" status, along with market competition and low profit margins, are major risk factors in the closure of hospital emergency departments. According to the website medpagetoday.com, researchers at the University of California at San Francisco reported that from 1990 to 2007 (that is, before the financial system collapse began in September of 2007), 933 out of 2,814 acute-care hospitals shut their emergency departments or closed altogether, despite the increasing number of patient visits over the same time period, as more people lost their health insurance and began relying more on emergency room visits for their health care.

An emergency room was at high risk of closure if another emergency room was available within 15 miles. The researchers noted that in this case, such a closure "may be of little consequence" in competitive markets, since by definition another emergency room is available. However, they dismissed the notion that such "creative destruction" is a manifestation of a healthy market place, as some contest, pointing out the large number of people without health insurance or with public insurance that does not reimburse institutions' full costs.

The researchers also argued that emergency department closures can't help but make care less available, because some patients will have to travel longer distances, increasing patient loads at remaining ERs. "Our findings underscore that market-based approaches to health care do not ensure that care will be equitably distributed," they wrote. "In fact, the opposite may be true."

This sounds like a very good argument for bringing back the Hill-Burton standard of a sufficient number of hospital beds per thousand population.

Ibero-American News Digest

[As the Euro Goes, So Goes the BRIC. And Brazil?](#)

Haiti Defenseless Against Hurricanes

Unending Rainfall Devastates Colombia

As the Euro Goes, So Goes the BRIC. And Brazil?

May 23 (EIRNS)—Brazilian officials scrambling to shore up the nation's banking system by making bankrupt bigger banks "eat" the debt of bankrupt little banks, are wasting their time. With the arrest of IMF chief Dominique Strauss-Kahn, the plug has just been pulled on the endless bailout of the Inter-Alpha Group.

That means not only that the euro is finished, but so is London's international carry trade upon which Brazil's entire financial system has been based for more than a decade, the so-called "BRIC" system. Any Brazilian official not already quietly preparing capital controls, and the legislation required for a Glass-Steagall-modeled reorganization of the banking system, may soon find himself facing mobs holding them responsible for the chaos and mass death which will shortly ensue inside Brazil.

London ghouls are already putting out the word that Brazil's apparent "financial success" is a dangerous bubble. Wipe out the speculative gains which have driven up the world market price of Brazil's commodity exports, for example, and Brazil's US\$5.03 billion trade surplus of the first four months of 2011 turns into its mirror image, but negative. The value of the *real* having been driven up by the flood of dollars entering the country for the carry trade, Brazilian high-tech and machinery exports have plummeted, and the country is being flooded by imports of foreign-made goods, returning Brazil to the colonial days of living off raw material exports. Sao Paulo Federation of Industry's International Affairs Director Roberto Giannetti da Fonseca told Dow Jones on May 18 that if international commodity prices were merely equal to last year's (already speculative) prices, Brazil would have posted a US\$5 billion trade deficit.

Brazil's domestic credit bubble, perched upon a "payroll loan" scheme no sounder than the trans-Atlantic subprime mortgage bubble which blew in 2007, is likewise popping. At the end of April, the Brazilian Central Bank arranged for Brazil's 23rd-largest bank, the Banco BMG, to buy up two small Brazilian banks bankrupted in the payroll scheme, Banco Schahin and Banco Morada.

There will be more such moves, Central Bank director Anthero Meirelles made clear on May 23. Meirelles told *Valor Economico* that Brazil's small and medium banks will have to merge with rivals to strengthen their capital base; the situation is "more competitive" and the small guys can no longer depend on selling their loan portfolios to larger rivals. The Central Bank is analyzing requests from at least 20 local and foreign lenders to operate in Brazil, he reported.

Haiti Defenseless Against Hurricanes

May 22 (EIRNS)—Bill Read, head of the U.S. National Hurricane Center, told an audience in Fort Lauderdale, Fla. May 20 that he is deeply concerned that Haiti will not be able to withstand the Atlantic hurricane season that begins June 1.

"I don't feel comfortable that, should there be a direct hit, there would be the capacity to shelter everybody in a safe place," Reed told the Florida Governors' Hurricane Conference.

That is an understatement. Thanks to the Nero in the White House, Haiti has no protection from any natural disaster, with 700,000 people still living in flimsy and filthy tents in Port-au-Prince, and countless tens of thousands more living in precarious "housing" not fit for human habitation. Also, with the advent of the rainy season, the number of cholera cases has spiked upward in several departments. Since its outbreak last October in the Artibonite Delta basin, cholera has killed

5,032 people and infected more than 300,000.

Forecasters at the National Oceanic and Atmospheric Administration (NOAA) warned on May 19 that as many as 18 tropical storms will develop between June 1 and Nov. 30, and three to six of those could strengthen into major hurricanes, with top winds of 111 mph or higher.

Haiti has no defenses against such storms. It is extremely vulnerable to flooding, even from a weak tropical storm, due to the extreme deforestation that has occurred over many decades, as well as to cutting of trees for charcoal that is used for fuel. There are no trees or vegetation to absorb water, and infrastructure that might protect the population from flooding is nonexistent.

The mayor of the Port-au-Prince suburb of Carrefour, who attended the Governors' conference, reported he can do nothing for the people of his city in the event of a hurricane or other natural disaster. Carrefour has no emergency shelters, very few medical resources, and lacks sanitation infrastructure. He reported that all he can do is urge people to leave and find a safer spot, and not to expect any help from the authorities. But many refuse to leave, he added, responding "We don't have anywhere to go; we'll stay right here, and if we have to die, we'll die here."

Unending Rainfall Devastates Colombia

May 22 (EIRNS)—Colombian officials declared a state of high alert in the capital of Bogotá in anticipation of intense rainfall over the May 21-22 weekend, predicting rising levels of the Bogotá River and worsening of an already dangerous flooding of the nearby Sabana region.

A week earlier, officials declared a red alert for 10 municipalities in the department of Cundinamarca, where Bogotá is located, due to the incessant rains which have caused the river to overflow its banks and flood surrounding areas. It's estimated that 95% of Cundinamarca has been affected by flooding, and the unstoppable rains make any rebuilding and recovery work almost impossible.

In mid-May, the water from the Bogotá River broke through a retaining wall that protected the University of La Sabana, flooding it with a million cubic meters of water.

The unprecedented rainfall in Colombia over the past year, part of a planetwide pattern of extreme weather and seismic and volcanic activity, has killed 452 people to date. Flooding and mudslides have destroyed housing, farmland, crops, and animals in various parts of the country. The Agriculture Ministry reports that 280,000 head of cattle have drowned, which could lead to an increase in the meat price. At least 52,000 working farms have been ruined, leaving crops under water; 3 million people have been displaced from their homes.

Food shortages are beginning to appear because many roads used to transport food are flooded, making it impossible to supply regions of the country's interior. There are already reported shortages of grains, beans, cacao, fruit, and dairy products in some regions, and destruction of agriculture is also leaving many peasants and farmers unemployed.

Western European News Digest

[German Press Begins Attacking Schellhuber](#)

[English Monarch Begins Visit to Ireland](#)

[Berlusconi Gets a Slap in the Face in Local Elections](#)

[Mass Demonstrations in Spain and Portugal](#)

[Greek Poll: 62% Opposed to Hated 'Memorandum'](#)

[Greece's Creditors Are 'Advisors' on Privatizations](#)

[Tax Collectors Assaulted by Italian Farmers](#)

[U.K. National Health Service Hates New Life-Saving Drugs](#)

[Zurich Votes To Keep Assisted Suicide](#)

[Pope Closes Monastery of the Black Nobility in Rome](#)

German Press Begins Attacking Schellhuber

May 16 (EIRNS)—The anti-WBGU campaign of the German BüSo got its first prominent public impact, with two articles in the May 14-15 weekend editions of *Frankfurter Allgemeine Zeitung* and *Die Welt*, both of which are attacking the Green tide and the WBGU (German Advisory council on Climate Change) master plan as a script for an ecology dictatorship, for the repression of the population under green pretexts.

The anti-democratic, anti-nation aspect of WBGU leaders Hans Joachim Schellhuber and Claus Leggewie is directly addressed in the *FAZ*, which even likens the WBGU to the infamous Paris Committee of Public Safety, and its torturing of the French people during the brutal guillotine period of the French Revolution.

Die Welt also seems to reflect a reading of an entire section of the latest BüSo pamphlet against Schellhuber, writing that nature is not at all as the Greens would like to present it, that in reality nature has always been developing, that most of all species died out long before man entered the stage, and if nature had wanted not to develop, dinosaurs would still run the world today instead of mankind.

English Monarch Begins Visit to Ireland

May 18 (EIRNS)—The visit of the English queen began yesterday, among deserted streets, nailed-down manhole covers, rooftop snipers, preemptive arrests, and concocted bomb plots. It is the biggest security operation in the entire history of the Republic of Ireland.

Sinn Fein released a statement, calling the Queen's visit "premature" and "insensitive," timed as it is, on the anniversary of the 1974 Dublin and Monaghan bombings. Sinn Fein's statement also noted the "outrageous costs and inconvenience" of the doddering shrinking monarch's visit. "It is estimated that this visit will cost the Irish taxpayer—already over burdened with the bank bailout and the disastrous IMF/EU deal—EU25 million," it said. "This is money we cannot afford."

Berlusconi Gets a Slap in the Face in Local Elections

May 18 (EIRNS)—In the local May 15-16 elections, Italian Prime Minister Silvio Berlusconi got a slap in the face when his candidate in Milan, incumbent Mayor Letizia Moratti, failed to get a majority in the first round, and will have to face off against Democratic Party (DP) candidate Giuliano Pisapia, who got 48% of the vote to her 41.6%.

Also, in Naples, Berlusconi's candidate Gianni Lettieri did not win in the first round, and will challenge a radical leftist opponent, former prosecutor Luigi De Magistris, who left the Italy of Values Party established by noted "corruption" prosecutor Antonio Di Pietro because it was not Jacobin enough. The DP came in third—quite a defeat.

The extreme radical, green fascist "Movimento Cinque Stelle" (Five Stars Movement) founded by comedian Beppe Grillo, got a shocking 10% in Bologna and Ravenna, and 15% in Rimini.

Mass Demonstrations in Spain and Portugal

May 17 (EIRNS)—Thousands of demonstrators protested in 50 cities across the country of Spain on Sunday, May 15, naming themselves the 15-M Movement, and marching under the slogans, "We're not merchandise in the hands of bankers and politicians," and "Real Democracy Now." One of their banners called for mobilizing the country's huge unemployed population, which is over 21% of the labor force—and 45% of youth—with the message: "Unemployed people: Move. If you don't fight, what will you have?"

In neighboring Portugal, the announced new financial package was met with mass protests, mainly youth, on May 16, who chanted, "Hands off Portugal!"

Greek Poll: 62% Opposed to Hated 'Memorandum'

May 19 (EIRNS)—After one year of its implementation, 62% of the Greek population hates the notorious "memorandum" being implemented on the demand of the IMF, European Central Bank, and European Commission troika in return for the bankers' bailout. Only 15% support it. This was the result of a poll by Greece's private Skai television.

Moreover, 62% of the respondents said the memorandum had harmed the economy, while just 13% said it had benefitted the economy. Even more, 69%, said that the memorandum was not the only solution.

Greece's Creditors Are 'Advisors' on Privatizations

May 19 (EIRNS)—"Greece has surrendered," writes *Corriere della Sera* EU correspondent Ivo Caizzi, and announces the nomination of banking advisors to sell 15 major state assets. The list of advisors is a carbon copy of Greek foreign bondholders, i.e., creditors: Crédit Agricole, BNP Paribas, Deutsche Bank, Crédit Suisse, etc.

Greece will put telecommunications, railways, and highway concessions up for sale, as well as energy assets, the Athens airport, real estate properties, and Opop, the largest gambling firm in Europe.

Tax Collectors Assaulted by Italian Farmers

May 21 (EIRNS)—A tax collector for the government agency Equitalia, sent to collect an EU fine against a farmer, was kidnapped for six hours by the farmer and his family and friends, his car was destroyed, and the collector was freed only

when the police arrived. The Italian press reports that this is the latest in a pattern of intimidation, harassment, and aggression, which Equitalia officials are increasingly suffering, and not only at the hands of farmers.

The latest episode in Vicenza involved a farmer who was fined a half-million euros by the European Commission, because he had produced more milk than the infamous EU milk quotas allow.

U.K. National Health Service Hates New Life-Saving Drugs

May 20 (EIRNS)—The head of Britain's National Institute of Clinical Excellence, Prof. Sir Michael Rawlins, told the *Independent* yesterday that the British National Health Service hates to hear a new drug has been invented which may save lives.

Sir Michael reported that "NHS managers would prefer that some new drugs were not invented at all, so they wouldn't have to pay for them," the *Independent* reported.

Sir John Bell, President of the British Academy of Medical Sciences, concurred, describing the NHS as a "repulsive force to innovation."

Zurich Votes To Keep Assisted Suicide

May 16 (EIRNS)—Voters in Zurich, Switzerland overwhelmingly rejected a proposal to ban assisted-suicide "tourism" yesterday, and rejected a proposed national referendum on assisted suicide. Of the 278,000 votes cast in Zurich, 85% rejected a ban on assisted suicide, and 78% opposed banning it for foreigners.

The referendum was not against assisted suicide: it proposed only a one-year residency requirement before the patient could use the assisted-suicide facilities, but even that was overwhelmingly rejected. Two parties supported the referendum, the Evangelical People's Party and the Federal Democratic Union, but the leading Swiss parties, the Swiss People's Party and the Social Democratic Party, called on their supporters to vote against both motions.

Pope Closes Monastery of the Black Nobility in Rome

May 21 (EIRNS)—The Pope has dissolved the monastery running the Church of the Holy Cross in Jerusalem in Rome, a center of paganism, and dispersed the monks to different abbeys in Italy, after an investigation of corrupt practices and lifestyles. The abbey was run by a former Milan fashion designer turned priest, Father Simone Fioraso, but the sponsors were the highest levels of the black nobility gathered around the "Friends of Santa Croce" circle run by Marquis Giulio Sacchetti, a descendant of Charlemagne, and Princess Olimpia Torlonia.

Russia and the CIS News Digest

- [New Earthquake Precursors Paper from Russian Team Kindles Optimism](#)

New Earthquake Precursors Paper from Russian Team Kindles Optimism

May 21 (EIRNS)—Authors Dimitar Ouzounov of NASA, Sergey Pulinetz of Russia's Institute of Applied Geophysics and its Space Research Institute, and six collaborators from NASA and Russian scientific institutes, presented on May 13, a

preliminary writeup of their oral reports from April's European Geophysical Union (EGU) 2011 meeting in Vienna, on electromagnetic precursors of the Great Tohoku Earthquake of March 11, 2011. Its methodology and conclusions will be entirely familiar to viewers of Pulinets' April interview with Daniel Grasenack-Tente available at www.larouchepac.com/node/17944.

In an international scientific world heavily seeded by LaRouchePAC's fight for science and the cognizability of earthquakes and volcanoes, the release of this new paper last week helped unleash a storm of optimism internationally. The authors' abstract follows.

"The recent M9 Tohoku Japan earthquake of March 11, 2011 was the largest recorded earthquake ever to hit this nation. We retrospectively analyzed the temporal and spatial variations of four different physical parameters—outgoing long wave radiation (OLR), GPS/TEC, Low-Earth orbit tomography and critical frequency foF2. These changes characterized the state of the atmosphere and ionosphere several days before the onset of this earthquake.

"Our first results show that on March 8th a rapid increase of emitted infrared radiation was observed from the satellite data and an anomaly developed near the epicenter. The GPS/TEC data indicate an increase and variation in electron density reaching a maximum value on March 8. Starting on this day in the lower ionospheric there was also confirmed an abnormal TEC variation over the epicenter.

"From March 3-11 a large increase in electron concentration was recorded at all four Japanese ground based ionosondes, which return to normal after the main earthquake. We found a positive correlation between the atmospheric and ionospheric anomalies and the Tohoku earthquake. This study may lead to a better understanding of the response of the atmosphere/ionosphere to the Great Tohoku earthquake."

See full paper at <http://arxiv.org/abs/1105.2841>

Southwest Asia News Digest

Jordan's Abdullah Warns of Inevitable War

Abbas Calls for International Recognition of Palestinian State

Obama Grovels at AIPAC, But He Sure Didn't Like It

Of Israeli Leaks and Spies

Millions Take to the Streets in Egypt Again

Jordan's Abdullah Warns of Inevitable War

May 22 (EIRNS)—In an ABC interview today, King Abdullah II of Jordan said that the Arab Spring, starting in Tunis, was triggered by the world economic crisis, which was hitting particularly hard at young people in the Arab world. This triggered a political awakening. He defended his own response, saying that he immediately created a national dialogue, and issued two new laws, one on political parties and another on electoral reforms. Elections will take place end of the year, and he said that he is confident that Jordan will remain stable.

He then criticized Israeli Prime Minister Benjamin Netanyahu for refusing to move forward on the peace process, and warned that the status quo will remain in force for the remainder of 2011, and until there is a new war.

Abdullah explained that there have been either wars or Intifadas every two or two-and-a-half years for decades, because there has been no breakthrough on Israel-Palestine relations. He attacked Israel for coming up with new excuses for why no peace progress has been made. He also said that he is certain, from his own direct dialogue, that President Bashar Assad is in charge and is calling the shots in Syria. He said that Assad needs to reach out and start a national dialogue.

Abbas Calls for International Recognition of Palestinian State

May 17 (EIRNS)—In an op-ed in the *New York Times*, Palestinian President Mahmoud Abbas appealed to the United States and other members of the United Nations to recognize a Palestinian state based on the 1967 borders between Israel and the West Bank and Gaza Strip. The Palestinians will present the motion during the September session of the UN General Assembly. Such a recognition "would pave the way for the internationalization of the conflict as a legal matter, not only a political one. It would also pave the way for us to pursue claims against Israel at the United Nations, human rights treaty bodies and the International Court of Justice."

Abbas writes: "Minutes after the State of Israel was established on May 14, 1948, the United States granted it recognition. Our Palestinian state, however, remains a promise unfulfilled."

This is a reference to the fact that, at that time, President Harry Truman recognized Israel the very same day that it declared its independence, in spite of the fact that its borders had not been fixed, and it was in the midst of a war with the Arab population in what was then the British Mandate of Palestine. The conflict soon was spun into the first Arab-Israel War which, like all wars in this region, was orchestrated by Great Britain.

Abbas's point is that the argument to recognize a Palestinian state stands on even greater legitimacy than that of Israel in 1948. Abbas writes: "We have met all prerequisites to statehood listed in the Montevideo Convention, the 1933 treaty that sets out the rights and duties of states. The permanent population of our land is the Palestinian people, whose right to self-determination has been repeatedly recognized by the United Nations, and by the International Court of Justice in 2004. Our territory is recognized as the lands framed by the 1967 border, though it is occupied by Israel."

In addition, even the World Bank has certified that the institutions of the Palestinian National Authority are ready for statehood. Thus, if the U.S. and other UN members recognized a Palestinian state, then the other outstanding issues, such as permanent borders, Israeli settlements, East Jerusalem, and the holy places, could be negotiated by two sovereign states.

After all, Abbas writes, "we have been negotiating with the State of Israel for 20 years without coming any closer to realizing a state of our own. We cannot wait indefinitely while Israel continues to send more settlers to the occupied West Bank and denies Palestinians access to most of our land and holy places, particularly in Jerusalem. Neither political pressure nor promises of rewards by the United States have stopped Israel's settlement program."

The fact that Obama will continue to do nothing to push a peace agreement, is underscored by the resignation of his own special Middle East envoy, George Mitchell, on May 13. Given Obama's absolute failure to promote peace, it is not surprising that the last days have seen an escalation of violence in the region during the annual commemoration of the "Nabka" of expulsion of Palestinians from their lands as a result of the 1948 war.

Obama Grovels at AIPAC, But He Sure Didn't Like It

May 22 (EIRNS)—President Barack Obama delivered a half-hour speech May 22, at the annual AIPAC convention, and, not surprisingly, he grovelled for campaign cash, but made it clear at a few points that, while he is excellent at grovelling, this Nerobama really doesn't enjoy it. The President emphasized the positive throughout much of the speech, revelling in the introduction he got as the man who finally got Osama bin Laden, swearing to veto any attempt by the Palestinians to win statehood recognition at the United Nations General Assembly in September, harshly criticizing the Hamas-Fatah unity agreement, accusing Hezbollah of terrorism, and vowing to use all means necessary to prevent Iran from obtaining a nuclear weapon.

But the President was still clearly angry at being "dissed," in front of the cameras in the Oval Office, at the end of his meeting with Israeli Prime Minister Benjamin Netanyahu on May 20. At one point, he went into a tirade over the fact that he was "misquoted" and unfairly attacked for his reference to the 1967 Israeli borders, in his previous day's policy address at the State Department.

While Obama is dining with the Queen and Prince Philip at Buckingham Palace on May 24 and 25, Netanyahu will be running around Washington, speaking before a joint session of the U.S. Congress and delivering his own speech before AIPAC. In all of this sound and fury, no one in his right mind expects to see any progress on the Israel-Palestine negotiations.

Of Israeli Leaks and Spies

May 19 (EIRNS)—It has been revealed that the resignation of Uzi Arad from his position as National Security Advisor to Israeli Prime Minister Benjamin Netanyahu earlier this year was because he had leaked secret information involving secret nuclear talks between the U.S. and Israel. Two investigations found that it was Arad who was responsible for the leak; Arad claimed he did it inadvertently, and he will not be prosecuted.

Meanwhile an Israeli military attaché was expelled from Russia for allegedly spying last week.

Millions Take to the Streets in Egypt Again

May 17 (EIRNS)—An estimated 1 million protesters took to the streets in Alexandria, and another 1 million in Cairo, Egypt, on May 13, in another mass show of support for the continuing Arab revolution, and against the second series of neo-Salafi attacks against Coptic Christian churches. The Alexandria demonstration was the largest in that city since the beginning of the protests in January.

The fact that a million or more people also turned out in Tahrir Square in Cairo, delivered a powerful message to those remnants of the old Mubarak security apparatus, who are encouraging the neo-Salafi fanatics to provoke sectarian violence, in an effort to roll back the revolution. A leader of the protest movement in Alexandria told *EIR* that the turnout was a major victory, because it was a direct call for ecumenical collaboration in moving the process of reform forward.

It was also noteworthy that today, National Public Radio in the United States featured a news report, linking the neo-Salafi violence to Saudi Arabia. Not only are the Saudis pouring money into the most violent and fundamentalist networks in Egypt and other countries around the Middle East. One expert from the Al Ahram Institute explained that the Saudis are out to wreck the Arab Spring revolts, in order to save the status quo and suppress any future demands for reform in the Sunni Arab world. The NPR segment reflected a growing pattern of news coverage, noting that the Saudis are consciously trying to crush the Arab Spring, and are directly financing radical fundamentalist and outright terrorist networks in pursuit of this effort.

Asia News Digest

[China Building Industrial Park in North Korea on the Yellow Sea](#)

[South Korea PM: Abandoning Nuclear Would Be a Move Backward](#)

[Senator Kerry Visits Pakistan as Crisis Escalates](#)

[East Asian Leaders Meet in Tokyo with G-20 Looming](#)

[Pakistan Requests Chinese Assistance for Strategic Naval Base](#)

China Building Industrial Park in North Korea on the Yellow Sea

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

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

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

South Korea PM: Abandoning Nuclear Would Be a Move Backwards

May 17 (EIRNS)—President Lee Myung-bak reiterated South Korea's strong commitment to atomic power today. "It would be moving backward to abandon [nuclear power] just because the Japanese nuclear accident happened. It would be for mankind to move backward in terms of technology," Lee told researchers at the Korea Institute of Nuclear Safety in the central city of Daejeon.

"Airplanes have a low accident rate, but their fatality rate is high. Do we say we should not take airplanes because of that?" Lee said. "We have to make safer nuclear power plants. We should not give up" on nuclear power.

Senator Kerry Visits Pakistan as Crisis Escalates

May 17 (EIRNS)—The crisis of relations between the U.S. and Pakistan intensified, even as Senate Foreign Relations Committee chairman John Kerry (D-Mass.) completed a visit to Pakistan aimed at easing the crisis, and chaired a hearing in the Senate aimed at cooling heads among his colleagues. Kerry met with President Zardari, Army chief Gen. Kayani, and ISI Chief Pasha May 16, and held a hearing in Washington today, with former National Security Advisor Gen. James Jones as the sole witness.

In the wake of the U.S. raid into Pakistan to kill Osama bin Laden, anti-U.S. sentiment in Pakistan is intense, aiding Saudi/British efforts to blow the region up.

The Pakistani parliament passed a resolution on May 14 referencing the U.S. drone attacks: "Such drone attacks must be stopped forthwith, failing which the government will be constrained to consider taking necessary steps including withdrawal of [the] transit facility allowed to NATO" through Pakistan to Afghanistan.

Within hours of the Kerry meetings on May 16, a U.S. drone attack killed seven suspected militants in North Waziristan.

Also, two NATO helicopters, reported by Bloomberg to be American, crossed the border from Afghanistan into North Waziristan and drew fire from Pakistani military forces, whereupon the helicopters returned fire, injuring two Pakistani soldiers. Pakistan issued a strong protest to NATO.

In an unusual joint statement issued by the U.S. Embassy and President Zardari after the meeting, Kerry called for pressing the "reset button" on relations, while offering his "personal affirmation" to the Pakistanis that the U.S. had no "designs against Pakistan's nuclear and strategic assets."

In the Senate hearing, Kerry responded to several Republicans who called for cutting off all aid to Pakistan, by insisting that there would be a closed session to discuss Pakistani offers for cooperation.

Lyndon LaRouche noted that any deal with Pakistan will be unsuccessful while the British and Saudis are running operations in the region. They will never agree to a settlement; they *want* to blow the entire region up, he stated.

East Asian Leaders Meet in Tokyo with G-20 Looming

May 22 (EIRNS)—Leaders of the three major economies in East Asia met in Tokyo this weekend after a short visit to the regions damaged by the March 11 earthquake-tsunami-nuclear accident. With the accelerating collapse process and the G-20 summit due later this week in France, economics was high on the agenda.

Japanese Prime Minister Naoto Kan, Chinese Premier Wen Jiabao, and South Korean President Lee Myung-bak said in a joint statement that "We decided to complete joint studies among industry representatives, officials and academics on a Japan-China-South Korea free-trade agreement this year, and to follow up by accelerating other joint studies after that."

A major, although not the dominant, chord in post-March 11 discussion in Japan, has been the need for closer economic ties with China to overcome internal difficulties and limitations. China and South Korea have been making new initiatives for both economic and military cooperation with the countries of Southeast and Central Asia.

Nuclear safety was also an important issue in the discussions. China and South Korea have both emphasized the safety of their nuclear programs, and re-emphasized their commitment to a nuclear future after the Fukushima accident. Japan, on the other hand, has shown a marked reluctance to remount the horse.

The countries agreed to cooperate in disaster preparedness and to ensure nuclear power safety, while Japan promised to share with China, South Korea, and the rest of the world, lessons learned from the disaster-triggered crisis at a nuclear plant in Fukushima.

Pakistan Requests Chinese Assistance for Strategic Naval Base

May 22 (EIRNS)—A day after Pakistan's Prime Minister Yusuf Raza Gilani returned from a four-day visit to China, Pakistan's defense minister said that Islamabad wanted China to build a naval base in Gwadar, Baluchistan in southwest Pakistan.

"We would be ... grateful to the Chinese government if a naval base is ... constructed at the site of Gwadar for Pakistan," Defense Minister Ahmad Mukhtar said in a statement. China has already invested \$200 million in the first phase of the construction of the commercial port, which was inaugurated in 2007. The port is just 45 miles (70 km) east of the Iranian border, overlooking the Gulf shipping lanes, and was designed to handle transshipment traffic for the Gulf, ultimately including overland traffic into Central Asia and China.

Militarily, this would put China at the door to the Gulf dominated over the past centuries by British and American naval forces. China last dominated these waters under Adm. Zheng Ho in the early years of the 15th Century.

Africa News Digest

- [Conflict in Abyei Could Lead to War, Isolation of Sudan](#)

Conflict in Abyei Could Lead to War, Isolation of Sudan

May 24 (EIRNS)—With less than seven weeks until the formal separation of Northern and Southern Sudan, fighting has escalated in the town of Abyei, a heavily contested area on the 2,100 kilometer border that will divide Sudan into two countries on July 9. According to all accounts, on May 19, the army of South Sudan—the Sudan Peoples Liberation Army (SPLA)—ambushed troops from the Sudan Armed Forces (SAF) and soldiers from United Nations, as the SAF were being escorted by a UN convoy in an orderly withdrawal to the town of Goli.

This was the second ambush of SAF by the SPLA in May. There has been no explanation given by the government of South Sudan or its President Salva Kiir, leader of the Sudan Liberation Peoples Movement, for this unwarranted attack.

In response to the ambush, which killed 22 SAF troops and wounded UN soldiers as well, over the weekend the government of Sudan based in Khartoum has militarily occupied Abyei, and says it will remain in control of the town until there is a political resolution between the two governments. Leaders of both North and South Sudan maintain they do not want to see the country return to civil war, a war that could be more deadly than the previous protracted military conflict; yet that potential exists, which is frightening to all of Africa, as well it should be. Abyei could be the fuse that ignites new bloody combat between North and South.

This geometry of war has its own illogic, which must be broken by establishing a counter-geometry; one of development. That would require leaders of Sudan to commit themselves to feed all the people of Sudan and their neighbors by developing their huge agricultural potential of 80 million hectares of arable land.

All rights reserved © 2011 EIRNS

[top of page](#)

[home page](#)