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The Terrible After-Taste of a Recent Election:
The Global Crisis Now at Hand
by Lyndon H. LaRouche, Jr.

December 15, 2010—This report presents and analyzes crucial facts, bearing on those urgently needed, immediate changes in U.S. policy which must be adopted, if we are to equip our republic with those means provided by the intent of our U.S. Federal Constitution, means which must be mustered, now, to prevent the early destruction of our republic by a presently accelerating, hyperinflationary, implicitly global, breakdown-crisis.

The principal threat to civilization, at this moment, is the combination of the just established conditions created by the result of the U.S.A.'s November 2nd election. These are the conditions created by the lack of a sense of the presently existing reality among the Democratic Party's Congressional team, then, as after that election, now. Most among those same Democrats continue to refuse to recognize, as do the Republicans generally, that the world now hangs on a condition of global economic breakdown of nations of the trans-Atlantic community generally, a condition broadly comparable to what struck Europe during moments preceding the breakout of the infamous 14th-century "New Dark Age."

This immediate state of our national crisis, is the fruit of certain changes planted into U.S. policy and practice, those changes which began to emerge in the immediate aftermath of not only the assassination of President John F. Kennedy...

Separate In-Depth articles from
Executive Intelligence Review
Vol. 38, No. 1

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

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This Week's Cover

- **An Election's Terrible After-Taste:**
The Global Crisis Now at Hand
By Lyndon H. LaRouche, Jr.

The ugly result of the Nov. 2 election was no accident. The cowardly failure of so many among the Democratic members of the Congress since that election, until now, was also no accident. That failure was, essentially, a failure to summon effective resistance to a virtually treasonous posture which had been demanded by a deranged, virtual British puppet, President Barack Obama. Therefore, a fresh concept, and matching new methods, are urgently needed. LaRouche outlines here, the necessary conception which you must adopt, if you wish to keep the nation fit for human habitation. This will require a commitment to the kind of artistic and scientific creativity characteristic of such figures as Leonardo da Vinci, Albert Einstein, and LaRouche, himself.

LaRouchePAC Special Report

- **Intrigue:**

- **Behind the Duggan & Kronberg Cases; Britain Declared War on the United States**

In this report, we draw back the curtain, and provide additional details about the people and methods central to the plot behind the British Empire's case of Kronberg vs. LaRouche et al. However, it is important to note that both hoaxes—the Duggan and Kronberg cases—remain active only because they are standing operations against LaRouche, who is correctly perceived by the British Imperial Establishment as the Empire's, and its puppet Barack Obama's, major opponent.

Strategy

- **Next, After This Day, Comes the End of Your Year:**

- **The Day After Christmas**

LaRouche writes that, unless the United States acts pre-emptively to reinstate the Glass-Steagall law of President Franklin Roosevelt, to rid the U.S. economy of the trillions in voracious derivatives and other speculative investments, the chain-reaction disintegration of the economies of the transAtlantic system were virtually inevitable.

Economics

- **The January 1 Deadline:**

- **LPAC Now Brings the World's News!**

It is notable, writes LaRouche, that the world has just received the public announcement of President Barack Obama's Adolf-Hitler-like Executive Order 12333, enacting a virtual carbon copy of the 1939, T4 death-care panel law of Adolf Hitler, the beginning of the program of genocide for which culpable Nazi doctors and others were condemned to death at the Nuremberg trials.

- **Obama To Implement Hitler's T4 and Fascist Economics—By Fiat**
- **Operation 'Euthanasia—Never Again!'**

Helga Zepp-LaRouche, president of the Civil Rights Solidarity Movement (BüSo) in Germany, released this statement on Dec. 30.

World News

- **Africa Is Not a British Zoo!**

- **Splitting Up Sudan Is Wrong**

Dec. 30—The Southern Sudanese will vote on Jan. 9, on whether to secede from Sudan, or remain as part of a united country. If they vote for separation, as expected, the underlying issues between the North and the South will remain unresolved. In fact, the referendum may put Sudan and the region back on the path to war.

- **LaRouche Democratic Candidates' Slate Vows To Revive America**

Since the Nov. 2 mid-term elections, it has become clear that humanity will not escape a descent into a New Dark Age, unless a new leadership emerges. Now, the newly announced slate of six LaRouche candidates for Congress, is ready to provide that leadership.

- **Dave Christie:**
NAWAPA To Develop U.S.A., South America, Asia
- **Bill Roberts:**
U.S.-Led Development, Not Killer Austerity
- **Diane Sare:**
Oust Obama: Create 4 Million New Jobs!

Editorial

- [Start with Removing Obama](#)

This Week's News

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U.S. Economic/Financial News

[States Disintegrate without Federal Intervention](#)

[Municipal Bankruptcies Loom; No Solution But Glass-Steagall](#)

States Disintegrate without Federal Intervention

Dec. 27 (EIRNS)—California's repeated use of scrip to pay employees and bills, and Illinois' hawking its general revenues to Wall Street for "sub-subprime" loans, are the signposts of where the state government collapse is headed without Lyndon LaRouche's proposed solutions.

The 50 states' overall tax revenue collections in this fiscal year, FY2011, are 12% lower than in FY2008 (having been still lower in FY2010); this is easily the largest revenue drop in recorded U.S. data.

But the states' collective budget shortfalls are much larger than that, due to suddenly increased demands on Medicaid, unemployment benefits, and indigent and other services. The 50 states' shortfall for FY2010 was \$191 billion, some 29% of their planned budgets, reports the Center for Budget and Policy Priorities; Federal aid filled \$68 billion, leaving them the remainder to handle.

But after raising state taxes by a combined \$24 billion across the country, and making widespread cuts particularly hitting Medicaid, so that their combined planned budgets for FY2011 was slightly smaller than that for FY2010, the shortfall for the states' FY2011 budgets was again 23% (\$161 billion). Federal aid filled in \$59 billion, leaving the states to handle the rest. In response this year, the states only raised taxes by \$6 billion; the rest took the form of devastating service cuts. And

now, for FY2012, the states' projected shortfall for FY2012 is again 20% (\$135 billion), and almost *no* Federal aid is allowed to offset this under Obama's tax "deal" with the Republicans. In fact, during FY2012, the states will be obligated to repay the Federal government at least \$42 billion in funds which they have borrowed to pay unemployment benefits.

Municipal Bankruptcies Loom; No Solution But Glass-Steagall

Dec. 28 (EIRNS)—Many cities and counties across the country are faced with growing deficits, despite two or three years of budget cuts. Hamtramck, Mich., whose story was told in an LPAC-TV video 5 weeks ago (<http://www.larouchepac.com/node/16582>) is featured in a *New York Times* story this morning, but what's happening to Hamtramck is not unique by any means. Hamtramck is rapidly running out of cash to pay its bills, and is seeking permission from the state to declare bankruptcy. But state officials are afraid that if they say "yes," they'll have 30 more cities lining up to follow the same path. "There could be many cities in this position, next year," said Summer Hallwood, director of state affairs for the Michigan Municipal League. "All our communities have done is cut, cut, cut. They're down to four-day work weeks and the elimination of parks, senior centers—all of that. So, if there's anything else that happens, they will be over the edge."

The story is the same everywhere. At least two cities in Michigan, Flint and Benton Harbor, are under the control of emergency financial managers, and numerous others have savagely reduced essential services, including public safety, in futile efforts to balance their budgets.

In the 2010 census, Michigan was the only state to actually lose population—which was caused by the failure of its Congressmen to support LaRouche's plan to transform the auto industry into a machine-tool-driven engine for industrial production. Michigan will lose a Congressional seat in 2012, which makes a total of five seats lost in Michigan since 1980—the equivalent of losing the political clout of state the size of Oklahoma.

Michigan's story is replicated in New Jersey, California, Florida, Washington, and Ohio, among other states. Local governments have been hammered by collapsing tax revenues, reductions in state aid, and structural imbalances blamed on pension obligations and labor contracts. In response, local governments reduced spending in real terms by 0.6% in 2008 and by 1.9% in 2009. According to a recent survey by the National League of Cities, more than 90% of cities responding, expected to cut expenditures in 2010 below levels needed to maintain services at the previous year's level.

The Congressional Budget Office calculated, in a December 2010 report, that local governments shed 241,000 employees, or 1.7%, between December 2007 and November 2010.

As for municipal bankruptcy, banking analyst Meredith Whitney predicted on CBS's 60 Minutes last week, that there will be 50-100 municipal defaults in the next year, which would be devastating for the bond markets—a major course of capital for states and municipalities. The only option that's really presented as a solution, besides default, is bankruptcy under Chapter 9 of the Bankruptcy Code, but it's a very limited option that is only available if state law allows it. Only 26 states authorize local governments to file for bankruptcy under Chapter 9, and 14 of them require that the municipality seek approval from a state authority. The other 24 states either prohibit it, or have no provision allowing it—meaning under the Federal law, local governments can't file unless the state passes a law explicitly allowing them to do so. Even where allowed, municipal bankruptcy can be a very difficult procedure, with no guarantee that a city will emerge from bankruptcy in more than marginally better shape than when it went in. Bankruptcy is not even allowed for states, leaving Federal aid as the only real option.

Municipal bankruptcy, on a case-by-case basis, is, in fact, no solution to this problem. Not only can bankruptcy take years to work through; it does nothing to address the underlying economic crisis. The only real solution to this spreading crisis is the removal of Barack Obama from the Presidency, the immediate restoration of Glass-Steagall, and emergency Federal

aid to the state and local governments to maintain essential functions. Nothing short of these measures will save the cities and towns of America.

Global Economic News

Hyperinflationary Process Proceeds Globally

Support for D-Mark in Germany Keeps Growing

Hyperinflationary Process Proceeds Globally

Dec. 29 (EIRNS)—From heating oil, to metals and food commodities, speculation is proceeding at hyperinflationary rates, as bailout funds course into international banks, with the Federal Reserve in the lead as lender-of-last-resort. In the midst of this unrestricted flow, with no curbs on speculation, and low borrowing rates, commodity futures trading is going wild. Yet the line continues, put forward by Fed chairman Ben Bernanke, that, the printing presses must roll for "quantitative easing 3," in order to counter the "lack of inflation"!

A snapshot view as of the last week of the year, shows the hyperinflationary process underway. Overall, there was a 15% increase in the Commodities Research Board (CRB) Index for the year, after a 10% drop in the first six months. Copper prices hit a record high this week. Soy and oil hit a two-year peak, with oil breaking \$91 a barrel. Corn and wheat futures have jumped more than 40% over 2010. Cotton has jumped 35% just since September. Gold is above \$1,400 an ounce. U.S. heating oil futures (January delivery) jumped up 9% during the month of December alone, ending up 19% for the year. Other basic commodities are likewise being bid up.

Inside the Fed, there are a few voices of "concern," but no one at all is talking about the implications of the blowout of the European Monetary Union. One well-placed source in the Fed system reported that no one will take up the implications of the nearly unlimited flow of Fed funds. The 14-day, 1-month, and 3-month credit lines, which are being opened to the banks, with no ceiling on what is going out, are not being repaid. They are simply rolled over, again and again. The European Central Bank (ECB), he said, is at the limit politically of the bailout funds it can issue, which is far less than what is needed, so it all comes back to the Fed.

In Scandinavia, there are a few expressions of dissent against London's bailout policy. The Swedish Central Bank has raised the repo rate four times since July, even though official inflation is below the bank's 2% target. And Finland's Nordic Investment Bank wrote in its Dec. 17 newsletter that central banks have worsened the problem of asset price bubbles by keeping interest rates low: "Rates are low and the central banks are 'printing money' while virtually all prices, except the consumer prices in industrial countries [through statistical tricks—ed.], are increasing rapidly."

Today, in Germany, official statistics countered Bernanke's fraud. The Federal Destatis reported that consumer prices rose by 1% just since October in Germany. By Eurostat methods of calculation, the rise was 1.2%, two-thirds of it accounted for by a 4.5% rise in prices for motor fuel and heating oil. In New England, consumer prices for heating oil have risen each week of December, with two more months of Winter ahead. Another example of Bernanke's "lack of inflation."

Support for D-Mark in Germany Keeps Growing

Dec. 27 (EIRNS)—The more that prominent persons in German politics, banking, and university life come out in favor of the euro and against a return to the deutschemark, the more they are contributing to what they want to prevent: making the

return to the national currency even more of an issue of public debate.

Indicative is a new opinion poll, which Germany's leading mass daily *Bildzeitung* published this morning, according to which, 51% of Germans are "not happy" with the euro, 67% are worried about its stability, and 77% even say they have had no benefit from the introduction of the euro 10 years ago. Nearly half, 49%, think the d-mark would be better for the German economy than the euro, whereas only 33% oppose the d-mark.

And, if there were a referendum on the euro now, 60% would vote against, and only 30% for. Even more interesting: 35% said they would or might vote for a new party that made the d-mark return the top issue of its campaigning. (The Civil Rights Movement Solidarity (BüSo), the party of the LaRouche movement in Germany, promptly informed *Bildzeitung* that the "new" party is already here—the BüSo.)

United States News Digest

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GOPers: Repeal of Obamacare at Top of Agenda

Jan. 2 (EIRNS)—A chorus of incoming Republican House leaders on the Sunday talking-head TV shows this morning, announced that they are putting the repeal of the hated Obama health-care bill on the top of the Congressional agenda, beginning before Obama's State of the Union speech Jan. 20. But none of them had the guts to call a Nazi a Nazi in describing what's wrong with the Obama bill.

Rep. Fred Upton (Mich.), who will head the House Committee on Energy and Commerce, took the point, saying that killing the health-care law is his *top* priority, which was challenged by Fox-TV host Chris Wallace, who reminded him that Obama would veto any attack on the healthcare bill.

"Chris, watch what happens," Upton replied. "We said that we would bring up a vote to repeal health care early. That will happen before the President's State of the Union address.

"We have 242 Republicans. There will be a significant number of Democrats, I think, that will join us. You will remember when that vote passed in the House last March, it only passed by seven votes.... Just wait. If you switched four votes from last March, that bill would have gone down. So we'll take the Democrats that voted no...."

Admitting that the Senate probably could not kill Obamacare, Upton said, in that event, "...we're going to go after this bill piece by piece." He also said that passing the bill in the House puts "enormous pressure on the Senate to do perhaps the same thing."

Statements by other Republican lawmakers, including, Darrell Issa (R-Calif.), incoming head of the House Oversight and

Government Reform Committee, and Michele Bachmann (R-Minn.) show that Upton wasn't speaking on his own. "[W]e will put forth a clean repeal bill of Obamacare," said Bachmann on CBS's *Face the Nation*, "because that's what the American people want us to do."

Outgoing Congressman Warns of Fascist Takeover of U.S.

Jan. 1 (EIRNS)—Outgoing Rep. John Hall (D-N.Y.), in an interview in the Dec. 28 *New York Observer*, warned that the nation could quickly descend into fascism, if more is not done to curb the influence of corporate money in politics. Speaking about the U.S. Supreme Court's *Citizen's United* decision, which allowed unregulated flow of cash into campaigns, Hall said, "I learned when I was in social studies class in school that corporate ownership or corporate control of government is called fascism. So that's really the question—is that the destination, if this court decision goes unchecked?"

Hall, a Democrat from New York's Hudson Valley, was elected in 2006, and defeated this past November. Hall said that the flow of corporate dollars is why he and the Democrats lost control of Congress.

"The country was bought," he said. "The extremist, most recent two appointees to the Supreme Court, who claimed in their confirmation hearings before the Senate that they would not be activist judges, made a very activist decision in that it overturned more than a century of precedent. And as a result there were millions of extra dollars thrown into this race."

"We are talking about supposedly wholesome names like Revere America, American Crossroads, Americans for Apple Pie and Motherhood—if somebody hasn't trademarked that one, I probably should. The fact is you can call it anything, and the money could be coming from BP or Aramco or any corporation domestic or foreign," Hall said.

Rohatyn Preps for Banker Takeovers of Cities and States

Dec. 31 (EIRNS)—Lazard Frères fascist Felix Rohatyn has crawled out of his hole to promote fascist austerity for the bankrupt cities and states, beginning with New York, where he wants to see a new Big MAC dictatorship set up (the Municipal Assistance Corporation of the 1970s in New York City, headed by Rohatyn).

Rohatyn comes out of the closet amid dozens of warnings about impending defaults on municipal bonds, and *Business Insider's* December issue warning that at least 16 cities in the U.S. would have to declare bankruptcy if they can not find new lenders, new revenues, and don't make deeper and deeper cuts in spending. "Those cities include New York City, the largest city in the U.S., Los Angeles, the second-largest city, Washington, D.C., the U.S. capital and San Francisco," reported Xinhua, the Chinese news agency, quoting *Business Insider*.

"New York is out of money. That is a fact, not an opinion," Rohatyn wrote in a *New York Post* op-ed on Dec. 15, in which he signalled Wall Street's pressure campaign on incoming Gov. Andrew Cuomo to adopt the Big MAC "model" of financial dictatorship.

But, today, Rohatyn complains, the size of the crisis is "staggering," and there is "not the political will" to push through the needed austerity. He finds "the constitutional barriers formidable." So, Felix and the bankers plan to "counteract any misinformation during the budget debate" and "show the consequences of failing to act." The bottom line is that New York "will need to cut spending."

So, to create the "political will," Rohatyn announced that he has joined the so-called, "Committee To Save New York," to lobby for firing public workers and making the murderous cuts in services.

What Rohatyn wants for New York is already underway. A report by the Congressional Budget Office notes that 15 states already have laws on the books that enable a financial control dictatorship to be set up over local governments. And Wall Street's lackeys are hyping the Rohatyn "precedent."

One blog, dailyreckoning.com, reports that Rohatyn's actions, when the bankers (of which, of course, he is one) cut off New York City from issuing long-term bonds, are a "timely reminder of what to expect in 2011," when even the Fed cannot bail out localities, and "scrip will be issued to pay municipal bills and salaries."

Obama Recovery: Home Foreclosures Soar in Third Quarter 2010

Dec. 29 (EIRNS)—Home foreclosures in the United States increased 31.2% in the third quarter, over the second quarter of 2010. There were new foreclosure proceedings initiated on 382,000 homes between July and September 2010, which figure is 3.7% higher than the same time a year earlier.

These new foreclosure initiatives come on top of another 1.2 million homes already in the process of being foreclosed upon, according to today's report. This 1.2 million figure is 10.1% up over last year the same time, and is an increase of 4.5% over the previous quarter.

These figures represent another sign of the "recovery" as extolled by Obama. The two agencies releasing the report, the Office of the Comptroller of the Currency and Office of Thrift Supervision, issued a statement saying that the foreclosures reflected "the large number of seriously delinquent borrowers moving through the foreclosure process after servicers exhausted home retention programs...."

Home values continue to drop, in line with the wave of foreclosures. Home values fell 1.3% from September to October, in 20 major cities, according to the Case-Shiller index of property values, released this week.

Ibero-American News Digest

[The Kiss of Death for the BRIC](#)

[Brazilian Industrialist Points to Consequences of Usury](#)

[Lula Exits with Infamy](#)

['Social Justice at 320 km/hr: How Fast Would You Like Your Country To Go?'](#)

The Kiss of Death for the BRIC

Dec. 22 (EIRNS)—Goldman Sachs' Jim O'Neill, creator of the "BRIC," told Bloomberg radio on Dec. 14, that "it is time to be a little bit careful about the "B" in BRIC. There's better value elsewhere."

Brazil was thrown into the BRIC to keep the "RIC," the big three Asian giants—Russia, India, and China—under control of the real "B" in the BRIC: Britain. But now both those "B"s are going down, unless they dump the bankrupt Inter-Alpha Group.

One week after the father disowned his baby, the Brazilian Central Bank issued a statement announcing that it is planning to hike Brazil's SELIC benchmark interest rate, very soon. Brazil already has the highest real interest rates in the world, yet Bloomberg projects a rise of as much as 2 percentage points, to 12.75%.

The only reason to raise the benchmark rate again at this time is to keep the international Ponzi scheme known as the Brazil carry trade going for a couple more days. Bankrupt Inter-Alpha banks take Federal Reserve dollars being flung from Bernanke's helicopters, virtually for free, and "invest" them in Brazilian government paper paying out 11-12% interest.

The day before the Dec. 20 Central Bank announcement, a lengthy Bloomberg wire detailed how the banking system of Brazil is imploding, exactly as Lyndon LaRouche had uniquely warned was happening several weeks before, upon learning that Brazil's 20th largest bank, Banco Panamericano, had to be bailed out on Nov. 9, after getting caught fraudulently bundling and selling its portfolio of consumer loans. Bloomberg reported that Brazil's smaller banks get most of their financing from the sale of their consumer loan portfolios to larger banks, but the market for those portfolios evaporated after it became public that the Panamericano had been selling the same consumer loan portfolios to different banks sometimes two and three times, while keeping those portfolios on its own books, too—and that since 2006. No one now knows who owns what loan portfolios, nor what they are worth.

President Dilma Rouseff faces more than she imagined when she takes office on Jan. 1.

Brazilian Industrialist Points to Consequences of Usury

Jan. 2 (EIRNS)—In a Dec. 9 editorial, Luis Alberto Neto, president of the Brazilian Machinery Builders Association, nailed decades of Brazil's high-interest rate for the carry trade policy as a leading reason that Brazil is being deindustrialized, and its real economy is falling apart. He pointed to the drug gangs which waged war on the streets of Rio de Janeiro in December, as exemplary of what usury has wrought in Brazil.

"Brazil spends, on account of this pernicious monetary policy, the amount of R\$230 billion a year, while education and public health are in ICU," he wrote. He cited Central Bank figures that show that over the last 16 years, "Brazil has paid in interest the stratospheric quantity of R\$1.8 trillion.... I repeat: R\$1.8 trillion; in other words, in this period we paid more in interest than the value of the principle of the current public debt, which is R\$1.5 trillion."

Putting policemen in the drug gang-controlled *favelas* (shanty towns) lining Rio de Janeiro's hillsides, will only work in the short-term, Neto pointed out. Stop the "bleeding" of Brazil by high-interest rates which only benefit those profiting from government treasury bills, without producing a job or revenue, and apply that money to the productive sector—infrastructure, health, education, and public security—and Brazil could deal with the country's *social* debt, Neto argued.

Lula Exits with Infamy

Dec. 31 (EIRNS)—Brazilian President Lula da Silva, a major dupe and promoter of the collapsing BRIC scheme, offended Italy on his last day in office, by refusing to grant extradition for convicted terrorist Cesare Battisti, who is hiding in Brazil.

Battisti is a former member of the Armed Proletarians for Communism (CAP, Proletari Armati per il Comunismo), a terrorist group in Italy in the 1970s-80s. He was convicted, and received a life sentence on a total of 36 charges, including participation in four murders. He fled to France, where he was protected by the Mitterrand doctrine. After the de facto repeal of the doctrine in 2002, he fled to Brazil to avoid a possible extradition.

Battisti is protected by the international network called "Secours Rouge" (Red Help), which backs anarchist groups involved in the current resurgence of bombing attacks, as exposed in an Oct. 19, 2007 *EIR* article. This network was especially built up under François Mitterrand, the synarchist deconstructor of the French nation, and enforcer of the euro system on behalf of the British Inter-Alpha Group, but goes back to the 1969-77 bloody terrorist deployment, steered by the British in Italy and labeled by the British themselves "strategy of tension."

The current "anarchist" terror deployment has recently escalated, with four letter bombs in Italy and bombs exploding in Athens. Terrorism experts have confirmed to this news service that the "anarchists" deployment in Italy involves both left-wing and right-wing radicals, and is connected to the "Secours Rouge" networks internationally.

Lula's backing of the attack against the nation of Italy by the international synarchists is consistent with the role his government has played in the BRIC operation as part of a British-controlled world-governance scheme.

The Italian government has called Lula's decision "unacceptable" and announced a legal appeal to obtain the extradition of Battisti.

'Social Justice at 320 km/hr: How Fast Would You Like Your Country To Go?'

Dec. 16 (EIRNS)—A leaflet with the above headline being distributed by the LaRouche Youth Movement in Argentina, exemplifies the possible future for all of the Americas. It reads:

"Today more than ever, Argentina must re-launch the construction of the high-speed COBRA train, whose sections would unite the cities of Buenos Aires, Rosario, and Cordoba. This unique project on the American continent represents the technological spearhead that would drive Argentina's transformation into a sovereign nation, and would be key to the integration, not just of Ibero-America, but of the entire planet....

"The high-speed train is strategically placed to increase the productivity of the Plata Basin which unites Brazil, Bolivia, Paraguay, Uruguay, and Argentina. Through this combination of water, efficient transportation and energy, we will bring prosperity to the currently abandoned Chaco-Pampa plain, giving it new life, multiplying production and consolidating its role as a breadbasket for the world.

"The regions of the Argentine Northeast and the Pampas have historically represented our nation's most important agro-industrial complex. In the provinces of Entre Rios, Corrientes, and Santa Fe, the high productivity of the soil is affected by continuous flooding. This could be solved by building the Parana-Medio hydroelectric complex. In the same way, by channeling the water dammed at the Parana-Medio into the areas affected by drought, we would improve conditions of agriculture and of human life, increasing forest growth and changing the climate to better control the frequent floods of the coastal region.

"We will multiply and expand the already existing railroad industry in Santa Fe, Cordoba, and Buenos Aires so as to replace and expand intermediate train lines, and build new ones to reach other parts of the nation. This will accelerate development through the natural assimilation of technology, that will occur as a result of experience gained from the COBRA train.

"Cordoba is another historic technological nucleus of great importance and an area ripe for the development of nuclear energy that will be indispensable for carrying out this program.

"The real question is, how fast do you want your country to go? A country whose trains come and go five times a day can generate five times more wealth than one with just a single trip per day....

"COBRA is the emblematic mission to give direction to the next generation, which today has no future under the current world economic system and has neither the education nor the character necessary to enter into a labor force based on the development of infrastructure on a scale never before seen.... This is the true role of technology and infrastructure in the economy: expanding the horizon of man's imagination, and bringing optimism and confidence to our ability to overcome challenges...."

Western European News Digest

['Wir sind das Volk,' Against the Euro, Indeed!](#)

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[Brits Who Don't Freeze, Die of Flu](#)

[Scots Import Power from Nuclear France](#)

'Wir sind das Volk,' Against the Euro, Indeed!

Dec. 28 (EIRNS)—The public debate in Germany, which increasingly makes mainstream media headlines, outside, as well as inside Germany, attracts particular interest in neighboring Switzerland, where an article in *SchweizMagazin*, a website journal, stands out: It reports yesterday's opinion poll from *Bildzeitung*, that "Germans Want D-Mark Back," and adds something else:

"The euro was introduced through pressure applied by France [actually orchestrated by Britain's Margaret Thatcher—ed.], which made it a condition of Germany's reunification, and then-Chancellor Kohl let himself be blackmailed. While Kohl suppressed euro-critical debates, stylized the introduction of the common currency into a question of *war and peace*, warning against 'stupid cultural pessimism' and nation-state thinking, even against chauvinism, the Germans in 1990 demanded self-determination: *Wir sind das Volk*" (We are the people).

Vienna Cardinal Attacks Bailouts, Euthanasia

Dec. 31 (EIRNS)—In his 2010 year end message, Cardinal Christoph Schoenborn said, yesterday, that "if on the one side, billions have to flow to rescue banks, and on the other side the money for education and family support is not there or has to be considerably reduced, the question is posed about proportionality."

Schoenborn said that "the dignity of man is indivisible, from its first moment of existence until natural death," and he stressed "natural," here. "Things have to be addressed by their real name," he said, "and euthanasia is murder, the killing of a human being." The same is true for abortion, he added.

Scotland Rejects Euthanasia

Dec. 31 (EIRNS)—The Scottish parliament has soundly rejected a bill permitting assisted suicide. The bill, introduced by MSP Margo MacDonald, was overwhelmingly rejected on the first reading. In a statement issued on Dec. 8, MacDonald vowed to campaign in the upcoming May 2011 parliamentary elections on the death plank.

Brits: Decade of Austerity To Save the Euro

Dec. 29 (EIRNS)—Spokesmen for the British Crown used a Dec. 28 *New York Times* article on the imminent collapse of the euro, as the vehicle to deliver their policy message for the New Year: The only way the euro system can survive its current meltdown crisis, is by imposing a decade of bone-crunching austerity on the so-called PIIGS countries (Portugal, Ireland, Italy, Greece and Spain).

The article, which begins with the sentence, "We told you so," features the views of British euro-skeptics such as former Prime Minister Gordon Brown advisor Ed Balls, and former Conservative Chancellor of the Exchequer Norman Lamont. Lamont delivers the punch line: "The real problem is that the only way countries like Greece and Spain and Portugal can regain their competitiveness with Germany is to impose a *decade* of restrained living standards on their populations. That is the time bomb ticking inside the euro." [emphasis added]

Ireland's Greens Swept into Dustbin of History

Dec. 28 (EIRNS)—Although Green Party leader John Gormley signalled the party's intent to bring down the current Irish coalition government when, on Nov. 22, he called for a general election in January, the Greens are now trying to push the vote back to March, so that they can work out the details of the rapacious budget bill—and make sure they pass their climate change law. Today's *Irish Independent* said this bill "requires dramatic reductions in carbon dioxide emissions to meet the strict EU targets which have been equated to turning off the heat and lights in 300,000 homes each year." One of the only good consequences of the Irish crisis, is that the Green Party, as the *Independent* put it in its headline, is "Headed for the Political Dustbin."

Spain Imposes Huge Hikes in Electricity Rates

Dec. 29 (EIRNS)—In its slavish desire to please international financial vultures which have Spain in their sights, the Zapatero government announced yesterday that it will raise electricity rates by a whopping 9.8% as of Jan. 1—the biggest increase in 28 years. The rate hike will affect over 20 million consumers. Home natural gas rates will also rise by 3.93%, affecting another 6.5 million households.

The head of the Organization of Consumers and Users called the electricity price increase "unacceptable, brutal, and aberrant."

The rate increase was done to make sure that the rating agencies don't downgrade the debt of Spanish electricity companies such as Iberdrola and Endesa.

Meanwhile, government and the country's political parties are meeting today to decide on the government's proposal, at bankers' insistence, to raise the pension age from 65 to 67 years.

German Cities, Democracy, Killed by Austerity

Dec. 29 (EIRNS)—A combination of sinking tax revenues, staggering new expenses for social and welfare payments, reduced subsidies by the 16 German states to their cities, and mounting old debt, is pushing German municipalities into a highly precarious situation, the Deutscher Städtetag, the national association of municipalities, warned yesterday in press conferences in the national capital, Berlin, and in numerous state capitals. The net new deficit of all cities in Germany jumped from EU4.2 billion in 2009 to EU7.8 billion this year, adding to accumulated deficit from the past years, so that the total debt is approaching EU20 billion. And the situation will worsen in 2011, as corporations report run-up losses in 2010 that imply they can't pay EU1.1 billion in corporate taxes, next year—and corporate taxes are a major source of income for the cities.

Brits Who Don't Freeze, Die of Flu

Dec. 31 (EIRNS)—The British government continues to think of new ways to kill off its unwanted population. Thousand of Britons are freezing to death because of high, unregulated energy prices. The number of deaths linked to cold over the four months of last Winter reached nearly 28,000, according to the Express.co.uk Dec. 5. Now there is a growing flu epidemic, because the government has decided not to spend money on an advertising campaign for people to get Winter flu shots.

Thirty-nine people have died from Winter flu so far, and 36 have died from the H1N1 swine flu; others died of Influenza B. Only one was a person over 65; four were under 5, and 23 of these fatalities were in the serious risk category and should have received a flu shot. The number of people in hospitals with serious respiratory problems has increased by over 50%, from 460 to 738.

While the Joint Committee on Vaccination and Immunization has called for the reinstatement of the advertising campaign in order to step up immunization, they have called for no immunizing of children under five. Health Minister Andrew Lansley has decided to reinstitute the advertising campaign.

Conservative parliamentarian and former General Practitioner, Sarah Wollston, denounced the government's health policy as an undercover attempt to privatize the National Health System. She is the first Tory MP to attack her own government's policy. She received support from Dr. Hamish Meldrum, chairman of the British Medical Association, who told the *Guardian*, "She is right. That is our analysis. It brings that reality a lot closer." He shares her concern that the government is privatizing the profitable parts of the system. "In the past these providers have tended to be given the most profitable parts of the NHS and left the NHS with the most difficult areas, such as acute and emergency care."

Scots Import Power from Nuclear France

Dec. 27 (EIRNS)—Not only does lack of wind stop wind turbines, but they freeze up in cold weather, as well. *The Scotsman* reports that output from Scotland's major wind farms fell to as low as 2.5% of their potential generation capacity during the cold weather of the past weeks. This is at a time that the cold weather has increased demand for power to unprecedented levels, according to recently released information. The data, charted on the Balancing Mechanism

Reporting System website, which the National Grid uses to monitor U.K. power generation, also revealed that at times when wind energy production was at its lowest, back-up power had to be brought in from France, where the majority of electricity is nuclear generated.

This is occurring at a time that the Scottish government is opposed to nuclear power, insisting that no nuclear plants will be built in Scotland once its two nuclear power stations are decommissioned, in 2016 and 2023 respectively.

Russia and the CIS News Digest

Indian-Russian Cooperation Looks To Future of Nuclear Energy

Russia-China Oil Pipeline Opened

'Financial Times' Spews Desire for Putin's Ouster and Death

Indian-Russian Cooperation Looks To Future of Nuclear Energy

Dec. 21 (EIRNS)—India and Russia have signed a memorandum on jointly developing new-generation fast neutron reactors, the head of the Russian nuclear power corporation Rosatom, Sergei Kiriyyenko, announced today in New Delhi, where he is accompanying President Dmitri Medvedev. "Both Russia and India have sufficient experience in this field," he said. "We are interested in the Indian research in creating a thorium cycle, as India has vast deposits of thorium. We have a long list of issues on the agenda, associated with scientific and technological cooperation meant to perfect today's and future nuclear technologies." Russian experts will build 18 reactors in India, Kiriyyenko said, in addition to the two 1,000 MW power reactors under construction in Kudankulam, Tamil Nadu. There was no formal agreement on building the two additional units planned for Kudankulam, but, Kiriyyenko said, India and Russia have agreed on credit for the units.

India and Russia have long carried out advanced technological cooperation, in military, space, and nuclear energy technology. The two nations today also signed the largest-ever agreement, worth \$30 billion, to jointly produce an Indian version of Russian fifth-generation jet fighter and military transport aircraft. They will also cooperate in pharmaceuticals, in which India is very advanced, and IT.

Russian Ambassador to India Alexander Kadakin told the *Deccan Herald* in an interview published Dec. 19, that Russia is the only state that offers India advanced military hardware and joint production of state-of-the-art weapon systems. Andrei Volodin, head of Oriental Studies at the diplomatic academy of Russia's Foreign Ministry, told Novosti today that Russia's contribution to India's energy sector in the field of atomic energy is crucial. This is a vast area for bilateral cooperation, because of the lack of natural resources in India and the growing population, he said.

At the joint press conference of Indian Prime Minister Manmohan Singh and Medvedev, both pointed to nuclear cooperation. Singh said: "Of particular significance in terms of concrete projects is our cooperation in the field of nuclear energy, the hydrocarbons sector, IT, outer space, and the immense potential of expanding cooperation in the field of pharmaceuticals." Medvedev responded that high technology is in the focus of attention in cooperation. "This is beneficial for the modernization of both the Russian and Indian economies. Over 50% of the trade turnover with our Indian friends lies in industrial products, which will always be innovative.... We recently signed a comprehensive cooperation program in science, technology, and innovations for the period of up to the year 2020." Medvedev welcomed India's decision to set up a Global Center for Nuclear Energy Partnership and agreed to discuss future cooperation with this Center.

The two sides signed 30 agreements, including one to more than double trade to \$20 billion worth by 2015. In addition, both nations are considering entering a Comprehensive Economic Cooperation Agreement, which would take into account the customs union agreements among Russia, Kazakstan, and Belarus. Both Russia and Kazakstan are key nations in the world nuclear energy economy. Russia backed India for a permanent UN Security Council seat, and supported India joining the Shanghai Cooperation Organization as a full member, as well as the Asian Pacific Economic Cooperation forum (APEC). Russia also supports India joining international nuclear and missile technology export control groupings such as the Nuclear Suppliers Group and the Missile Technology Control Regime.

Russia-China Oil Pipeline Opened

Jan. 2 (EIRNS)—Today, 42,000 tons of crude oil flowed from Russia, the world's biggest supplier, to China, in the first full day of operation of the new Skovorodino-Daqing pipeline. The 1,000 km pipeline will transport 15 million tons of crude oil per year from Russia to China from 2011 to 2030.

Russian Prime Minister Vladimir Putin, who had officially opened the pipeline during his visit to the Amur region of eastern Siberia in August, has praised the strategic project not only for increasing Russian-Chinese energy cooperation, but also for giving Russia the opportunity to diversify its energy exports, which now rely heavily on the European market.

'Financial Times' Spews Desire for Putin's Ouster and Death

Dec. 24 (EIRNS)—Mirroring the British monarchy's Thatcher-era "Germany=Fourth Reich" campaign, London's *Financial Times* today published a filthy propaganda piece against Russian Prime Minister Vladimir Putin, smearing all Russian nationalism as de facto a Nazi phenomenon, and the Russian Prime Minister as the sponsor of Hitler-supporting, xenophobic extremist movements in Russia, because he has dared inspire to nationalism in his country.

EIR has extensively documented how London is the actual, synarchist "mother" of the extremist anti-immigrant movements spreading across all Europe, which movements the *Financial Times* now builds up as "a fearsome new political power" in Russia, out to oust London's enemy, Putin, from power.

London's intent of removing, and, if possible, even killing Putin, is placed in the mouth of one Anton Susov, some member of the extremist Movement Against Illegal Migration. Susov boasts to the *Times*: "This is a massive political wave, and no one can stop it." Putin "faces one of two scenarios. The Polish scenario, where the regime simply gave up power [after the fall of communism], or the Romanian scenario. He could be Nicolae Ceausescu." Lest anyone has forgotten Ceausescu's fate, the *Times* explains that he was "the Romanian dictator executed by firing squad in 1989."

Southwest Asia News Digest

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'Economist' Announces: Big Mideast War Coming in 2011

Dec. 30 (EIRNS)—The *Economist*, mouthpiece for the British oligarchy, has prominently announced that 2011 will be the year for a very big Middle East war. "Every time an attempt at Arab-Israel peacemaking fails, as Barack Obama's did shortly before Christmas," the *Economist* gloated, "the peace becomes a little more fragile and the danger of war increases. Sadly, there is reason to believe that unless remedial action is taken, 2011 might see the most destructive such war for many years."

According to the *Economist's* account, the military balance has been radically altered since the 2006 Lebanon War and the 2008 Gaza invasion, by a large infusion of advanced and longer-range rockets to Hezbollah and Hamas. Claiming that Iran and Syria have covertly supplied the two groups with more than 50,000 missiles and rockets, the magazine concluded, "For the first time a radical non-state actor has the power to kill thousands of civilians in Israel's cities more or less at the press of a button." Israel, consequently, is prepared to strike back with vastly greater fire power, and, therefore, "a war of this sort could easily draw in Syria, and perhaps Iran."

While the *Economist* says that all this can be avoided, if only President Obama would step in and effectively dictate the terms of peace between Israel and the Palestinians, its editors know that Obama will do no such thing, if London wants a new and bigger Middle East war.

In fact, the only true remedy, as spelled out repeatedly by Lyndon LaRouche, is for Obama to be kicked out of office, through invocation of the 25th Amendment, Section 4.

British Alert: Looming Crisis in Egypt

Dec. 27 (EIRNS)—In the context of an ongoing British-manipulated crisis in Sudan, a senior Egyptian source warns that Egypt could also be on the verge of a political/social explosion. According to high-level Egyptian government officials, the recent parliamentary elections were seriously tainted by strong-arm measures by the ruling party, as an op-ed in today's *Washington Post* by Mohamed ElBaradei charges. President Hosni Mubarak, who has been in power since the assassination of President Anwar Sadat in November 1981, is preparing to pass the Presidency on to his son Gamal, who has been in the middle of all of the disastrous privatization of state assets in the past decade, and is deeply unpopular.

The recent parliamentary elections were crucial, because in April 2011, the parliament will elect the next President. According to the Egyptian source, "The Egyptian government is not in the least afraid of Obama, so they had no fears about backlash after highly irregular parliamentary elections. "In the recent elections, the Muslim Brotherhood candidates were wiped out, and the "liberal" opposition Wafah Party got a scant six seats.

The expected election outcome in April—the anointing of Gamal Mubarak as his father's successor—could trigger widespread protests and a possible military takeover under emergency-law circumstances. "There is no telling what would happen next," the source warned. "It could be as dramatic as Iran 1979. The two contending power centers in Egypt are the Army and the Muslim Brotherhood."

Like the 1979 Islamic Revolution in Iran, this situation cannot be understood from the internal dynamics alone, given the overall desperation of the British oligarchy, over the bankruptcy collapse of its Inter-Alpha Group system, and the longstanding British controls over the politics of the region, dating back to before the Sykes-Picot deal at the end of World War I, when Britain and France divided up the Middle East into spheres of influence after the crushing of the Ottoman Empire. With the British running a major destabilization in Sudan right now, the fact that the Egyptian situation is also moving in a highly unstable direction has larger ramifications for all of Africa and Southwest Asia.

Egypt has been a leading force in the Arab world, and the prospects of Egypt going into a prolonged period of instability, at the same time that there is a succession crisis ahead in Saudi Arabia, and Israel continues to threaten military strikes against Iran, can spark an out-of-control perpetual war in the heart of Eurasia. And that has "London" written all over it.

Iranian Commission Votes To Break Ties with Britain

Dec. 20 (EIRNS)—On Dec. 19, the Iranian Parliament's National Security and Foreign Policy Commission approved a bill to fully break diplomatic relations with Britain, and urged the full Parliament to expedite its passage. The Commission's chairman, Mohamad Karami-Raad, told Fars News Agency: "The Commission members also condemned the recent remarks made by the British Ambassador to Tehran, as well as hostile moves made by the British Government against our country, throughout the history."

The bill is next scheduled to go before the Parliament's Presiding Board, for a final discussion, and approval by all Parliament members. Among the reasons for cutting relations that are cited in the bill are: the British government's blatant stance and repeated remarks in support of last year's unrest inside Iran; London's ongoing espionage activities; and, financial and media support for opposition groups.

According to the Chinese news agency Xinhua, the formulation of the bill follows the Dec. 15 suicide bombing, that killed 30 and wounded more than 50 men, women, and children. Initially, various Iranian officials blamed Britain, the U.S., and Israel, for assisting the Pakistan-based terrorist group, Jundallah, in the bombing, which claimed responsibility for it.

A month ago, the U.S. officially designated Jundallah a foreign-based terrorist group, drawing a cautious welcome from Iran.

After a judicial proceeding, Iran executed 11 Jundallah members in the morning of Dec. 20 for the bombing. It is believed that Jundallah has at least 100 more terrorists based in Pakistan, near its border with Iran.

Rigi's London Pedigree: Pakistan To Hand Over Terrorist to Iran

Dec. 27 (EIRNS)—Pakistani sources said on Dec. 25 that Abdul Rauf Rigi, a senior member of the terrorist Jundallah group who was arrested by Islamabad a few days ago, will be handed over to Tehran soon, according to the Iranian Fars News Agency (FNA).

The *Pak Tribune* said the Pakistan's security forces were able to trace Rigi, and find his hideout in Pakistan's bordering Baluchistan province, after he turned on his cell phone to contact a newspaper in London. The paper said that Rigi probably intended to make a phone call to the London-based daily *Alsharq al-Owsat*. The paper also said that Pakistani security agencies plan to extradite Rigi terrorist to Iran after interrogations.

The operation came after Iran warned Islamabad about terrorists' safe havens in Pakistan, and after a meeting between Iranian and Pakistani Presidents on the sidelines of a heads-of-state summit of the Economic Cooperation Organization (ECO) in Istanbul, Turkey, earlier this week.

Pakistani authorities announced on Dec. 24 that they had arrested Rigi, along with eight other members of the Jundallah group, in the bordering Torbat region.

Tehran has arrested or killed a large number of the Jundallah terrorists, including the ringleader Abdolmalek Rigi and his

brother, and number two man Abdolhamid Rigi. Iran says there remain just a few members of the group, but that U.S. and British intelligence services still extend all-out support to these few people in order to make Southeastern Iran an insecure region.

Jundollah has claimed responsibility for numerous terrorist attacks in Iran. The group has carried out mass murder, armed robbery, kidnapping, acts of sabotage and bombings, FNA said. They have targeted civilians and government officials as well as all ranks of Iran's military.

Asia News Digest

Obama's Afghanistan Review Looks Like a Lie

Lee: 'No Choice But To Resolve Problem ... Diplomatically'

Impending Crisis in Pakistan: Who Pulled the Plug?

Beijing: More Subways, Fewer Autos

Obama's Afghanistan Review Looks Like a Lie

Dec. 27 (EIRNS)—Two weeks after President Obama announced that his Afghanistan situation review had found great success for his war policy there, another intelligence report has been leaked showing that the real security situation in Afghanistan is deteriorating. The Obama review looks more and more isolated, self-serving, and foolish.

The Obama review was directly contradicted by two National Intelligence Estimates (NIEs) leaked for the purpose. Those represented the judgments of the entire U.S. intelligence community, and they found that no Afghanistan security improvement had occurred, or could be expected, given the strategic situation across the border in Pakistan. And a Pentagon study commissioned by Congress, released at the same time, found the same thing: insurgent attacks up 70% since 2009 and tripled from 2007.

The Dec. 27 *Wall Street Journal*, carried leaked reports from the United Nations, which oversees tens of thousands of UN and NGO aid workers active in Afghanistan. The reports feature two "security/risk maps" of Afghanistan, drawn up in May and October 2010. Comparing the maps shows a marked worsening of security in what were in March the "safe" north-central and "medium risk" northwestern regions of the country. Both regions were blotched with "high risk" zones in the October map, including one just to the north and west of the capital, Kabul. And the "high risk" and "very high risk" zones which cover the southern half and the east of Afghanistan, are just as solid on the October map as on the March map.

"In the course of 2010, the security situation in many parts of the country has become unstable where it previously had not been so," acknowledged Kieran Dwyer, UN Director of Communications in Afghanistan. The director of the "NGO Safety Office," Nic Lee, added, "The country as a whole is dramatically worse off than a year ago, both in terms of the insurgency's spread, and its rate of attacks.

Obama, however, bragged at Bagram Air Base: "Today we can be proud that there are fewer areas under Taliban control and more Afghans have a chance to build a more hopeful future." And all this is without mentioning the global opium traffic that Obama's war has fostered from Afghanistan.

Lee: 'No Choice But To Resolve Problem ... Diplomatically'

Dec. 29 (EIRNS)—South Korean President Lee Myung-bak said on Dec. 29 that his country has "no choice but to resolve the problem of dismantling North Korea's nuclear program diplomatically through the six-party talks." He was speaking in the context of receiving end-of-year reports from the Foreign Ministry, the Unification Ministry, and the Defense Ministry.

This expression of the necessity of engagement contrasts with his own more bellicose statements last week, which indicated a willingness to undertake military action as necessary. China, Russia, and sectors of the American diplomatic community have been pushing restraint on both the North and the South, to prevent a new war which would serve no one's interests other than the British imperial efforts to keep the U.S. and China divided.

The report from the Unification Ministry, which is primarily responsible for relations with the North, was harsher in tone, but also positive. It set three policy goals for 2011: Lead North Korea to change in a positive manner; establish sound inter-Korean relations; and begin preparations for reunification. Despite reports from the ministry spokesman last week that the report would emphasize "reunification by absorption," a provocative statement that implied the intent of "regime change" was not included, according to reports the official *Yonhap* news agency.

North Korea, for its part, speaking through the editorial voice of the *Rodong Sinmun*, said its nuclear deadlock with the United States would not have turned "complicated" had Washington followed through with its 1994 pledge to build light-water reactors for Pyongyang. (The U.S. in 2002, under Bush, suspended the construction of two 1,000-megawatt light-water reactors in North Korea.) It reiterated that its recently revealed uranium enrichment program is for peaceful energy use only. (The nuclear weapons produced in North Korea used plutonium from the now disabled graphite reactor, not enriched uranium).

The North stated that cooperation over such nuclear development is "an unstoppable trend" around the world. "The issue of nuclear energy development and use is especially drawing keen interest from developing countries whose economies have been prevented from normal development by imperialists," the editorial said. Besides being inarguably true, the North's assertions should have a certain resonance in the South, which, itself, not only relies on nuclear energy, but is basing its export strategy largely on its ability to export such technology, especially to developing countries.

Impending Crisis in Pakistan: Who Pulled the Plug?

Jan. 2 (EIRNS)—Pakistan's U.S.-allied ruling party, led by Pakistan People's Party chief Asif Ali Zardari, is now a minority government after one of its coalition partners, the Muttahida Qaumi Movement (MQM), quit the Cabinet. A smaller coalition partner, the Jamiat-i-Ulema Islam (JUI) party, withdrew from the government earlier in December after one of its ministers was sacked. It is evident that the ruling party will have to show its strength in the National Assembly, Pakistan's parliament, to prove it still has the mandate to govern.

According to Anthony Cordesman, an analyst for the Center for Strategic and International Studies (CSIS) in Washington, the government in Islamabad "is not only too weak to meet the U.S.'s short-term priorities even if it wanted to; it's already too weak to meet the long-term priorities that would give Pakistan stability." Cordesman also said the stability of a nuclear weapons-armed Pakistan is a higher strategic priority for the U.S. than the future of Afghanistan. If Pakistan came under Islamist extremist rule, it would be far more threatening as an al-Qaeda sanctuary than Afghanistan ever could be, he said.

Both the MQM and JUI have strong links to the powerful Pakistani military. In addition, MQM's leader Altaf Hussain lives in Britain, and is widely considered to be living under the protection of British intelligence. On Jan. 1, the *Washington Post* carried a front-page story on Pakistani Army Chief of Staff Gen. Kayani, whose disrespect for the Zardari government was

made known. On Dec. 2, *The News*, a Pakistani daily, reported on a meeting in London, where U.S. Under Secretary of Defense for Political Affairs Eric Edelman was present, along with British Permanent Under Secretary for Security Affairs Peter Ricketts, who had just returned from a visit to Pakistan; they reportedly characterized Zardari as having not much sense of how to govern the country. At the same meeting, Britain's Chief of the Defence Staff Jock Stirrup stated that Pakistan is arguably worse off now than a month ago, asserting that, although Zardari has made helpful political noises, he is clearly a numbskull.

Beijing: More Subways, Fewer Autos

Dec. 31 (EIRNS)—Five new subway lines were opened yesterday in Beijing, adding 108 km to the system and bringing the total route length to about 300 km. This is still very restricted for a city the size of Beijing, and not even one-third the length of the New York City system, the longest in the world. However, the new lines extend to the outer reaches of Beijing. Planners hope to match the New York system by 2020, despite the fact that Beijing did not even begin intense subway construction until the late 1990s. This year, before the new routes were opened, the Beijing system and New York system both transported about 5 million passengers on a business day.

Just as the lines opened, the Beijing municipal government said it would limit the issuance of new car and micro-van license plates to 240,000 in 2011, about one-third of this year's figure. Sales of automobiles in China will be 50% greater than in the U.S. this year, but China is aware that it is far better to develop public transportation rather than becoming auto-dependent, as the U.S. is.

"China is urbanizing quickly. Road construction cannot ease traffic congestion," Li Xiaosong, deputy director of the Beijing Municipal Committee of Communications said. "Developing public transport, especially rapid rail transit, is an important move for Beijing and other cities, to ease traffic congestion and improve urban functionality."

The development of light rail is even more impressive beyond Beijing. Nationwide, the country's metro construction is in full swing, as about 30 cities have been building or designing a total of more than 110 metro lines this year, including Shanghai, Hangzhou, Xi'an, and Chongqing.

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