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What Nancy Pelosi Knows:
Nerobama Is Going Down!

Special to EIR May 2—On April 21, during a reelection campaign fundraiser at San Francisco's upscale St. Regis Hotel, President Barack Obama totally lost it, when a group of activists interrupted his prepared remarks with a protest song, denouncing the Administration's treatment of accused Wikileaker, PFC Bradley Manning.

According to eyewitness accounts, once the disruption had ended, the President turned angrily to former Speaker of the House Nancy Pelosi, who was seated several chairs away from him, and demanded to know whether she was responsible. The President's paranoid targeting of Pelosi did not end there. In a private reception, following the fundraising breakfast, Obama stalked Pelosi, accusing her of betrayal, for refusing to vote for his rotten compromise budget deal with Republicans, and continued to accuse her of staging the singing disruption.

According to a close friend of the Congresswoman, she was so taken aback by the President's in-her-face abuse, that she was nearly brought to tears.

The incident has radiated throughout Democratic Party political circles, because it clearly reveals that the President is in a paranoid meltdown, typical of someone suffering from a severe narcissistic disorder. As one senior party official put it, "The President is going crazy, and the real campaign has not even started yet. This is very serious...."

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This Week's Cover

- **What Nancy Pelosi Knows:**
Nerobama Is Going Down!

An incident in San Francisco, where President Obama succumbed to a fit of rage against Nancy Pelosi, has demonstrated for even the most loyal Obama supporters, that the President is suffering a paranoid meltdown. One senior Democratic official admitted, 'This is very serious.' For many Washington insiders, the words of Lyndon LaRouche's April 11, 2009 webcast, warning of Obama's Narcissus syndrome, which they dismissed at the time, have now come back to haunt them. They are beginning to confront the fact that LaRouche is right again, and that the crisis of the Presidency can only be solved by invoking Section 4 of the 25th Amendment to the U.S. Constitution.

- **Glass-Steagall:**
The Only Solution to the Crisis
- **Real Authors of 9/11 Are Still at Large**

The killing of Osama bin Laden by U.S. Special Forces May 1 has done nothing to bring to justice the true authors of that horrific crime, nor to eliminate the networks they deploy to carry out terrorist acts.

- **Will Obama Treat the Bay Area Like Haiti?**

Feature

- **No to Global 'Gleichschaltung':**

Make June 17 the Day of German Resistance

A call by Helga Zepp-LaRouche to resist the takeover of the former industrial and scientific powerhouse of Germany; the nation of Schiller, Beethoven, and Einstein, by an insane mob of British-run Green fascists.

- **Germany:**

Poster-Child for the Club of Rome?

The Federal Scientific Advisory Board for Global Environmental Changes (WBGU) is an ecofascist body established to spread fear and irrationality among the German population, so that they will accept a Malthusian order of 'limits to growth.'

Economics

- **Glass-Steagall Would Stop Speculation:**

Geithner Runs Protection Racket for Goldman Sachs

Geithner's sudden move April 29 to protect \$30 trillion in foreign-exchange-swap derivatives from regulation, prompted Sen. Maria Cantwell, who co-sponsored a bill to restore Glass-Steagall, to exclaim, "The idea that the foreign exchange markets are not at risk is preposterous—we now know that they required multi-trillion-dollar bailouts. Anytime you have a lack of transparency, there is potential for abuse." But Geithner is not listening to Congress; he takes his orders from the Wall Street banksters.

- **European Financial Blowout:**

Glass-Steagall Is Now in the Debate

International

- **Ending National Sovereignty:**

The British Empire Is Using 'R2P' To Destroy the U.S.

British stooge George Soros and friends have declared the Westphalian principle of national sovereignty to be outdated and irrelevant. In its place, they are instituting what they euphemistically call, 'Responsibility To Protect' (R2P), in other words, the right of Soros's hydra-headed foundations to intervene wherever and whenever it suits.

- **London's Thai Monarchical Outpost Out To Destroy Southeast Asia**

The provocation by the Thai military against neighboring Cambodia signals an attempt by the bankrupt British financial empire to create a 'ring around China' by breaking up regional alliances.

- **Surprise, Surprise!**

MI6 Helping al-Qaeda Kill American Troops

Editorial

- **Obama Basking in Osama Demise**

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U.S. Economic/Financial News

[Bernanke: We Need Less Government, More Inflation](#)

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Bernanke: We Need Less Government, More Inflation

April 27 (EIRNS)—Forget the "QE3 question" supposed to hang on "Helicopter Ben" Bernanke's first press conference; his message was blunter: Let's have more inflation and cut the Hell out of the Federal budget.

Bernanke left the door open for a "QE3" continuation of the huge bank bailouts on June 30 when "QEII" ends, while not saying what kind of bailout lurked behind that door. That was all he could do without setting off a firestorm of angry Americans' opposition to more Fed money printing for the banks, a firestorm which Obama's White House had signalled it could not cope with while dealing brutal cuts to Federal entitlements and programs.

Bernanke's priority in both the unusual press conference and the FOMC statement which preceded it, was to counterattack the true charges, including from among Federal Reserve bank presidents, that the Fed's money-printing policy has been fueling hyperinflation. His other priority was insisting that cutting the Federal budget deficit is America's "number one economic problem."

Bernanke repeatedly claimed that the hyperinflation—commodity prices have risen *on average* 150% in the past two years and 25% in just the first quarter of this year—was currently "very modest," "transitory," and caused by Mideast oil supply disruptions. The last is such an obvious lie, repeated several times, that one has to quote him directly, from the press conference: "Disruptions in the Mideast have constrained supply; that supply has not been made up. We will see that inflation will fall if the Mideast stabilizes." And in the FOMC statement, the Fed Board said, "Measures of underlying inflation continue to be somewhat low, relative to levels that the Committee judges to be consistent, over the longer run, with its dual mandate."

In other words, Bernanke's Fed wants greater inflation.

But Bernanke only really broke out of Fed blather into emphatic speech, on the matter of cutting the U.S. budget. He was asked by Fox News whether he were "worried" about the Standard and Poor's ratings agency having declared a "negative watch" for U.S. sovereign credit. He welcomed it! "S&P didn't really tell us anything we didn't know. The great problem of our fiscal deficit is the most important economic problem we face. It is simply not sustainable. Hopefully this [S&P] will be an impetus to making the long-term reductions that must be made. It could be a goad to a constructive response."

Missouri: Another Showdown State

April 25 (EIRNS)—Various anti-labor, right-to-work measures are working their way through the Republican-dominated state legislature in Missouri. The Republican-led Senate has already passed legislation this month that would require public employees who are members of unions to give annual consent for dues to be deducted from their paychecks. But unlike Wisconsin, Indiana, and elsewhere, the Governor of Missouri is a Democrat who vows to veto the Republicans' measures. Pro-fascist Republicans, however, are boasting that they will have the votes to override any such vetoes. Will the targets of the anti-labor policies wise up this time, and mobilize for the Glass-Steagall weapon?

It wasn't until 2007 that the Missouri Supreme Court gave public sector workers the right to collectively bargain; and even so, the ruling has been unevenly enforced.

Gov. Jay Nixon and Teamsters general president James Hoffa addressed a rally in the state capital of Jefferson City last week, at which Hoffa noted that there is "a war on workers going on throughout the country." The *Kansas City Star* reported that Hoffa said the Missouri legislation was part of the same right-wing agenda that has led to restrictions on public employee bargaining in Wisconsin and Ohio and other anti-union proposals in Indiana and Florida. Will he, Nixon, and their constituents wage an effective counterattack?

Global Economic News

Egypt Moves Towards Food Self-Sufficiency

Former CEO of Leading Swiss Bank UBS Recommends Bank Separation

Egypt Moves Towards Food Self-Sufficiency

April 30 (EIRNS)—The new revolutionary government of Egypt is shifting its agricultural policy from liberalization towards food self-sufficiency according to an article in *Al Ahram* daily. Although the steps are small, due to lack of resources, they are nonetheless significant. The new Agriculture Minister Ayman Abu Hadid announced this week the government's intention to increase wheat production from 8 million to 9 million tons, to cover amount of wheat required to support the government's subsidized bread program, which is a major source of food for the vast majority of the population. They want to increase productivity per feddan (roughly 1 acre) 18 erdab (2.7 tons) to 24 erdab through increasing the use of fertilizer and other inputs. Still, Egypt has a long way to go towards achieving self-sufficiency in wheat and food.

The other significant move by the government is to begin confiscating the tens of thousands of acres of agricultural land sold to "developers" and speculators.

Former CEO of Leading Swiss Bank UBS Recommends Bank Separation

April 26 (EIRNS)—In an interview with state-run Swiss Radio on April 25, Peter Kurer, who was CEO of UBS until 2009, defended the new, however moderate regulations, for banking of his country, against their critics—which include the present UBS board of directors—adding that they are long overdue, and, ironically, serve to protect the banks against the consequences of their own dealings on the financial markets. But, Kurer added, more thought should go into the option of separating the commercial banking functions from the those in the investment branch. Although he did not use the term, "Glass-Steagall," that is what he implies. Kurer's remarks are just another prominent piece of evidence, that there is quite an intense debate about the issue throughout Europe.

However, it is also clear from the remarks that people like Kurer are making, that for the time being, nobody in Europe will push for a real in-depth banking reorganization, nobody will take the first step, and everybody is waiting for the United States to go first. One might well say that all of Europe is waiting for the U.S. Congress to act.

United States News Digest

Republicans get the Obamacare Treatment

Firefighters Turn on Obama

Obama Shuffles Deck Chairs on His Sinking Ship of State

Homelessness on the Rise in Obama's America

Republicans get the Obamacare Treatment

April 29 (EIRNS)—Rep. Paul Ryan (R-Wisc.) and other Tea Party-linked Congressional Republicans, who took over the House last Fall, riding a tide of mass hatred toward Obama and his T-4 health-care bill, are now finding themselves the target of the same wave of anger.

Ryan, author of the fascist budget proposal recently adopted by the House, had 19 public events scheduled in his district for the Congressional recess—many in capacity-filled rooms throughout his district, reports *USA Today*. They started the week in libraries and senior centers, but by midweek, several had to be moved into high school gyms to accommodate larger crowds. In one case, latecomers were turned away. The budget and Medicare are the hot topics. Comparing this year's town halls to those opposing Obamacare in 2009, Ryan himself admits that "the size is as high, and the passion is as high."

At Greenfield, the town hall crowd responded with skeptical boos when Ryan said his proposed changes to Medicare would provide seniors with benefits similar to those of a member of Congress, and wouldn't affect those over age 55. "What about my son?" a woman shouted. "Oh, come on!" shouted another. Activist and labor groups have been organizing seniors to trail Ryan at his meetings. "They're speaking out against this insane plan," Sheila Cochran, secretary for the Milwaukee Labor Council. "I don't think Paul Ryan has a clue about the people he's affecting.... His plan could literally kill people."

In some other similar situations: U.S. Rep. Lee Terry (R-Neb.) was peppered with angry questions and complaints about the Ryan plan at a town hall meeting in Omaha April 27, and several times, Terry he had to call for calm. One woman said she fears that the GOP plan is "going to throw our senior citizens out on the street." And in Exeter, N.H., freshman Tea Party Rep. Frank Guinta faced a crowd of more than 100 constituents who shouted, booed, and interrupted him in his town

meeting, over his vote for Ryan's Medicare scheme.

Firefighters Turn on Obama

April 27 (EIRNS)—The firefighters, who have provided prominent leadership against the fascist austerity proposals emanating from certain Republican governors, have now turned away from President Obama. Harold Schaitberger, general president of the International Association of Firefighters, sent an e-mail to all union locals announcing that the IAFF political action committee will be devoting all of its resources to local fights against anti-union measures being pushed in numerous states across the country, meaning that the PAC will *not* be making any political donations to Federal candidates.

According to today's *Politico*, the Schaitberger e-mail says: "Our support comes with consequences for those who are working to kill this union and we will hold accountable those supposed friends who don't stand up for us." Speaking of the labor-busting legislation in various states, he said: "Where is the outrage? Where are our friends?"

The anger of the firefighters—along with others in the AFL-CIO—against Obama has been growing for some time. Especially insulting was the passage of the fiscal 2011 budget bill on April 14, where Obama and Senate leader Harry Reid (D-Nev.) traded away provisions regarding firefighter grant programs to the House Republicans, in the process of making their dirty deal with the House GOP on the bill.

As a result of this sellout, the firefighters are well on their way to a total, and open, break with Obama. A senior labor leader reported that Schaitberger will insist that the AFL-CIO withhold its endorsement of a sitting Democratic president for the first time.

Obama Shuffles Deck Chairs on His Sinking Ship of State

April 27 (EIRNS)—President Obama has announced a major shake-up in his national security team, and Lyndon LaRouche has already warned that the new combination is inherently unworkable. For the first 2 1/2 years of the Obama Presidency, a core group of seasoned national security and foreign policy professionals have worked together to avert the worst disasters. At the heart of this team have been Secretary of Defense Robert Gates and Secretary of State Hillary Clinton. That core grouping was bolstered by National Security Advisor Gen. James Jones, until his sudden resignation last October. And Vice President Joe Biden has been a closely allied supporter of this core team.

Today President Obama formally announced Secretary Gates's departure on June 30. He will be replaced by CIA director Leon Panetta. Panetta will be replaced by Gen. David Petraeus, the current commander of ISAF and U.S. forces in Afghanistan. Petraeus's replacement will be Gen. John Allen. And the current U.S. Ambassador to Afghanistan, Gen. John Eikenberry, will be replaced by Ryan Crocker, a recently retired foreign service officer who has been ambassador to both Baghdad and Kabul during his long career.

While a senior White House official said that Secretary of State Clinton was consulted on the personnel changes, sources close to the Secretary say that she is very upset at Gates' departure, and that she does not have a close working relationship with either Panetta or Petraeus. LaRouche commented that the combination put together by President Obama is inherently "unworkable."

Homelessness on the Rise in Obama's America

April 25 (EIRNS)—Full results are still not available, but the preliminary indications, from last January's nationwide

"point-in-time" count of the homeless, are that homelessness increased significantly in 2010. In an April 22 release, the Department of Housing and Urban Development (HUD) admitted to a 1% rise over 2009, to nearly 650,000 individuals, but when the numbers are broken down, and some local results considered, the increase is much more dramatic.

On April 13, the Washington Metropolitan Council of Governments reported that the annual January homeless count found a decrease of 3% in the number of homeless single adults over last year's count, but an increase of 9.5% in the number of homeless in families. Fully 61% of the members of homeless families are children. The report also found that 38% of homeless adults in families and 20% of homeless individuals are employed. Overall, the count found 11,988 homeless people in the Metropolitan Washington, D.C., including the Maryland and Northern Virginia suburbs.

In Broward County, Fla., the January count found nearly 600 more homeless people in 2011 than two years ago, an increase of 18%. One shelter operator in Hollywood told the April 24 *Florida Sun-Sentinel* that his shelter of about 300 beds is completely full. "We got a couple families this week," he said. "Things are bad."

In Wichita, Kan., the January count found more than 600 homeless living in the city, a whopping 65% increase from 2007. The survey found that 108 of the homeless were living in cars, parks, abandoned buildings, on the street or other places not meant for human habitation, and that 140 of the 600 were chronically homeless. Pat Hanrahan, president of United Way of the Plains, attributed the growth in homelessness to the collapsing economy. "I do think we have just gone through, and are still in, the worst recession since the Great Depression," he told the *Wichita Eagle*. "That combined with the fact that we're getting better at counting folks."

In Champaign County, Ill., the count found 549 homeless people, including 163 children, a 10% increase from two years ago.

In the four-county area of Hall, Dawson, Lumpkin, and White Counties, in Northeast Georgia, the count found 452 homeless individuals. "We were really shocked," said volunteer. "We didn't expect to get this much in a lot of these counties."

And homelessness means greater risk of early death, too. A recent survey in Tucson, Ariz., of about 400 homeless individuals, found that nearly half of them suffered from one or more life-threatening conditions, ranging from brain injury to end-stage renal disease. Ninety-four of them were identified as having at least three serious risk factors—mental illness, substance abuse, and at least one medical problem.

Ibero-American News Digest

[Here's What the 'Haiti Treatment' Looks Like](#)

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Here's What the 'Haiti Treatment' Looks Like

April 28, 2011 (EIRNS)—If Americans want to know what "aid" to expect from Barak Obama in the event of a natural disaster—victims of last week's savage tornado sweep through parts of the U.S. are already learning—look at what the Narcissist-in-Chief has done for Haiti.

Investigative journalists who've been in the country numerous times in the past year report that the country is literally "drowning in sewage." The Truttier Waste Disposal dump near the giant Cité Soleil slum in the capital of Port-au-Prince contains thousands of gallons of feces, all certainly infected with cholera. In an article published April 25 in *OpEdNews.com*, investigative reporter Mac McKinney reported that toxic raw sewage from cholera treatment centers (CTCs) is discharged into a giant, open-air unlined holding pond in the middle of the dump, from where it can potentially leach into the Plaine Cul-de-Sac aquifer underneath which *is the main supplier of water to the capital*. Discarded needles and syringes, bags full of vomit and excrement from the CTCs also end up in the dump.

In an article published April 24 in a *Huffington Post* blog, investigative reporter and former Haiti relief worker Giorganne Nienaber pointed out that the Water, Sanitation and Hygiene Cluster, known as WASH, run by the UN's Office for the Coordination of Humanitarian Affairs (OCHA), has received only 19% of its \$175 mn. funding requirement for water and sanitation systems.

The absence of latrines, de-sludging activities, and safe drinking water, guarantees that cholera and other water-borne diseases will spread quickly. As the rainy season begins, medical personnel are reporting a wave of new cholera cases. While the overall mortality rate officially stands at 1.7%, it is 7.9% in the rural department of Sud Est, and 5.4% in Grande Anse.

The overall UN cholera appeal is only 45% funded. Nienaber underscores the irony that "some of the same agencies that have created a comprehensive document on Haiti's needs, have packed up their tents, banners and personnel. They say they will return when the money flows along with the increasing disease numbers."

New temporary shelters *do not* include sanitation infrastructure. People continue to defecate into plastic bags, or on the ground or in streams. In rural areas, there is a dangerous shortage of water purification tablets. In the village of Chinchion that Nienaber visited, residents were forced to travel miles to market to buy bleach for water purification. Other villages were paying for the tablets on the black market.

The UN's Shelter Cluster reported that as of April 7, 7.4% of the 56,107 temporary shelters, in which 235,649 people lived, received no WASH services. Nienaber reports that an estimated 42% of an additional 116,000 temporary shelters scheduled to be built this year, *will not receive any sanitation and water services either*.

Extreme Weather in Colombia: Non-Stop Rain for Almost a Year

April 26 (EIRNS)—Colombian President Juan Manuel Santos stated yesterday that the non-stop rains and flooding that have hit the entire country since May 2010 are "the worst natural tragedy of our history," and that "it's as if our entire territory were being affected by a hurricane which arrived in the middle of last year and has not wanted to leave."

That's a pretty accurate description. The photos are impressive, with entire sections of Bogotá under 2-3 feet of water. The extreme weather pattern, in a country which already has areas with some of the highest average annual rainfall on the planet, is being ascribed to *La Niña*, which is the cyclical cooling of the surface water in the eastern Pacific Ocean, which for some reason has locked in place and is not expected to break until June 2011, at the earliest. Although Santos and others of course blame this in turn on (non-existent) global warming, it is likely to be yet another effect of solar and galactic causes which are also behind the crescendo of recent earthquakes, volcanic, and related activity.

The director of the National Disasters System said that, from May 2010 until today, the non-stop rains have produced over 3 million victims in 30 of the country's 32 departments, including 418 deaths. A state of emergency due to floods,

landslides, etc. has been declared in 1,018 of the country's 1,100 municipalities, and 230 highways have either been closed, or have restricted traffic.

Agriculture is being devastated, as well. The Colombian Farmers Association (SAC) reports that in 2010, land under cultivation dropped by 9%, and output fell by 11.1%, and 2011 is expected to be worse. There are worsening shortages of corn, rice, and other crops.

***EIR* Videoconference in Honduras**

April 24 (EIRNS)—This afternoon, *EIR* representative David Ramonet spoke via videoconference to an audience at the Pedagogical University of Honduras, in San Pedro Sula, attended by a group of senior students from the Social Sciences department as well as three invited teachers, among them the coordinator of the Geography division. Attendees heard Ramonet discuss the global economic breakdown, the galactic crisis, and the burgeoning mass strike, as well as the LaRouche movement's activities in the United States and worldwide.

Ramonet particularly focussed on the mobilization to stop the crisis through a global Glass-Steagall initiative, a New Bretton Woods arrangement, and international cooperation for great infrastructure projects capable of reviving the global economy and take on the galactic crisis.

The 45-minute presentation was followed by a 15-minute Q&A in which two students and a professor intervened. One student asked about *EIR*'s evaluation of events in Mexico, which has been taken over by crime and which gets weapons from Honduras and the U.S. Ramonet responded by describing what has occurred in Mexico since the end of the López Portillo Presidency, which he described as the last Presidency of the Mexican Revolution, and explained the need to launch projects such as the North West Hydraulic Project (PLHINO).

These activities at the Pedagogical University will continue next week with a dialogue between second and third-year students and Ingrid Torres of the Mexican LaRouche Youth Movement.

Western European News Digest

[**ECB's Orphanides Demands Orderly Bankruptcy**](#)

[**Swedes Blast EU Commissioner as 'Soft On Banks'**](#)

[**Eurozone Public Debt Growing, Growing ... Groan!**](#)

[**Irish Bank Deposits Fall By EU16.7 Billion**](#)

[**Sarkozy-Berlusconi Summit: Draghi to ECB and Italian Bombs on Tripoli**](#)

[**Franco-German Green Nazis Push Anti-Nuclear Hysteria in France**](#)

[**British Adopt Monetarist Approach to Water Shortages**](#)

ECB's Orphanides Demands Orderly Bankruptcy

April 29 (EIRNS)—European Central Bank governing council member and governor of the Cypriot Central Bank, Athanasius Orphanides, has called for orderly bankruptcy procedures to allow banks to fail and avoid government bailouts. "The central question is: How to allow a financial institution to fail without bringing down the system," Orphanides stated in a seminar organized on the Financial Stability Report 2001 of the Central Bank of Luxembourg. "No institution should be too big to fail."

He expressed skepticism about the strength of the newly-established European Systemic Risk Board, arguing that warnings and recommendations—the main tools the European Union regulator has at his disposal—may not be incisive enough. "The ESRB lacks direct enforcement power," Orphanides noted.

Swedes Blast EU Commissioner as 'Soft On Banks'

April 30 (EIRNS)—At an open hearing with the Parliament Financial Committee April 14, Swedish officials and parliamentarians ganged up on EU Commissioner for Internal Markets Michel Barnier (France) to demand he impose stricter rules against Swedish banks. The Swedes claimed that the Swedish banking system is so big, that they put the nation in extra risk. Sweden, with banking assets four times the nation's GDP, is only surpassed among the other 26 EU nations by Great Britain and Holland, and also Switzerland.

"Sweden needs a higher capital ratio [in the banks] than other countries," Minister of Finance Peter Norman charged. The most liberal member of the Parliament Financial Committee, Carl B. Hamilton, attacked Barnier for raising the argument of the bankers, that a higher capital ratio would be a burden to them. Hamilton charged: "Why do you raise the bankers' argument? The confidence in the bankers is used up. The whole discussion here is about how to regulate the banks."

Eurozone Public Debt Growing, Growing ... Groan!

April 29 (EIRNS)—The unabated increase of the public debt in the Eurozone and the European Union is the reason for concern voiced in a new report of the Austrian Central Bank. The figures for 2010 show that total debt of the 17 Eurozone countries rose to 85.1% of Gross Domestic Product—way above the 60% level set by the euro treaty and the European Central Bank. In 2009, total debt was at "only" 79.3%, and in 2008, before the outbreak of the big crisis in 2007, it was at 66.2%. Austrian debt is now 72.3% of GDP, and 13 other EU countries have a debt above the Maastricht Treaty's 60% mark.

Greece (at the top) with 142.8%, is followed by Italy (119.0%), Belgium (96.8%), Ireland (96.2%), and Portugal (93.0%). Furthermore, Germany (83.2%), France (81.7%), Hungary (80.2%), Great Britain (80.0%). Also Malta (68.0%), the Netherlands (62.7%), Cyprus (60.8%) and Spain (60.1%) were above the Maastricht mark.

Irish Bank Deposits Fall By EU16.7 Billion

April 30 (EIRNS)—The *Irish Times* reports that there was a record fall in bank deposits in March, according to figures published by the Central Bank April 28. There was an outflow of EU16.7 billion of deposits last month, of a total deposit base of EU630.7 billion.

Cumulatively, in the seven months from September of last year to March of this year, almost 30% of deposits have been withdrawn.

Household deposits fell by EU438 million. Irish companies, in contrast to households, accelerated the pace of their withdrawals in March. Collectively, they pulled almost EU1 billion from accounts in March. Their total deposits stood at just over EU32 billion.

Sarkozy-Berlusconi Summit: Draghi to ECB and Italian Bombs on Tripoli

April 27 (EIRNS)—After the summit between French Prime Minister Nicolas Sarkozy and Italy's Premier Silvio Berlusconi yesterday, it was announced that the French government is sponsoring Bank of Italy boss Mario Draghi as the successor to Jean-Claude Trichet as president of the European Central Bank. It was also announced that Italy is going to join air raids on Libya.

The French support for Draghi comes after an earlier German announcement in the same direction by Finance Minister Wolfgang Schäuble, and makes Draghi's appointment almost certain. Until he won a legal suit against its use, Draghi was called Mr. Britannia in Italy, for his collusion with the British in destroying the Italian currency in 1992. He is also notorious for his former career with Goldman Sachs.

The Libya decision is a major shift, since Italy had resisted so far because of its colonial past with Libya. The decision has opened a crack in the government; Lega Nord head Umberto Bossi express special shocked at having read the news in the wires. "Wars should not be made, and especially not be announced in this way," Bossi told ANSA.

Franco-German Green Nazis Push Anti-Nuclear Hysteria in France

April 26 (EIRNS)—Some 10,000 French and German Greenies demonstrated in France April 23-25, taking advantage of the 25th anniversary of the Chernobyl accident on April 26, and tying in the March 11 Fukushima accident, as a means to ramp up their organizing to close down the Fessenheim, Alsace nuclear reactor, the oldest in France, which has been in operation since 1977.

Demonstrators gathered especially along the border areas; on the Rhine bridges; in the Strasbourg area and going into Switzerland. They also gathered near the Cattenom nuclear power plant; at Flammanville, on the Normandy coast; 350 near the Golfech power station in the south; and in Tarn et Garonne.

British Adopt Monetarist Approach to Water Shortages

April 24 (EIRNS)—Britain is facing a water shortage, and the solution being discussed by water utilities is metering and seasonal surcharges to cut use. The World Wildlife Fund and 11 other environmental groups are calling for national metering, which presently doesn't exist in Britain. There is no discussion of increasing water supply, with the exception of a planned Thames estuary desalination plant, but even that is contingent on establishing nationwide metering.

Southwest Asia News Digest

[Egypt Brokers Hamas-PLO agreement](#)

[New Palestinian Youth Groups Demand Unity, Civil Rights](#)

[New Israeli Peace Initiative Launched](#)

Turkey's Erdogan Plans To Build 'Kanal Istanbul'

Egypt Brokers Hamas-PLO agreement

April 28 (EIRNS)—The Egyptian government has successfully brokered a unity deal between the Palestinian Fatah and Hamas movements to form an interim government in preparation for elections. An agreement followed secret talks held in Cairo, and will be overseen by the Arab League.

"We have agreed to form a government composed of independent figures that would start preparing for Presidential and Parliamentary elections," Reuters quotes Azzam al Ahmed, the head of Fatah's negotiating team, as saying. "Elections will be held in eight months from now.... We are proud that we now possess the national will to end our divisions so [that] we can end the occupation of Palestine ... the last occupation in history."

Hamas was represented in the talks by Mousa Abu Marzouk, deputy head of its Damascus office. Both parties had been invited for talks by Egypt's new intelligence chief Mourad Mouafi and Foreign Minister Nabil Al Arabi.

The agreement will be signed the week of May 2 in Cairo by Palestinian President Mahmoud Abbas and Hamas political bureau head Khaled Meshal.

Israeli Prime Minister Benjamin Netanyahu, not surprisingly, denounced the agreement, saying that Palestinians have to choose between Israel or Hamas. Israeli President Shimon Peres also denounced the agreement, in softer language, saying that Hamas wants unity for war, whereas, "Mr. Abbas wants a union for peace," and urged Abbas and "my friends in the leadership of Fatah" not to "compromise" with the terrorist group Hamas. Responding to Netanyahu, the spokesman for Abbas, Nabi Abu Rdainah, said, "Netanyahu must choose between a just peace with the united Palestinian people ... and settlements."

The role of Egypt was key in the deal. Hany Al Masri, a political commentator who took part in the talks, is quoted by Reuters as saying, "This agreement is possible because the Egyptian regime has changed. The new administration is taking a balanced position."

The White House issued a statement saying that Hamas was a terrorist organization, and that any Palestinian government would have to renounce violence, respect past peace deals, and recognize Israel's right to exist.

While the European Union Foreign Affairs office issued a statement saying it will have to study the agreement, it nonetheless stated support for unity. The Russian Foreign Ministry issued a statement welcoming the agreement.

The role of Egypt in the deal is significant: Despite still being in transition to forming a solid government itself, it is able to carry out regional initiatives. Also interesting is that, while Netanyahu and his crazy Foreign Minister Avigdor Lieberman have attacked the deal, the Egyptian daily *Al Ahrām* reports that no fewer than five Israeli delegations have visited Cairo in so many weeks, to hold talks with Egyptian officials, especially intelligence chief Mourad Mouafi and Foreign Minister Nabil Al Arabi.

New Palestinian Youth Groups Demand Unity, Civil Rights

April 28 (EIRNS)—The power of the international mass-strike process was demonstrated in a profound way in mid-March in the Palestinian territories, when, after years of political deadlock between Israel and the Palestinians, and between

Hamas and Fatah, things abruptly shifted, through the efforts of the Palestinian youth of Gaza, who, inspired by the events in Egypt, organized a demonstration of 10,000 people in Gaza City. The youth demanded that Hamas and Fatah reach a unity agreement and reconstitute a single government over the Palestinian territory.

While large demonstrations haven't continued, mostly due to the threats of Israeli strikes and general repression, the Gaza demo helped revive back-channel discussions between top Hamas and Fatah officials, culminating in the formal unity agreement reached with Egypt's help, that was announced on April 27. More importantly, the mass-strike process is manifested through the spread of a little-known civil rights effort known as the Nabi Saleh movement, that has spread throughout the West Bank, and has no affiliation with either Hamas or the Palestinian Authority.

But the Israeli government—with Obama's support—is taking the Qaddafi path, labeling the non-violent Nabi Saleh movement a "threat to public security," and has begun jailing its leaders. At the same time, Obama's Justice Department, especially Chicago U.S. Attorney Patrick Fitzgerald, has launched a campaign of Grand Jury subpoenas and search warrants against American student groups and supporters of the Nabi Saleh movement.

On March 24, the Israeli government arrested Bassem Tamimi, a 44-year-old resident of the Palestinian village of Nabi Saleh, reports historian and activist Mark Perry, in the April 26 issue of *Foreign Policy*. Tamimi's crime is leading protests against an illegal Israeli settlement's "expropriation" of the spring in Nabi Saleh, the village's water source and symbolic center of town. Over the last several years, in the West Bank towns of Nabi Saleh and Bi'lin, Perry reports, a Martin Luther King-type civil rights movement has grown up, protesting the separation Wall that illegally took Palestinian land, and other violations of civil rights. The movement, whose members are between 14 and 45 years old, trains itself in non-violent protest tactics.

The March 24 arrest of Tamimi is a serious escalation. Perry says that Tamimi was brought before the Ofer military court and charged with "incitement, organizing unpermitted marches, disobeying the duty to report to questioning" and "obstruction of justice"—for giving young Palestinians advice on how to act under Israeli police interrogation. Perry explains that "under Israeli military decree 101 he is being charged with attempting 'verbally or otherwise, to influence public opinion in the Area in a way that may disturb the public peace or public order.'" The charge carries a ten-year sentence.

The actions that began modestly in Nabi Saleh have now spread to many towns across the West Bank, where protests have involved dozens to hundreds, and sometimes thousands of people. Perry blasts Obama for *not* condemning the Israeli arrests and attacks on this non-violent movement.

New Israeli Peace Initiative Launched

April 29 (EIRNS)—While Israeli Prime Minister Benjamin Netanyahu, President Shimon Peres, and Defense Minister Ehud Barak are complaining to everyone about Israel's new peace initiative, the lead editorial in *Ha'aretz* points out that while this development will strengthen the Palestinian hand in September when it intends to declare itself an independent state, this could be a good development. *Ha'aretz* writes that "Israel can redeem itself by recognizing a Palestinian state," in an editorial.

Earlier this month, a new private Israeli peace initiative was launched by 40 top retired security personnel, military officers, business people, and leading peace activists. The initiative is formally a belated response to the 2002 Arab Peace Initiative, but more immediately, it is a response to the absence of a peace process and the developments in the region, especially Egypt.

The initiative follows closely on the so-called Clinton peace plan, which President Bill Clinton announced just before leaving office in 2000. This includes a Palestinian State on the 1967 borders, with limited exchanges of land with its capital in East Jerusalem. It calls for a peace with Syria and withdrawal from the Golan Heights.

Israeli Corporation head Idan Ofer told Ynet that Israel must have its own peace initiative ready when the Palestinians unilaterally declare a Palestinian state. He fears that if Israel doesn't back a Palestinian state, it will end up like the *apartheid* regime in South Africa, which had international sanctions slammed against it. Ofer, whose company is deeply involved economically with the Palestinian Authority, wants to see a peace agreement with the Palestinians as a way of opening for economic projects with other Arab states, including the building of desalination plants.

Turkey's Erdogan Plans To Build 'Kanal Istanbul'

April 28 (EIRNS)—With more than 1,000 people, mostly members of the ruling AKP, cheering him chanting slogans like "Turkey is proud of you," Prime Minister Recep Tayyip Erdogan announced the plan to build "Kanal Istanbul," which will connect the Sea of Marmara and the Black Sea, bypassing the congested Strait of Bosphorus. Comparing his dream for Istanbul to that of the 15th-Century conqueror of Constantinople (Istanbul), Ottoman Sultan Fatih Sultan Mehmet, and the prominent 16th-Century Ottoman architect Sinan, Prime Minister Erdogan said: "There have been always big dreams behind the big steps and big victories in history. And now we have a dream for our nation and Istanbul. We are rolling up our sleeves for Kanal Istanbul, one of the greatest projects of the century, that will outshine the Panama and Suez canals."

Emphasizing the necessity of Kanal Istanbul, Erdogan pointed out that the project aims to minimize the threat posed to the city by the transportation of hazardous materials on tankers through the narrow, 30-kilometer-long Bosphorus Strait.

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ISAF Implements Ceasefire Opium-Growing Southern Afghanistan

April 24 (EIRNS)—In what could be the preparation for a new strategy and part of the endgame in war efforts of the International Security Assistance Forces (ISAF) in Afghanistan, confirmed reports indicate all major anti-Taliban operations have been suspended in the southwestern Afghan provinces of Kandahar, Zabul, Helmand, and Uruzgan, which together constitute the bastion of the Afghan Taliban.

A Taliban spokesman also told the *Asia Times* early this month that under the same initiative, several senior Taliban commanders in the custody of Pakistan's Inter-Services Intelligence (ISI) were almost simultaneously released. Those released include Mullah Mansoor Dadullah, a commander of the Taliban in southwestern Afghanistan.

What could be the likely U.S./NATO strategy? What is evident is that the ceasefire will enable Gen. David Petraeus bring

some American troops back home.

Reports from Afghanistan and Pakistan also indicate that the insurgents are gearing up for the usual Summer offensive, and movements of guerrilla groups along the Afghanistan and Pakistan borders have become highly visible.

Russian Cosmonaut: Mars Mission Is Logical Next Step

April 25 (EIRNS)—Famed Russian cosmonaut Nikolai Mikhailovich Budarin called for a manned mission to Mars, "as the logical next step" following man's landing on Moon, at the Festival of Russian Cosmonautics, held in New Delhi on April 24. The event was organized in honor of the 50th anniversary of Russian cosmonaut Yuri Gagarin's first manned space flight. Budarin, who travelled to space three times on board the Russian Soyuz spacecraft and the U.S. Space Shuttles *Atlantis* and *Endeavour*, has spent a total of 444 days in space.

At a similar event on April 12 in Mexico City, Budarin had said: "I think that man's first flight to Mars will happen in the mid-term timeline. I believe Russia will work closely with the Americans and Chinese." Sharing his views on the long-standing India-Russia space cooperation, Budarin told the Indian audience that since conducting space missions is an expensive affair, both the nations should work together for all future space missions, including the mission to Mars.

In fact, Russia is already working closely with India on space flights. An Indian cosmonaut will first go on a Russian space mission in 2015, prior to the Indian manned mission in 2017, Alexey M. Mzareulov, deputy consul-general of the Russian Federation, announced in New Delhi on April 11. Indian Space Research Organization (ISRO) and the Russian agency Roskosmos will build the spacecraft for the mission in 2015.

At that event, Russian Ambassador to India Alexander M. Kadakin pointed out broader collaboration with India is high on the agenda of Russia's space plans with the recent agreements on deeper cooperation, and in adopting the Glonass Russian satellite navigation system. "Bilateral cooperation will further strengthen and blossom, extending from orbital and lunar flights to the mysterious far reaches of the universe," Kadakin said.

Sun Yat-sen Portrait Placed on Tiananmen Square

April 28 (EIRNS)—In celebration of the 100th anniversary of the Chinese Republican Revolution of 1911, which abolished the imperial system in China, the Chinese government has placed a giant portrait of Sun Yat-sen on historic Tiananmen Square, the center of China's government in Beijing. The portrait is six meters high and weighs nearly two tons.

Sun, the leader of the revolution, founded the Chinese Republic on the basis of his profound understanding of the American System, acquired through his education under American republican missionaries in Hawaii. His famous "Three Principles of the People" which guided the revolution and the Republic—national sovereignty, republicanism, and the welfare of the people—were based on his understanding of the principles of the U.S. Constitution, and specifically on Abraham Lincoln's "of the people, by the people, and for the people."

Sun also had a deadly accurate understanding of the evil of the British Empire, which was captured beautifully in his 1917 book *The Vital Problem of China*, arguing against China's involvement on the side of the British in World War I.

Although Sun is revered in both China and Taiwan, his actual works and ideas have in the past been little read or understood in both places, even by many scholars and political leaders. The Schiller Institute took the initiative to publish a new Chinese language version of *The Vital Problem of China* in 1996 (see <http://chinese.larouchepub.com/en/node/174>)

for both Chinese and English versions), for distribution in China and Taiwan, to address that problem.

Japanese Production Collapses from March 11 Aftermath

April 28 (EIRNS)—The Japanese government said production plummeted 15.3% in March from February levels, the biggest decline since records began in 1953, and worse than had been expected. While areas directly affected by the disaster suffered a nearly 32-percent drop in industrial production in March, most of the overall decline came from a 13.5% drop in other parts of Japan, where parts shortages and power outages took their toll on production. Household spending dropped 8.5%.

"As a result of the disaster, the economy will inevitably continue to face strong downward pressure for the time being," the Bank of Japan commented. It cut its growth forecast for the current business year to 0.6% from the 1.6% it had previously forecast. Given the magnitude of the drop in March, the continuing problems this month, forecast power outages this summer, and ongoing crippling of the auto and electronics industries, any actual growth at all appears unlikely.

The Bank of Japan said it was keeping interest rates at near zero and discussed, but did not approve, further "quantitative easing" moves.

Africa News Digest

Uganda Sparks Opposition Protests for Seeking IMF Support

Egyptian Delegation Mending Relations with Ethiopia

Uganda Sparks Opposition Protests for Seeking IMF Support

May 2 (EIRNS)—Demonstrations led by defeated opposition Presidential candidates, Kizza Besigye and Norbert Mao, political opponents of Uganda President Yoweri Museveni, over the rising the costs of food and fuel, which began April 12, have flared up dramatically as the result of the brutal response by Ugandan security forces. Museveni said he will crack down on the demonstrations. Security forces have used live ammunition and tear gas. The demonstrations of hundreds of people, and the government response, are being characterized as a potential beginning the mass-strike process that earlier hit the North African nations of Tunisia and Egypt.

On April 29, the demonstrations have for the first time spread to the center of Kampala, which was brought to a standstill. Police and military fired teargas and live bullets to contain increasingly militant crowds in Kampala and most of the surrounding area. "Kampala under military siege" was the headline the Ugandan *Independent* that day. The walk-to-work demonstrations, protesting the price increases, have been lead by Besigye and Mao. Ugandan media report that since the election, food prices have doubled. After they were arrested, the demonstrations turned violent on April 28. Museveni responded with overwhelming force to the anti-government demonstrators.

Museveni is refusing to intervene to alleviate the impact of the rising prices because he is attempting to gain the approval for the IMF review that is coming up in June. On Feb. 11, one week before the Feb. 18 election won by Museveni (he has been in power for 25 years), the IMF executive board announced that it had not completed its first review of the three-year Policy Support Instrument for Uganda. Without this IMF support, Uganda is not able to borrow from multilateral development bodies, such as the World Bank, the African Development Bank, and other international development organizations.

Ugandan observers cited in the Ugandan press indicated that the IMF was concerned that the government was out of money, and had thus to pass a supplementary budget for some of the government's departments, a move that upset donor governments and institutions. The Ugandan press cited observers who alleged that the money went into election campaigns.

The big question in Kampala is, will the government be able to bring the budget back into accordance with IMF demands. Museveni's brutal response is meant to demonstrate to the IMF that he will not cave in to popular demands.

On April 4, before the protests erupted, the IMF had issued a statement that outlined what Museveni needs to do, which included:

- * rebuild international reserves;
- * increase domestic revenues through taxation;
- * handle oil revenues transparently, subject to parliamentary approval as part of the formal budget process;
- * reduce government expenditure arrears;
- * bring down inflation by tight control over government expenditure and revenue.

After his Feb. 18 election defeat, Besigye had cited fraud, and tried to get the public to protest, but failed. The police's brutal response to the protests "threw Besigye a political lifeline," in the words of the Ugandan press, and made the protests an international issue.

Egyptian Delegation Mending Relations with Ethiopia

April 30 (EIRNS)—House Speaker Abadula Gameda told a 48-member Egyptian delegation that arrived in Ethiopia yesterday for a five-day visit, that the problems Ethiopia had with Egypt over the use of the Nile's water were the responsibility of the previous, now overthrown, government of Egypt. He stated that relations between the two countries have improved since the downfall of the Mubarak government.

He called for cooperation between Egypt and Ethiopia in use of the Nile. He pointed out that Egypt could benefit from electricity generated by the mega-dam that Ethiopia is now building. He said that Egypt would also benefit from a regulated water flow, less loss by desalination, and decreased siltation.

The Egyptian delegation included three Presidential candidates, party leaders, and other prominent political figures, such as Abdel Hakim Abdel Nasser, the son of former President Gamal Abdel Nasser, and representatives from the 25 January Revolution Youth.

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