

[return to home page](#)

LAROUCHE WEBCAST

Either Obama Goes Or the U.S.A. Goes; Throw Him Out Today!

Lyndon LaRouche delivered this webcast address from Northern Virginia on July 21, 2011.

We are now, as we have been doing in the previous two days—we're going to take on the essential fraud of a President who is not a President, who is some kind of freak: Barack Obama. If we don't get Barack Obama out of office very soon—and there are three ways to get him out: One, he runs scared, in order not to go to prison, like Nixon did. Number two, he's kicked out of office by Section 4, of the 25th Amendment of the U.S. Constitution. And in that case, he goes that way. The other way is a straight impeachment.

If this bum is not out of office, you're not going to have a United States. So there is no basis for tolerating this President in the office of President now! The problem is, the issue is not made clear because we have a bunch of cowardly generations. Not my generation; my generation is World War II. I'm one of the last survivors, or active survivors of that period. And other generations, generally, are cowards: They will never tell the truth. They will always mix things up and say, "Well, maybe it could be this," or that sort of talk. As a result of that kind of talk, if no decision is made, which would save this nation from extinction, {we're close to the end, now!} You're talking about September-October; you're talking about an already dead nation if no change of this type is made....

Separate In-Depth articles from **Executive Intelligence Review** **Vol. 38, No. 29**

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

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This Week's Cover

- **LaRouche Webcast:**

- **Either Obama Goes or the U.S.A. Goes!**

In his July 21 webcast, Lyndon LaRouche presented a clear set of marching orders for the immediate days ahead: Number one, Obama must go, by impeachment or other constitutional means; number two, the 'Second Law of Thermodynamics' is a fraud, and must be abolished, if humanity is to survive this crisis; number three, the so-called 'environmentalist' movement is a scientific hoax, promoted by the British Empire. The 'Green' ideology must be replaced with a commitment to vastly increase the energy flux-density of the physical economy; number four, the casino economy must go, and Glass-Steagall be reinstated.

- **Dialogue with LaRouche**

During the discussion period, LaRouche addressed a wide range of questions, from the marriage of science and art in the Pazzi Chapel in Florence, to the courage of the World War II generation. We print the full transcript.

National

- **[LaRouche Warns of 'Reichstag Fire' Drive for Dictatorship](#)**

As he had in January 2001, presaging the 9/11 events, Lyndon LaRouche, on July 23, issued a warning about a new drive for dictatorship, emanating from the London-Wall Street financial oligarchy, which now faces imminent doom. Today, President Obama's London controllers are far more desperate, and are moving for dictatorship in the United States and Europe.

- **[Glass-Steagall Juggernaut Becoming Unstoppable](#)**

International

- **[Banks Dictate Bailout Policy to EU Summit](#)**

[by Helga Zepp-LaRouche.](#)

Agreements reached at the July 21 EU Summit are a threat to Germany's fundamental character as a democratic and social state, as defined in its Basic Law. Should the Bundestag approve the EU decisions, as expected, then all Germans have the constitutional right to resist, because no other remedy remains.

- **[1 Million Afghan Addicts:](#)**

[Cash-Starved Bankers and Terrorists Keep Asia Narcotics Boom Going](#)

Our New Delhi correspondent Ramtanu Maitra reviews the latest UN Office on Drugs and Crime report, which concludes that worldwide drug production and consumption have stabilized. Unfortunately, nothing could be further from the truth, as globalization and hot-money flows are opening up new consumer markets among the producer countries.

- **[In Memoriam:](#)**

[Tibor Kovats—Patriot and World Citizen](#)

Helga Zepp-LaRouche remembers this great soul and friend of the LaRouche movement.

Editorial

- **[The Courage Deficit](#)**

This Week's News

- **[U.S. Economic News](#)**

- **[Global Economic News](#)**

- **[United States](#)**

- **[Ibero-America](#)**

- **[Europe](#)**

- **[Russia and the CIS](#)**

- **[Southwest Asia](#)**

- **[Asia](#)**

- **[Africa](#)**

U.S. Economic/Financial News

Layoffs in Bankrupted Cities and States Just Beginning

Wave of Mass Layoffs in the Private Sector, Too

California Gov. Seeks Permission To Cut Medicaid

Mayor Bloomberg Unleashes 'Financial Hell' in New York City

Layoffs in Bankrupted Cities and States Just Beginning

July 17 (EIRNS)—Cities and states that have been eliminating jobs for the last two years are beginning a new round of layoffs of crucial public sector jobs. Meanwhile, the National Governors Association is meeting in Utah this weekend with no answers. Here are some of the latest announced cuts.

Connecticut: 6,500 state employees will be laid off between now and the end of August unless the public employees unions come up with concessions. This week, 328 employees in correctional facilities and 452 judicial employees will be the first to go. Benjamin Barnes, Secretary of the Office of Policy and Management, said the layoffs will continue until the 6,500-job-cut level needed to balance the budget is reached, reported *Business Week*.

New Hampshire: Gov. John Lynch sent out letters demanding plans from all state agencies to cut a total of \$50 million in labor costs by August 2014. Layoffs will begin this year if the cuts don't come about, but the number to be eliminated is not out yet.

Washington, D.C.: The school system laid off 413 employees on July 15, including 206 teachers who failed the "Impact" teacher rating system developed under former School Chancellor Michelle Rhee. There are more layoffs to come.

The Center on Education Policy reported that 70% of school districts in the U.S. had budget cuts in the school year that just ended, and 84% anticipate cuts this year.

Lubbock, Tex.: Mayor Tom Martin says layoffs and program cuts are expected for the Lubbock Health Department. Severe budget cuts will include discontinuing immunization clinics and those that treat sexually transmitted diseases.

Sonoma County, Calif.: After losing over 3,800 public jobs from 2007 to 2010, public sector employment fell another 3% in May 2011, and the drop will be even higher when the June-July figures are computed. At the end of 2010, there were about 20,300 public employees.

Wave of Mass Layoffs in the Private Sector, Too

July 22 (EIRNS)—As if more proof were needed, the announced mass layoffs, just this week, are further evidence that Barack Obama's economic recovery is a fraud. Cisco Systems, defense giant Lockheed Martin, and the Borders Books national chain announced a total of 23,000 layoffs. In the case of Borders, the announcement was actually that the company is going out of business, intending to close its 400 remaining stores by September, leaving 10,700 employees jobless. Even Goldman Sachs, said to be struggling with an "unexpected" downturn in its trading business, announced plans to lay off 1,000 employees. Thousands of NASA employees are losing their jobs after the last Space Shuttle flight landed yesterday, and there are dozens of other examples of layoffs and planned shrinkage in local governments (which

have fired 142,000 people so far in 2011), retailers, and other sorts of businesses. According to the consulting firm Challenger, Gray and Christmas, employers announced 42,432 mass layoffs in June, up 11.6% from May, and 5.3% from a year ago. In May, a total of 1.78 million people, 1.66 million of them in the private sector, lost their jobs. According to the Labor Department, the number of people unemployed less than 5 weeks, a measure which is used as a proxy for layoffs, grew 15.5% from May to June, to a total of 3.1 million people, the highest level since October of 2009.

California Gov. Seeks Permission To Cut Medicaid

July 20 (EIRNS)—California's Democratic Governor Jerry Brown wrote to President Obama on June 27, asking for Federal permission to cut the state's Medicaid spending by 10%, which will immediately threaten the lives of more than 7.5 million people already dependent on Medicaid, and the lives of new people seeking assistance daily in this breakdown crisis. All to "save" a lousy \$623 million in valueless money.

Should Obama's Federal Centers for Medicare and Medicaid Services (CMS)—headed by the beknighted hatchetman Sir Donald Berwick—give California the green light for these cuts, the precedent will be set to open the floodgates for every state in the Union to do likewise.

In his letter, Brown admitted that these cuts would come on top of huge cuts already made; optional benefits have already been eliminated, provider payments reduced, and people receiving aid required to "share" the costs.

Rep. Dennis Cardoza wrote his own letter to Berwick, opposing any such cuts, because, should they go through, they will force the closures of many facilities which care for Medicaid patients.

Mayor Bloomberg Unleashes 'Financial Hell' in New York City

July 17 (EIRNS)—Under billionaire Mayor Michael Bloomberg, New York City is rapidly becoming a model for the fascist nightmare planned for the U.S. as a whole, in which ordinary people are looted into the ground, while the financier parasites are protected.

New York City "is unleashing its latest financial hell" on local restaurants and other businesses, according to the *New York Post*, which said the Bloomberg Administration was projecting to raise almost \$900 million in fees and fines this year, with most coming from businesses.

Global Economic News

China's First Fast Breeder Reactor Produces Its First Power

India, U.K. Move Ahead with Nuclear Power

China's First Fast Breeder Reactor Produces Its First Power

July 21 (EIRNS)—Chinese media are reporting proudly, that China's first fast neutron, breeder reactor, a 65MW test reactor, was successfully connected to the electric grid this week. The reactor ran at 40% of capacity. China has worked on fast reactor technology since the 1960s. The current design was developed based on Russian technology, and with Russian help. China plans to start construction on two commercial-sized, 800 MW Russian-designed breeders in 2013 or 2014, and

to start building a 1,000 MW Chinese-designed breeder in 2018.

China, facing very high demand for, and limited indigenous reserves of, uranium, is aggressively moving to breeder reactors, which create more fuel than they use, and can more efficiently use upwards of 40% of the reactor's fuel, as compared to a few percentage in conventional nuclear plants. Today, China imports half of the uranium needed for its dozen nuclear reactors. The U.S. cancelled its breeder reactor program in the early 1980s, after it had been halted by the Carter Administration in the late 1970s. France and Russia have commercial-scale breeder reactors.

India, U.K. Move Ahead with Nuclear Power

July 19 (EIRNS)—At a time when nations are being devastated by the global financial collapse, generation of abundant electrical power at increasingly high energy-flux densities is the only solution to rebuild the future. In order to do that, nuclear power remains the key. Some nations are moving ahead.

Keeping its eye on the future, the Nuclear Power Corp. of India Ltd's (NPCIL) second pair of 700-MW Pressurized Heavy Water Reactors (PHWRs), RAPP-7 & 8 (Rajasthan Atomic Power Project 7 & 8) achieved its first pour of concrete last week at Rawatbhata in Rajasthan, India. The First Pour of Concrete (FPC) is an important milestone in the construction of a nuclear power project and signifies the start of the construction (zero date). The reactors are scheduled to be completed by 2016-17. On their completion, 1,400 MW capacity will be added to the Northern Electricity Grid, of which 700 MW will be allocated to the state of Rajasthan.

Designed in India, the 700-MW PHWR is the latest nuclear power reactor, which has been designed by NPCIL. Almost simultaneously, the U.S. Congressional Research Services (CRS) published a report pointing out that India could soon join a select group of countries that export nuclear reactors. "Only Canada, China, France, Japan, Russia, South Korea, and the United States export nuclear reactors. India may join this group in the near term," the CRS said.

India is offering its indigenous 220- and 540-MW heavy water reactor designs for export, although no specific customers have been identified, the report added.

On July 18, the British Parliament voted on the National Policy Statement for Nuclear, ratifying the program for building new nuclear power plants in the United Kingdom. The Parliament has also confirmed the list of sites able to host new nuclear plants, which includes Hinkley Point and Sizewell, the two priority sites identified by EDF, an integrated energy company in the U.K., for the construction of its future power plants. This vote has been acknowledged as a major step forward for the development of nuclear power in the U.K.

United States News Digest

[Debt Ceiling Negotiations Are a Complete Fraud](#)

[Congressmen Forced To Go on Record on 'Ethics' Office](#)

[Obama Accused of Violating Law with White House Fundraising](#)

[Wall Street Speculators Target U.S. States](#)

Debt Ceiling Negotiations Are a Complete Fraud

July 24 (EIRNS)—Tensions between the White House and Congressional Democrats are boiling over, as negotiations on the debt ceiling drag on. A number of Senate Democrats, including Majority Leader Harry Reid (Nev.), John Kerry (Mass.), Barbara Mikulski (Md.), Maria Cantwell (Wash.), and possibly others not named, were attending a meeting with Office of Management and Budget director Jacob Lew on July 21, when rumors flashed across their Blackberries of a \$3 trillion deal between President Obama and House Speaker John Boehner (R-Ohio).

Mikulski said afterwards that when the rumors of mega-cuts and no new taxes came across, "it was like Mount Vesuvius.... Many of us were volcanic." Reid threatened that if the deal comes to a vote in the Senate, the Democratic Caucus will oppose it. "I'm the Senate Majority Leader," Reid reportedly said. "Why don't I know about this deal?" One unnamed Senator told *The Hill*, "There's a basic lack of trust with the president," which stems from suspicions that Obama is negotiating in secret with Speaker of the House John Boehner (R-Ohio). According to the Senator's account of the meeting, Lew at first denied that there was any deal, then argued that Obama has to negotiate alone with Boehner if there is to be a deal that will pass the House of Representatives. They can't do that, "if there are too many people in the room."

There was a later meeting the same evening between Obama and the four top Congressional Democrats, Reid, Sen. Dick Durbin (Ill.), House Minority Leader Nancy Pelosi (Calif.) and House Minority Whip Steny Hoyer (Md.). One source reported to *EIR* that there was a lot of shouting at this meeting, with the Democrats accusing Obama of betraying the Democratic Party by attempting to give away entitlements in his negotiations with Boehner.

After an hour-long meeting on July 22, Boehner, Pelosi, Reid, Senate Minority Leader Mitch McConnell (R-Ky.), and Vice President Biden emerged from their meeting with Obama to announce to the world that ... once again, they had not reached an agreement on a deal.

Obama, revealing where his real concerns lie, said: "It's very important that the leadership understands that Wall Street will be opening on Monday, and we'd better have some answers during the course of the next several days," since a deal must be presented to Congress on July 27 in order to be approved before the deadline of Aug. 2.

Lyndon LaRouche commented during his July 21 webcast: "This is a fraud, a complete fraud. There's no truth to it. We have to crack down with a Glass-Steagall law. Otherwise, anything you're doing is just nothing but an act of masturbation."

Congressmen Forced To Go on Record on 'Ethics' Office

July 22 (EIRNS)—The so-called ethics process in the U.S. House of Representatives has been largely dysfunctional since the creation of the Office of Congressional Ethics (OCE) by then-House Speaker Nancy Pelosi, in 2008. In fact, the OCE, a parallel structure set up outside of the Congress, conducted Operation Frühmenschen-style witch hunts against Congressional Black Caucus members and any other House Democrats who crossed swords with Pelosi and President Obama. Leading Democrats opposed to the creation of the OCE publicly assailed it, and Lyndon LaRouche, in a July 30, 2010 statement, called it flagrantly unconstitutional.

The OCE was the vehicle for targeting Reps. Maxine Waters (D-Calif.) and Charles Rangel (D-N.Y.), sparking legislation last year, sponsored by many members of the Black Caucus, to abolish it. This morning, members of the House were forced to go on the record when an amendment to the legislative branch appropriations bill, to reduce the budget of OCE by 40%, sponsored by Rep. Mel Watt (D-N.C.), came to a floor vote.

The amendment was defeated by a vote of 102 to 301, but the debate allowed Watt and several of his supporters to air their charges against the OCE. Watt told the House that he thinks there is substantial bipartisan consensus that "the responsibilities of the OCE are redundant and duplicative of the House Ethics Committee; two, that the OCE's operations are substantially staff-driven, and the staff has taken the OCE's mission well beyond what was intended in the statute that created the entity; and three, that the procedures of the OCE are unfair and sometimes abusive of the rights of Members of the House," among other things. Rep. Steve King (R-Iowa) added that the OCE members "have gone on witch hunts. They have taken pieces of information that came from political opposition on either side and embellished that into things."

Meanwhile, the case of Maxine Waters, initiated by the OCE, is on hold until the outside counsel hired by the House Ethics Committee completes his review of the conduct of the committee staff in that case. In a statement issued on July 20, Reps. Jo Bonner (R-Ala.) and Linda Sanchez (D-Calif.), the chairman and ranking member, respectively, of the committee, said that the allegations of serious misconduct by certain members of the committee staff in the Waters case will be reviewed by attorney Billy Martin, before any determination is made regarding the disposition of that case, and Waters herself will be given an additional opportunity "to clarify her concerns to the committee and outside counsel."

Obama Accused of Violating Law with White House Fundraising

July 20 (EIRNS)—Two scandals concerning Obama's use of White House facilities for campaign fundraising are hitting his reelection campaign, and will feed the drive for impeachment.

First, yesterday, RNC chairman Reince Priebus called on the Justice Department to investigate whether Obama broke Federal election laws by conducting illegal political fundraising in the White House. According to Federal law, it is a crime for the President of the United States to solicit political contributions in a place of official government business. Yet, a fundraising video featuring Obama appears to have been recorded in the Map Room, which is often used in the discharge of official duties. "If President Obama recorded the video in the Map Room, then it appears he has committed a crime under federal law," Priebus wrote in a letter to Attorney General Eric Holder. The Map Room has been "used for a myriad of official functions, including the administration of the oath of office" and also the launch of the administration's effort to reduce government waste, Priebus wrote, noting that "the facts of this case strongly suggest a crime was committed," he said.

The second case is a secret March 7 event sponsored by the Democratic National Committee (DNC) for financial executives, in which Obama met with more than two dozen financial leaders and executives in the Blue Room of the White House. Although the White House maintains that this was not a fundraising event, almost all of the attendees are contributors or fundraisers for Obama's campaigns, both 2008 and 2012. Moreover, recently released 2nd quarter fundraising data shows that at least 16 of those attending served as "bundlers" for Obama's 2012 campaign, raising almost \$4 million for the campaign in the April-June period, following the March 7 meeting.

On July 11, California Rep. Darrell Issa (R), chairman of the House Oversight Committee, called for an investigation into the meeting, asked for information from the White House, and called for the preservation of documents related to any campaign-related events hosted by administration officials. "These fund-raising activities appear to be part of a broader Administration strategy to maximize campaign donations for the upcoming campaign while simultaneously using official resources to suppress the fund-raising of potential political opponents," Issa wrote.

On July 13, Issa sent a letter to the DNC, and asked for copies of DNC documents related to the March 7 Blue Room event and other possible uses of government property for fundraising. The letter establishes the legal framework for a subsequent subpoena of DNC documents. "Please provide the requested documents and information as soon as possible, but no later than 5:00 p.m. on July 27, 2011," it said.

Wall Street Speculators Target U.S. States

July 20 (EIRNS)—Continuing its financial warfare against the United States, the speculator hit-squad, Moody's Rating Services, yesterday threatened to downgrade five of the 15 U.S. states which still have a AAA-rating, should a Federal debt-ceiling agreement not be reached, allegedly because of their dependence on Federal funding. Those targetted were Maryland, New Mexico, South Carolina, Tennessee, and Virginia, whose debt costs would rise if the speculators get their way.

The situation is already untenable in Tennessee, for example, where state budget cuts have had draconian effects. Cuts in funding of Chattanooga's mental-health program mean that over 2,000 people with autism, cerebral palsy, and mental disabilities will no longer receive help, come Aug. 12. Yesterday, the opening of public school classes in Memphis was put on indefinite hold, until that city comes up with millions it doesn't have.

Ibero-American News Digest

[More Death Threats Against Argentina's President](#)

[Argentina's 'Tecnópolis' Celebrates Scientific Optimism](#)

[Cholera 'Refuses To Leave' Haiti](#)

[Brazil Could Be a Leading Space Nation](#)

[Besieged Chilean President Reshuffles Cabinet](#)

More Death Threats Against Argentina's President

July 25 (EIRNS)—Argentine psychiatrist Marcelo Dignani has released a video analysis of a new ad for HD TV shown in the country on Channel 13, which he argues contains repeated subliminal messages calling for President Cristina Fernández de Kirchner's assassination. Channel 13 is owned by the virulently anti-government Clarín media group.

The ad features the fictional attempted assassination of a Czech President, greeting crowds from a balcony. According to Dignani, the spot "contains 120 letters K, double K's, or mirror-image K's"—the letter K being the campaign symbol for both Cristina and her late husband and former President Néstor Kirchner. One capital letter K appears suggestively on the forehead of the Czech leader, which Dignani characterizes as "a directly mafioso message." Dignani, an award-winning psychiatrist who has specialized in mass-media effects, and what he calls "media radiation" (i.e., brainwashing) said that the Channel 13 ad is "a simple test that the Empire performs to see how people might react." Through his video, he calls on citizens to get out the word on the assassination threat.

His argument is plausible, especially since both Kirchners have been the target of repeated calls for assassination, coming largely from right-wing synarchist networks. The Kirchner case is relevant both in the overall global environment of British-backed terrorist activation, and also because of what the Kirchners did in forcing a 75% write-down on Argentina's defaulted debt in 2005, which is frequently referred to in Europe today as a model for those who want to say "no" to the EU/IMF bailout/austerity packages.

Argentina's 'Tecnópolis' Celebrates Scientific Optimism

July 21 (EIRNS)—Argentina's giant Tecnópolis exposition, displaying examples of 200 years of the nation's scientific achievements, is "a call to the future," said President Cristina Fernández de Kirchner on July 14. Presiding over the exposition's opening in a Buenos Aires suburb, she proudly added that it is also "an invitation to life, to the lives of future generations, of those yet to be born ... to whom we have an obligation to move forward with greater force, greater passion and greater conviction than ever before."

Tecnópolis was built as part of Argentina's 2010 bicentennial celebration, but its opening was delayed until recently. Free to the public, it has attracted close to half-a-million visitors since its opening on July 15, including a large contingent of excited and curious young people. Aerospace, nuclear energy, medicine, satellite technology, and communications are the subjects of many interactive displays. More than one child leaving the exposition has been heard to exclaim, "I want to be an astronaut!"

At the entrance of the exposition, under a large sign reading "The Future Is Now," immediately visible is its tallest building, built by the National Space Activities Commission (CONAE), which uses several technological devices to allow visitors to experience the climate of space. In front of this building stands a model of the prototype Tronador II rocket, successfully tested on July 11, that will give Argentina the ability to launch its own satellites.

The exposition is divided into five "continents"—Air, Land, Water, Fire, and Imagination. In the Air pavillion, there are models of several aircraft Argentina designed and built in the 1950s, the Pulqui I and II and the Pucará. In the Fire pavillion, visitors can learn about nuclear energy, by entering a cubicle whose movements and vibrations simulate the interior of a reactor, and one can "observe" the splitting of the atom. In the same section, a three-dimensional video explains the workings of the modular prototype CAREM reactor, designed and being built in Argentina with a 2013 completion date.

The exposition will eventually become a permanent museum. Fernández explained, Tecnópolis isn't just a "commemoration of what we've been able to do. It is a real Theme Park that the Bicentennial Generation ... leaves as a legacy to all Argentines, as we begin our third century of existence...."

Cholera 'Refuses To Leave' Haiti

July 25 (EIRNS)—Romain Gitenet, head of the Doctors Without Borders mission in Haiti, recently warned that, "If we want to make cholera disappear, it will be with water and sanitation." Yet, in the 17 months since the January 2010 earthquake, the clean water and sanitation infrastructure that Haiti desperately needs to stem the tide of this epidemic are nowhere to be seen.

The genocidal implications of this cannot be overstated. One cholera treatment center in Mirabalais in central Haiti saw five times as many patients in June as in May, according to the Partners in Health NGO. In June, the Health Ministry reported more than 1,000 cases a day. The death toll stands at 6,000, with more than 388,958 infected. As the hurricane and rainy season progresses, these figures will increase dramatically.

In the Dominican Republic, on the other side of the island of Hispaniola, cholera continues to overwhelm state hospitals, which have neither the infrastructure nor personnel to deal with the numbers of incoming patients. The death toll here is 87, with over 13,000 infected.

Chile's Health Minister, Jaime Mañalich, confirmed today that a 41-year-old woman who had just returned from the

Dominican Republic was infected with a highly contagious strain of the *Vibrio cholerae* bacteria and that there are now at least three more cases of the disease in the country.

Brazil Could Be a Leading Space Nation

July 19 (EIRNS)—Marco Antonio Raupp, the head of Brazil's space agency, stated last week at the 63rd Meeting of the Society for the Advancement of Science, that he wants to triple Brazil's space budget, from \$191 million to \$573 million per year. This is necessary, he explained, to carry out a revised five-year plan that is now being developed. Raupp wants to merge the Agency with Brazil's world-class Earth remote-sensing center, the National Institute for Space Research, to create a NASA-type organization that carries out R&D in space technology and develops applications for its use, and also launches and operates its own spacecraft.

Raupp said the priorities in the new plan will be "a national system of prevention and disaster warning, a national defense strategy, an improved environmental monitoring, and food and water security." There will be a "new portfolio of projects," he said.

"We have about 3,000 people working in our space program, which is small, compared to other countries. We need skilled labor," a space agency official said. A program to recruit the human resources needed to carry out the new projects will be implemented in the near future.

By the 1970s, Brazil and Argentina were poised to be world-class space nations, as they were carrying out suborbital rocket launchings, developing satellites, and creating cadres of trained experts. The Bertrand Russell-inspired "non-proliferation" mafia killed both of these national efforts, which only recently have been brought back to life.

Brazil has extensive cooperative space projects, including remote-sensing satellites in the China/Brazil Earth Resources Satellite series, with China. Brazil's long-languishing equatorial Alcantara launch complex is being completed in a partnership with Ukraine, to launch Ukraine's Cylone rockets, and Russia is helping to develop a new family of rockets with Brazil, by 2020.

Besieged Chilean President Reshuffles Cabinet

July 25 (EIRNS)—For the second time in 16 months, Chile's right-wing President Sebastián Piñera was forced to reshuffle his Cabinet, in an attempt to respond to months of student protests demanding an end to the for-profit educational system imposed in 1981 by the late dictator Augusto Pinochet. Hated Education Minister Joaquín Lavín, a free-market ideologue who epitomized the "Chicago Boys" approach to education, was transferred from his post to the Social Planning Ministry.

The Cabinet shift means little in terms of any policy change, as the new Education Minister, Felipe Bulnes, is sticking with Piñera's education "reform," which only offers more funds for student loans, but makes no other fundamental changes. Piñera confirmed this, when he remarked shortly after the Cabinet shuffle, that education is a "consumer good"—a commodity—and called for a "greater interconnection between the world of education and the world of business."

Student leaders from the country's state universities, meanwhile, met in Punta Arenas on July 23-24 for a national plenary of the Chilean Student Federation (Confech), and agreed they would continue with their mass mobilization until "our objectives are met."

Western European News Digest

LaRouche Presages Norway Terror Incident

Empire Propagandists Demand End of National Sovereignty in Europe

Greeks Denounce EU Bailout Deal

Sinn Fein on EU Deal: No Gain for Ireland; Burn the Bondholders

Some in Germany Revolt Against Euro Bailouts

Full Glass-Steagall Back on British Agenda

Nuclear Phaseout Leaves Germany Without Engineers

U.S. Targets Credit Suisse in Tax-Evasion Probe

LaRouche Presages Norway Terror Incident

July 20 (EIRNS)—Lyndon LaRouche warned as early as July 13 that unless Glass-Steagall is implemented in the United States and in Europe, the entire trans-Atlantic region is going to plunge into chaos. And under those circumstances, the kind of each-against-all warfare among the European financial oligarchy is likely to lead to some high-level assassinations. Saturday's deadly "terror" attack in Oslo, Norway must be examined with this perspective in mind.

Empire Propagandists Demand End of National Sovereignty in Europe

July 20 (EIRNS)—A propaganda offensive directed against Germany, for the creation of supranational fiscal and economic control of what has remained in terms of national affairs in Europe, was launched on the eve of the EU crisis summit tomorrow.

The IMF's Luc Everaert arranged a special international conference call with journalists, Tuesday, telling them in warning tones that the euro "could succumb if countries put sovereign pride over the common good [!]," adding that "without a true recognition of Eurozone oneness, even with national and cultural differences, and then making decisions demonstrating that recognition rather than denying it, one cannot have a currency."

Then, in a special interview with Brussels-based *Euronews*, Jacques Attali (former advisor to French President Mitterrand, who helped force the euro down the throat of the Germans, with the help of Britain's Margaret Thatcher) called Germany "the sick man of Europe," and attacked the Germans for not having a "long-term strategy.... It is all about moving closer to European federalism but without putting the Germans in a position to oppose it, rather trying to make our German friends understand that it is in their interest to make progress towards European federalism."

Greeks Denounce EU Bailout Deal

July 22 (EIRNS)—While Greek Prime Minister George Papandreou returned from Brussels as if in triumph from the latest Eurozone bailout, which piles another EU159 billion of debt on his country, he was welcomed with denunciations by the

Greek parliamentary opposition. Papandreou idiotically proclaimed that Greece was "relieved from the nightmare of default," while Finance Minister Evangelos Venizelos, not to be outdone, babbled that the Greek banking system is the "safest in Europe."

Within hours of these statements, Fitch Rating agency said that the so-called "rescue" plan was indeed a "default event."

Among numerous other denunciations, Coalition of the Radical Left MP Evangelia Ammanatidou Paschalidou spoke to the point: "Unfortunately, it is the Greek society that is facing the tragic blow of a bankrupt policy." She warned that there is no future with the government's bankrupt policy.

Sinn Fein on EU Deal: No Gain for Ireland; Burn the Bondholders

July 22 (EIRNS)—The European Summit's phony bailout deal is being seen in Ireland as just that. Commenting that the deal presented no gains for Ireland, Sinn Fein finance spokesperson Pearse Doherty went after Irish Prime Minister Enda Kenny's triumphalism over gaining a two-percentage-point reduction of interest rates, as illusory.

"With our national debt set to exceed 200 billion by 2014, this interest rate reduction will do nothing to address our national debt. The only way to reduce this debt is by burden-sharing with senior bondholders and loss-sharing with the ECB. Unfortunately these issues are explicitly ruled out for Ireland in this evening's agreement, and it seems that Enda Kenny, by signing up to this agreement, which rules out any type of private sector involvement in Ireland's debt crisis, has ditched any attempts to impose losses on senior bondholders in Anglo Irish Bank.

Some in Germany Revolt Against Euro Bailouts

July 22 (EIRNS)—Two anti-bailout members of national parliament (Bundestag), Frank Schäffler and Klaus-Peter Willsch, organizers of a dissident group of more than 40 Bundestag members, have called for a special session of parliament in the coming days, despite the Summer recess. "If the Greeks are getting money, the Bundestag must be consulted first," Willsch told *Mitteldeutsche Zeitung*. "This is especially urgent, if a buy-up of Greek state bonds is intended, which would be in open violation of an existing decision of the parliament."

The spirit of revolt is also felt in this week's issue of *Wirtschaftswoche*, which, under the headline, "With the D-mark, back to the old strength," writes that a German return to its former national currency is possible. It could be done overnight; the Bundesbank experts know how to do it.

Full Glass-Steagall Back on British Agenda

July 21 (EIRNS)—A Glass-Steagall banking reform is reportedly back on the agenda of the British Independent Commission on Banking (ICB), according to today's web newspaper *CityAM*. The move follows pressure by the House of Commons Treasury Select Committee to give consideration to a full structural separation between retail and investment banking.

Putting this separation back on the ICB agenda is a response to a tremendous number of requests the ICB has received since the publication of its interim report earlier this year. That report called for what appeared to be a rather anemic version of "ring-fencing" between retail and investment banking, and has the endorsement of Treasury.

The ICB's final report is expected to be released on Sept. 12, but now it is suggested it could be postponed.

Nuclear Phaseout Leaves Germany Without Engineers

July 19 (EIRNS)—One of the real problems that waits for a solution in Germany is the widening engineer gap. June 2011 showed an all-time high of demand for more than 76,000 engineers that are not available.

According to the VDI, the national association of engineers, the undersupply of young engineers hits the machine-building and car-making sectors predominantly, with 31,000 engineers lacking. The electric engineering sector lacks 18,300; construction is next with a lack of 10,600. Baden-Württemberg, the German state with the highest concentration of machine-building and car-making, is suffering from the worst undersupply, with 20,600 engineering jobs that cannot be filled. Bavaria is next on the list, with a shortage of 13,000, followed by North Rhine-Westphalia with 12,600.

Willi Fuchs, director of the VDI, said the problem has little to do with the young generation, which, as such, is not hostile to or disinterested in technology; it rather has to do with the media and the schools, which do not promote a pro-technology view.

U.S. Targets Credit Suisse in Tax-Evasion Probe

July 17 (EIRNS)—The U.S. Department of Justice has targetted Credit Suisse, the second-largest Swiss bank, in its ongoing criminal investigation of banks that help U.S. residents illegally avoid paying U.S. income taxes. Credit Suisse disclosed the probe July 15. According to the Swiss daily *Tages-Anzeiger*, the move is intended to force Credit Suisse to release information about its U.S. clients, as UBS did in 2009, and is part of a broader investigation. The probe dials up the pressure on Switzerland, which has been trying to cut a deal to end the investigation, and include a provision that no Swiss bankers go to jail.

Asia News Digest

Baiting of China by the Kerry-McCain Duo

Japan's Cabinet Ridicules Prime Minister Kan's Nuclear Statement

Baiting of China by the Kerry-McCain Duo

July 19 (EIRNS)—Continuing with their irresponsible and dangerous alliance, as in their (now-dead) resolution authorizing the unconstitutional Libya War, Sen. John Kerry, the Democratic Chairman of the Senate Foreign Relations Committee, and Sen. John McCain, the Ranking Republican on the committee, have sent a letter to Dai Bingguo, China's top foreign policy official, ahead of a meeting of the Association of Southeast Asian Nations (ASEAN)'s foreign ministers and their dialogue partners this week. The letter warns China that recent naval clashes with its neighbors in the South China Sea could jeopardize U.S. "national interests" in the region, comments that are likely to rankle Beijing.

"We are concerned that a series of naval incidents in recent months has raised tensions in the region," the letter said. "If appropriate steps are not taken to calm the situation, future incidents could escalate, jeopardizing the vital national interests of the United States," the letter added, reports the London *Financial Times*. It is a near-certainty that China will read the comments as a provocation.

The South China Sea includes vital sea lanes for most of Northeast Asia's oil imports and other trade with Europe, the

Middle East, Africa, India, and Southeast Asia. China, Vietnam, the Philippines, Malaysia, Brunei, and Taiwan claim all or parts of the area, but China's claims are the most extensive.

At the Shangri-La Dialogue regional defense summit in Singapore in June, Robert Gates, then U.S. Defense Secretary, had exhibited his understanding of the situation and had taken a reasonable position on this vis-à-vis China, which partly reflected a desire not to harm improved relations between the two countries.

Japan's Cabinet Ridicules Prime Minister Kan's Nuclear Statement

July 23 (EIRNS)—Japan's Industry Minister, Banri Kaieda, in remarks before the House of Councillors, the upper house of Parliament, was openly dismissive of Prime Minister Naoto Kan's anti-nuclear stance. At a budget committee appearance, he characterized Kan's statement calling for the elimination of nuclear power, which he made without any intra-government discussion or consensus, as "words that are not based on the concerted view of the Cabinet," but rather, "words of a private person. They carry less weight than a bean goose feather."

Kaieda also pushed forward Japan's drive to export nuclear technology, as the Prime Minister seemed determined to sabotage major agreements with Turkey and Vietnam.

There have been shockwaves across the world among nations with nuclear power plants, and those wishing to develop nuclear power, at Kan's statements, since Japan is the only independent builder of nuclear containment vessels and other key nuclear components.

Africa News Digest

[U.K., France, Desperate for Aid for Anti-Libya Campaign](#)

[Without Food Price Controls Millions Will Die in East Africa](#)

U.K., France, Desperate for Aid for Anti-Libya Campaign

July 20 (EIRNS)—Britain and France have come begging to Washington for money to continue the NATO operation against Libya, but they are coming up empty, because the coffers are bare, and the opposition in the U.S. Congress to another war has put a stop to more involvement. In addition, Russia is becoming more vocal in its opposition to the NATO war against Libya.

Britain's Defence Secretary Liam Fox had asked Washington's new Defense Secretary, Leon Panetta, for more help, but failed to get a commitment, according to the July 18 London *Financial Times*.

As a result, both France and the United States have engaged in talks with Qaddafi loyalists, seeking some way out of the quagmire. Yesterday, French Foreign Minister Alain Juppé said that France was open to some kind of settlement to allow Qaddafi to remain in Libya, as long as he would not remain involved in politics.

For its part, three high-level officials of the U.S.A., on July 17, two days after it recognized the rebels as the legitimate representative of the Libyan people, held a three-hour meeting in Tunisia with representatives of the Qaddafi government. The group was composed of Assistant Secretary of State for Near Eastern Affairs Jeffrey Feltman, U.S. Ambassador to

Libya Gene Cretz, and National Security Staff senior director for strategic planning Derek Chollet. A U.S. official claimed that the U.S.A. was not setting up a separate negotiating channel, saying that they were only delivering a message that Qaddafi had to go. But the meeting did go on for three hours.

Opposition to the anti-Libya campaign is being fed in the U.S.A. by the realization of the ragtag make-up of the anti-Qaddafi rebels, who have looted the areas they have "liberated," and by the fear of the leading role in the rebel movement being played by the British-steered radical Islamic movement in eastern Libya, where the rebellion started. There have been numerous reports of spillage of sophisticated arms—including portable air-defence missiles (MANPADS)—that have been seized by the rebels. It is feared that these weapons will end up in the hands of al-Qaeda affiliates elsewhere in Africa, and also could be used by terrorists to shoot down civilian planes.

Russian President Dmitri Medvedev said yesterday that Russia was opposed to picking sides in the conflict, and charged that NATO is overstepping the mandate of the UN agreement. "We must continue the search for opportunities for a peaceful solution," he said yesterday.

Without Food Price Controls Millions Will Die in East Africa

July 19 (EIRNS)—The most severe food crisis in the world today, in the eastern part of Africa, is worsening, according to reports from multiple agencies. An estimated 12 million people in Kenya, Ethiopia, Somalia, and Djibouti are in need of humanitarian assistance, and there is no likelihood of improvement until 2012.

Food price controls are an urgent and immediate necessity, as Lyndon LaRouche has called for. The killer profits resulting from speculation in food shortages, fueled in particular by ETFs—Exchange Traded Funds—in agriculture have seen the biggest inflow of hot money since the beginning of the year, compared with all other types of "soft" commodities. A recent ETF Securities report documented this bloodsucking. Such ETFs as PowerShares DB Agriculture (DBA) pools money to put into a mix of companies and futures speculation in cattle, cocoa, coffee, corn, cotton, hogs, soybeans, sugar, and wheat.

In the Horn of Africa, hundreds of thousands of people are dislocated. In the refugee camps of Daadab in northern Kenya, where almost 367,000 refugees have sought shelter, the situation is particularly grave. Thousands of Somalis walk for weeks to reach the camp, most of them arriving acutely malnourished and dehydrated, with nothing but the clothes on their backs.

The camps are already overcrowded. Some 60 babies are dying each day in one camp. Every 24 hours, more than 3,000 malnourished people arrive at camps already too crowded to accommodate them. The lives of half a million children are at imminent risk. And, in total, no fewer than 12 million people are fighting for their very survival.

In Kenya, Vice President Kalonzo Musyoka has asked teachers not to send home students for inability to pay school fees. Kalonzo said famine is the major problem facing the country, adding that the government has already declared it a national disaster. He said that the majority of parents are not able to pay school fees, due to prolonged drought, but that the students should not be deprived of at least a meal they get at the school.

Also, another East African nation, Tanzania, is battling an extreme level of drought that has sent food prices skyrocketing. Dependent largely on drought-affected hydroelectric power, the drought has increased electricity tariffs by 18%, starting last January, as well as increasing prices of domestically produced food items, following poor, short rains in the second quarter of both 2010 and 2011.

[top of page](#)

[home page](#)