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**LPAC-TV Weekly Report**

**The Remedy: U.S.-Russia-China Agreement for Global Recovery**

*Lyndon LaRouche was the featured guest on the Sept. 14 LPAC-TV Weekly Report.*

Well, we have an interesting situation. We covered this in some internal discussion, and we thought we could make some of it public, as well. We are now approaching the point that the general crash of the entire financial system is coming about. And how it will work out—that's still in debate; but the fact is, we're coming to the limiting condition of a breakdown crisis, which does have remedies.

Now, the remedy largely will consist of an agreement reached, as we presented this internally, an agreement reached among the United States, Russia, and China. This will be a preliminary step, if enacted, which will be the unique solution for preventing the world from going into the deepest depression you ever saw. And we're talking about early times; we're talking about the remainder of this year, at the most, in which it has to go.

What it means is this: First of all, the current President of the United States must be thrown out of office. There are two principal grounds for doing so right now: One, he is mentally incompetent, according to the standards of the 25th Amendment of the Constitution. He also has violated the Constitution in terms which demand his expulsion, as in his involvement in the Libya operation that was conducted in violation of our Constitution. We have to get him out, and that has to be soon. He's eligible for it. ...

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## **This Week's Cover**

- **LPAC-TV Weekly Report:**

- **The Remedy: U.S.-Russia-China Agreement for Global Recovery**

Lyndon LaRouche appeared on the Sept. 14 Weekly Report with Alicia Cerretani and Sky Shields for a discussion of his proposal for a three-way alliance among the U.S., Russia, and China, as the fulcrum for a global economic recovery, focusing on the Eurasian Land-Bridge, the Bering Strait bridge-tunnel, and NAWAPA. This combination, he said, would be a preliminary step, and would ultimately bring in other significant Asian and European powers. But, the precondition for this to happen, is that the current President of the United States must be thrown out of office.

- **Russia's Putin Prepares for Another Landmark Visit to China**

Russian Prime Minister Vladimir Putin will visit China in October, he confirmed at a Sept. 14 meeting in Moscow with China's Wu Bangguo. The Chinese-Russian meeting promises to be crucial in the process LaRouche has identified as 'the unique solution' for preventing the deepest depression the world has ever seen.

# National

- **Will Narcissist Obama's Fall Bring Down the U.S. As Well?**

Obama's recent setbacks, including a clobbering in a special election in New York, signal that the President's narcissistic personality disorder may push him to a near-term explosion, as warned of by Sam Vaknin, author of Malignant Self-Love, in an LPAC-TV video.

- **More Explosive Evidence of Saudi Support for 9/11 Hijackers**

Former Sen. Bob Graham is calling on President Obama to investigate dramatic new evidence of Saudi involvement in the 9/11 attacks. 'The key umbrella question,' he stated, 'is: What was the full extent of Saudi involvement prior to 9/11 and why did the U.S. administration cover this up?'

- **FEMA Disastrously Short of Cash?**

**Blame Obama's Malign Neglect**

For many locations affected by disasters, this year, and over the past few years, FEMA has, in effect, already run out of money for them. Obama mouths platitudes while withholding funding for disaster relief, leaving victims in the lurch.

- **Operation Fast and Furious:**

**Part of a Deal with the Sinaloa Cartel?**

# International

- **What Comes After the End of the Euro System?**

**It's High Time To Panic, Chancellor Merkel!**

**By Helga Zepp-LaRouche.**

The five most important central banks in the world are following precisely the policy of the Reichsbank in Weimar Germany in the second half of 1923: hyperinflationary money-printing! The only difference is that this time it is not just for one country, but the whole trans-Atlantic region.

- **WWF at 50:**

**Genocide Is the Top Priority**

The World Wildlife Fund and its ghoulish protagonists, such as Prince Philip and Sir David Attenborough, demand that the world's population be to 1-2 billion.

- **Will Italy Lead the Way Out of the Euro?**

- **Interview: Loretta Napoleoni:**

**'The Euro Is a Straitjacket'**

- **U.S.-Sudan Relations:**

**Development or Military Intervention?**

- **Interview: Mahdi Ibrahim Mohammad:**

**Peace Is Our Strategic Goal**

# Economics

- **LaRouche's Seven Necessary Steps:**

**Step Three: Issue Hamiltonian Credit for National Projects**

Lyndon LaRouche's Step Three of his seven-point program for economic recovery, is for a bankruptcy reorganization, according to the principles of the credit system laid out by the first Treasury Secretary of the United States, Alexander Hamilton.

- **Alexander Hamilton's Credit Principle**

- **'Unavailability' of Livestock Feed Signals:**

## **U.S. Food Shortages Are Here**

Food shortages have now hit the United States, in addition to the crisis in the international supply chain, which is now consigning millions in Africa to hunger and starvation. U.S. production of wheat, corn, and rice in 2011, are all down from last year. Levels of grain stocks are plunging, and the prospects for next year are grim.

- **Cattle, Hog Operations Shutting Down**
- **Feed Hyperinflation Wiping Out Dairies**
- **Poultry:**  
**'Feed Unavailability'**

# Editorial

- **Who Has Credibility Now?**

# This Week's News

- **U.S. Economic News**
- **Global Economic News**
- **United States**
- **Ibero-America**
- **Europe**
- **Southwest Asia**
- **Asia**

## U.S. Economic/Financial News

### **Federal Reserve Plans To Bail Out Eurodebt**

### **New Report Shows 30 Million Really Unemployed**

### **U.S. Layoffs and Wage Loss Accelerating**

### **12% of Mortgaged Homes Lost in Crisis**

## **Federal Reserve Plans To Bail Out Eurodebt**

Sept. 17 (EIRNS)—A former U.S. government economics official said this week that the Federal Reserve is preparing to open up new facilities to bail out collapsing European bank debt, in association with Treasury Secretary Geithner's trips to European financial meetings this week.

The European debt crisis will continue to worsen, is more dangerous than 2008, and will cause contagion in the U.S. banking system, the official added. In addition, the U.S. housing market will continue to worsen because there is no loss recognition—a continuing refusal to mark mortgage-backed securities to market, by banks or even by Fannie Mae and Freddie Mac.

The Federal Reserve has in fact announced new "swap agreements" set to begin Oct. 14, which will make large dollar credit lines available to the European Central Bank (as well as the Swiss, British, and Japanese central banks), to be used in providing emergency loans to European megabanks full of distressed debt. This was how the Federal Reserve initiated the bank bailouts in August 2008, with the start of such swap lines and large "discount window" lending facilities. Banks in the United States and Europe then immediately started tapping hundreds of millions, then billions at a time in loans, using large amounts of collateral securities rated far below the required Triple-A.

## **New Report Shows 30 Million Really Unemployed**

Sept. 17 (EIRNS)—The reality of 30 million Americans who are unemployed today, is shown in a report published on line by *Forbes*, which shows the shocking effect of the "no future" Bush/Obama presidencies to date. The report, in effect, extends the *EIR* study of the July 2000-July 2009 period, up to now, August 2011, and back to January 2000—12 years in total.

The number of Americans normally eligible for employment (age 16-65, civilians, not incarcerated or hospitalized) has grown by 28.5 million in that time—and 19 million of those new eligibles are now in their 20s. But the net growth of actual employment, of any kind, full or part-time, in the same 12 years has been just 3 million, of which 2.7 million are low-wage farm jobs.

Some 65% of the new eligibles in 2000-2011—18.5 million of them—are not in the work force today. The teenage employment ratio has reached an all-time low, 25%, even in the Summer.

The new Census report on poverty for 2010, besides documenting U.S. median household income falling nearly 8% since 2000, also documented an increase of 2 million in Americans between 25-34 years of age, living as "additional persons" in the homes of parents or other relatives. The poverty rate for those individuals, if it were based only on their own income, would be 45%.

## **U.S. Layoffs and Wage Loss Accelerating**

Sept. 17 (EIRNS)—U.S. Unemployment claims continued to climb, to 428,000, in the week ended Sept. 9, with the four-week average is now just under 420,000/week, having resumed "recession" levels for the past four months. More surprising, the total number of Americans receiving either state, or Federally funded extended unemployment benefits, which has been falling steadily due to long-term unemployed exhausting their eligibility, jumped by about 100,000, because of a big increase in state recipients. This shows a large number of relatively newly unemployed, from ongoing layoffs.

At the same time the Bureau of Labor Statistics also reported that the ongoing drop in U.S. real wages, shown in many reports, accelerated in August. There was an 0.6% drop in the hourly average wage just during that month, and an 0.8% drop in the weekly average wage.

## **12% of Mortgaged Homes Lost in Crisis**

Sept. 17 (EIRNS)—Default notices from banks, which start the home foreclosure process, jumped by 33% from July to August, hitting 78,880 homes, according to a RealtyTrac report of Sept. 14. Foreclosure actions at all stages rose 7% to 228,098, back up to a pace of 3 million a year. There were actual bank seizures of about 65,000 properties.

By the end of this year, some 6 million American households' homes will have been lost to foreclosure since 2007—about 12% of all the mortgaged homes in the United States that year—and another 2.5 million will be in some stage of foreclosure. Lyndon LaRouche's proposed Homeowners and Bank Protection Act, in August 2007, could have prevented this mass loss of homes and ruination of neighborhoods.

Foreclosures dropped dramatically starting in November 2010 because the banks' foreclosure-fraud practices had suddenly been exposed. The banks may have suddenly hit the foreclosure accelerator again in August 2011 because the Obama Administration has not come out with the mass mortgage-modification program involving new Fannie Mae and Freddie Mac bailout money, which the banks expected.

Or, the banks may simply be showing desperation to force mortgage-delinquent homes onto the market and cut their losses on them, particularly since investor lawsuits and state criminal investigations are multiplying against their fraud in securitizing those mortgages.

Further acceleration in foreclosures will trigger another drop in home prices nationally.

## Global Economic News

### Taibbi: UBS 'Rogue' Trader, My Ass

### BIS Chairman: Glass-Steagall a Wrong, Good Idea

### Sinn Fein: Europe Needs Orderly Default on Toxic Debt

### Greek Default Certain; Question Is When and How?

### Germans Momentum for Return to D-Mark Grows

#### **Taibbi: UBS 'Rogue' Trader, My Ass**

Sept. 16 (EIRNS)—UBS, the Swiss financial company, has put out the old story that a "rogue" trader, Kweku Adoboli, ran up a \$2 billion loss in unauthorized risky trades. A similar "rogue" loss (of \$50 billion!) occurred at UBS in 2008-09 in the subprime mortgage market; UBS was bailed out with \$69 billion in Swiss taxpayers' money in 2009, and claimed it had instituted new risk management practices.

In a Sept. 16 *Rolling Stone* article, author Matt Taibbi states, "Rogue Trader, my ass," to UBS's rationalization of its latest crime. Taibbi points to the takedown of the Glass-Steagall Act in 1999, which allowed speculators the same protection as commercial banks. The new scandal puts wind in the sails of Swiss parliamentarians promoting a "Glass-Steagall"-type law.

Adoboli was a trader at UBS's "Delta Desk," which supposedly made small trades in pure derivatives with a high degree of

debt leverage. UBS would often hedge derivatives bets "for clients" by betting the opposite. The investment banks' so-called "Delta Desk" traders, which included both Adoboli and Société Générale's Jerome Kurviel, who was jailed for his huge 2008 losses, essentially use the leveraged derivatives strategy of the infamous Long Term Capital Management (LTCM) hedge fund, which nearly collapsed the world financial system when it exploded in 1998. UBS was, by that time, the bank most associated with and exposed to LTCM, and an entire phalanx of UBS's top leadership was forced out.

Taibbi says, "Rogue traders are treated like bad accidents ... but rogue companies are protected at every level of the regulatory structure and continually empowered by deregulatory legislation giving them access to our bank accounts."

### **BIS Chairman: Glass-Steagall a Wrong, Good Idea**

Sept. 16 (EIRNS)—Bank for International Settlements chairman Christian Noyer, also currently governor of the Banque de France, called Glass-Steagall "a wrong good idea" in an interview published in the Sept. 12 issue of the French weekly *Challenges*.

Questioned about British moves for "ringfencing," which *Challenges* asserted go in the direction of Glass-Steagall, Noyer said, "I don't believe for an instant that the Glass-Steagall Act is a remedy to the crisis. On the contrary! And Lehman Brothers is the perfect example: It was an investment bank whose bankruptcy had global repercussions; as for Northern Rock, it was a purely retail bank!" Noyer also insists that the French banks are perfectly solid and adequately capitalized, citing as proof that Moody's downgraded Société Générale and Crédit Agricole only one notch, instead of the expected two.

### **Sinn Fein: Europe Needs Orderly Default on Toxic Debt**

Sept. 16 (EIRNS)—Sinn Fein finance spokesman Pearse Doherty told a meeting Sept. 15 that officials in Brussels and Greece are preparing for the default of Greece's debts, according to reports. "There are those," he said, who argue that the only solution to these very serious issues is to take fiscal and economic power away from member states and centralize it in unelected EU institutions, such as the European Commission and the European Central Bank."

"We in Sinn Fein say that there is a better way ... in order for debt levels to be sustainable in Greece, Portugal and Ireland, banks must shoulder their share of the burden. This will require an orderly default on portions of toxic banking debt.... Citizens should not be forced to pay for the debt of private banks."

### **Greek Default Certain; Question Is When and How?**

Sept. 16 (EIRNS)—While ECB and leading EU politicians still pretend that Greece could be saved from default, the media generally already report that "the markets" have begun to price in that default, because they believe it would come, whatever the size of the "haircut" on the debt, or if there were a "haircut" at all.

Today Germany's mass tabloid *Bildzeitung* sketches a scenario in which, late on some Friday, the Greek prime minister could announce Greece's exit from the euro, and that debt titles would be cut by 50%. Since there would be no trading until the Asian markets reopened at midnight Sunday (European time), there would be time to sort things out. Greek banks would be kept closed for several days, to stop depositors from emptying bank accounts. Since Greece would not have enough drachmas at the beginning, it would use old euro bank notes with a drachma stamp on them—the same would be done elsewhere in the Eurozone. The new drachma might have an exchange rate of 10:1 to the euro. The central message of this and similar scenarios is: It would be ugly, but it could be manageable.

### **Germans Momentum for Return to D-Mark Grows**

Sept. 16 (EIRNS)—An online poll by *Der Spiegel* on Sept. 14 showed that 51.5% of those polled were in favor of returning to the D-mark, while only 42.7% wanted to stay with the euro, with 5.7% undecided. Helga Zepp-LaRouche's BüSo campaign in Berlin has recently called for a referendum on leaving the euro.

*Handelsblatt* has joined the campaign, running an op-ed by Euro-bailout adversary Hans-Werner Sinn, who testified for the plaintiffs in the recent Constitutional Court case challenging its constitutionality. Sinn debunks a new survey by the state-owned Kreditanstalt für Wiederaufbau (Reconstruction Bank), which claims a return to the D-mark would be a catastrophe. Sinn counters the scare statistic that leaving the euro would revalue the new D-mark by 15%. Sinn says, that it would be a blow to exports, but the other side of the coin is that imports would be 15% cheaper, and if one looks at Germany's import bill, that 15% would mean a net benefit of EU150 billion for the German economy—three times the disadvantage of the effect on exports. Case closed.

## United States News Digest

**LaRouche: Obama in a Meltdown; He's the Loser of the Century**

**Roemer Wants Glass-Steagall; Attacks Obama's Wall Street Ties**

**Obama's Plans To Cut Medicaid Mean Early Death for Millions**

**Veterans for Peace Call for Impeachment of Obama**

### **LaRouche: Obama in a Meltdown; He's the Loser of the Century**

Sept. 17 (EIRNS)—*EIR* is getting reports from Democratic Party insiders that there is total pandemonium in the aftermath of last week's special election in Brooklyn, to replace Rep. Anthony Weiner, in which the Republican candidate won by a landslide in a rock solid Democratic district. Add to this the *New York Times*/CBS News poll, showing that 80% of the American people want a massive investment in infrastructure for job creation—exactly the policy that Obama has rejected and that LaRouche has promoted—and you have all the elements of a total meltdown by the President.

Lyndon LaRouche today put it succinctly: "Obama is the loser of the century, and he is about to plummet down even deeper. The message to Democrats is clear: Wake up. Don't let him bring you down with him, too. He's a loser and the Brooklyn vote makes the point. Add in the recent unanimous endorsement of Glass-Steagall in Texas by the Harris County (Houston) Democratic Party, and you see the picture clear as day."

Two public manifestations of the Democratic revolt, reported this week in *The Hill* newspaper, serve to underscore LaRouche's point. On Sept. 15, White House officials met with Senate Democrats for an hour and a half to quell dissent over the jobs bill. Democrats have raised several objections to the plan, including how to pay for it. Senators Mark Begich (AK) and Mary Landrieu (LA), for example, objected to the plan to tax the oil and gas industry, and Virginia Sen. Jim Webb objected to plans to increase taxes on ordinary income. While everybody was talking nice afterwards, no one can expect the calm to remain long.

On the same day as the Senate meeting, House Democrats blasted the Obama Administration for ignoring the foreclosure crisis. They had been encouraged by Obama devoting two lines to mortgage relief during his Sept. 8 speech on his jobs plan, but then were angered when their efforts to learn the details were rebuffed. The White House rejected their request for

a briefing from FHFA director Ed DeMarco, and got a few staffers, instead, who couldn't answer their questions. "The administration has been AWOL on this issue," charged Dennis Cardoza (D-CA), "and the American people are suffering."

## **Roemer Wants Glass-Steagall; Attacks Obama's Wall Street Ties**

Sept. 16 (EIRNS)—GOP Presidential candidate, former Louisiana Gov. Buddy Roemer, fully backs Glass-Steagall, and will reinstate that law if he is elected, reported the *Conway Daily Sun* (New Hampshire) today. Roemer told the paper's editorial board, "Barack Obama signs bank reform, and the next week he goes to Wall Street sponsored by Goldman Sachs and has a fundraiser at \$35,000 per ticket.... Obama didn't change a thing. Too big to fail is still the law, and Glass-Steagall is still dead. I worry about this country, guys. [Some banks] broke every banking law in America, and not one person has gone to jail, but hundreds of their underwater mortgage holders have. The rich get rich, and the poor get sent to jail."

## **Obama's Plans To Cut Medicaid Mean Early Death for Millions**

Sept. 14 (EIRNS)—Families USA, in partnership with the American Cancer Society, the American Diabetes Association, and the American Lung Association, on Sept. 14, issued reports on the four most populous states of the Union—New York, California, Illinois, and Texas—showing that cutting Medicaid could leave hundreds of thousands of people across the country facing life-threatening illnesses on their own. In these four states alone, the report points out, almost 3.9 million people depend on Medicaid. As the economy spins into deep depression, the poverty rate will rise, and the poor's dependence on Medicaid for sheer survival will grow.

"Cuts to Medicaid would pose a specific and dangerous threat to hundreds of thousands of [people] who depend on the program for regular treatment for such medical conditions as cancer, diabetes, chronic lung disease, heart disease, and stroke," the groups said in a joint statement. "Without Medicaid, many of these seriously ill [people] would no longer be able to fill essential prescriptions, keep up with key screenings, or see a doctor if their condition worsens or recurs."

The group, which plans to release such a report for every state of the Union by Oct. 3, pointed out that cuts would also affect individuals who don't directly rely on the program. For example, an increase in the amount of uncompensated care (a likely consequence of a rise in the number of uninsured) would translate into higher premiums for those with health insurance. Lost worker productivity, worse performance in school for sick children who can't get the care they need, and increased medical debt, would all be by-products of cutting Medicaid, and that would be a drag on nation's economy.

"Medicaid is vital to all it covers, but its benefits are particularly clear to people with conditions like cancer, heart disease, diabetes, and chronic lung disease who need ongoing medical care," the report says.

"Hard-working Americans with diseases such as cancer can get health coverage through Medicaid after having lost their health insurance because they are too ill to work or run through their savings," said Christopher Hansen, president of the American Cancer Society Cancer Action Network (ACS CAN). "This program is a safety net for American families, and losing access to the program could force them to stop treatment that could save their lives."

"Cuts to Medicaid funding would be harmful to the millions of children, pregnant women, and adults with diabetes who rely on the program to manage their disease and avoid dangerous and costly diabetes complications such as blindness, amputations and kidney dialysis," said Gina Gavlak, vice chair of the National Advocacy Committee, American Diabetes Association.

## **Veterans for Peace Call for Impeachment of Obama**



Sept. 12 (EIRNS)—At its August 2011 national convention, Veterans for Peace passed a resolution calling for Congress to immediately initiate impeachment proceedings against President Obama for war crimes, signaling a wholesale break from this traitor by another "progressive" constituency that once formed Obama's core base of support.

VFP, founded in 1985, and made up of veterans from all wars and duty stations, had sought the impeachment of George W. Bush for his war crimes during his Presidency. Prior to the August convention, VFP members and chapters urging similar action against President Obama for continuing and increasing U.S. involvement in wars and war crimes, could not get the majority to join them.

This time was different. "The resolution sounds the death knell for the view that advocates of Obama's impeachment are no more than right-wing, racist birthers," wrote John Walsh of "Come Home America," an anti-war coalition formed by people of differing ideologies—progressives, conservatives, liberals, etc. Writing on their blog on Sept. 11, Walsh called the VFP resolution "stark testimony that ... the tide is turning against the war criminal Obama even among his most faithful followers."

The resolution passed was modeled on those adopted against Bush, with additions pointing to Obama's continuation and exacerbation of Bush's crimes. It cites, among other things: Obama ordering the U.S. military to go to war in Libya without Congressional consent; the millions of civilian casualties caused as "a direct result of ongoing, illegal acts of war by the United States"; and Obama's obstruction of justice by blocking the investigation of war crimes committed by the previous administration.

"Therefore," the resolution concludes, "Be It Resolved that Veterans For Peace call on the U.S. House of Representatives to immediately begin impeachment proceedings against President Barack H. Obama for failure to uphold his sworn oath to protect and defend the Constitution of the United States of America from all enemies foreign and domestic, and for his commission of war crimes, crimes against humanity, obstruction of justice and the violation of numerous national and international laws, treaties and conventions."

## Ibero-American News Digest

### Ecuador Official Endorses Call for Global Glass-Steagall

### Brazil Prepares Cadre for a Nuclear Future

### **Ecuador Official Endorses Call for Global Glass-Steagall**

Sept. 13 (EIRNS)—In a live discussion on the air this morning on Ecuadorian radio, Pedro Páez, head of Ecuador's Presidential Commission for the Design of a New Regional Financial Architecture, stated: "I agree fully with the idea of a global Glass-Steagall, to purge the financial system of the parasitic hypertrophy of speculative instruments," and return to a credit system for productive investment among sovereign nation-states.

Páez, for many years a leading figure in President Rafael Correa's economic cabinet and long familiar with Lyndon LaRouche's economic policies, was interviewed, along with *EIR*'s Dennis Small, for 45 minutes by radio host Patricio Pillajo. Páez was responding to a briefing by Small on the global financial meltdown underway, and the latest advances in the battle to reinstate Glass-Steagall in the United States—along with the other points in LaRouche's seven-point plan, including removing President Obama from office immediately, and returning to a Hamiltonian credit system.

Páez also argued strongly for policies of food self-sufficiency, attacking the use of speculative instruments such as credit default swaps and naked short-selling, which destroy people's very ability to eat; and for regional infrastructure projects like a South American continental railroad.

Pillajo asked Small to elaborate on LaRouche's demand that Obama be removed from office immediately, noting that this was essentially an internal U.S. matter. Small replied that it was an internal matter, only in the same way that removing Adolf Hitler was an internal German matter. We Americans have to make sure it happens, he said, but the survival of the planet depends on our success. Small also encouraged listeners to visit the LaRouchPAC website ([www.larouchepac.com](http://www.larouchepac.com)), and to view the latest video there on the truth behind the 9/11 attack.

## **Brazil Prepares Cadre for a Nuclear Future**

Sept. 18 (EIRNS)—Fukushima's post-tsunami problems will not stop expansion of Brazil's nuclear program, Energy Minister Edison Lobão stated on Sept. 15. Brazil intends to carry out the completion of its long-planned third reactor, Angra 3, at which over 3,000 people are already working, and to decide in 2012 where the next four nuclear plants will be built, Lobão told a conference in Rio de Janeiro. Reevaluations of Brazil's nuclear facilities carried out by the state nuclear company Eletronuclear and Energy Research Company (EPE), ordered after Japan's incident, concluded that Brazil's nuclear facilities are absolutely secure.

Lobão pointed out that what happened in Japan "was not a nuclear problem, but a problem of a tsunami and an earthquake," and he pointed to China, which is building 28 reactors and plans to build another 100 over the next 40 years, as exemplary of the future.

In São Paulo the same day, the head of Brazil's Energy Research Company, Maurício Tolmasquim, did his best to dampen such technological optimism, stating, for his part, that Brazil would finish Angra 3, but that would be the limit of any expansion of its nuclear plant. Tolmasquim insisted the future lies in a return to a Middle Ages dependence on hydroelectric, wind, and biomass power.

More telling than words, however, are the hands and feet, and the best sign that Brazil is carrying forward its decision to revive a vigorous national nuclear program, despite the naysayers, is the steps underway to establish the country's second nuclear engineering program, at the University of São Paulo's Polytechnic School (Poli-USP). The program is to open its doors for the first class in March 2013, on a campus built adjacent to the Brazilian Navy's Aramar Experimental Center in Iperó, São Paulo, where the Navy is building Brazil's first nuclear-powered submarine. The Nuclear Energy Research Institute's Brazilian Multipurpose Reactor (RMB), whose primary mission will be to produce medical radioisotopes, is also planned for the same site.

Prof. José Roberto Castilho Piqueira, vice-director of the Poli-USP, reported on Sept. 12 that the Navy has begun demarcating the land for the new nuclear engineering campus. The curriculum will not be limited to building nuclear generating plants, he emphasized, but will also include materials processing, an area with a great future for the country, given its wealth of uranium, along with medical applications and pharmaceutical production.

The critical bottleneck faced in carrying through on Brazil's hard-fought decision last year to restart an expanding nuclear program, is training sufficient cadre of qualified young nuclear scientists and engineers. Thus, this second program is underway, to supplement Brazil's first nuclear engineering program, at the Federal University of Rio de Janeiro (UFRJ), which graduated its first class in 2010.

## **Western European News Digest**

## **Tremonti: Bank Bailout Threatens 'Dark Age'**

## **UBS Report Threatens War, Chaos, Dictatorship**

## **Book on Britain's 'Secret War' vs. Italy Sold Out in Three Days**

## **Belgian Parliament Approves Greek Bailout**

## **Italian Asset Sale Is Draghi Plan**

## **Sinn Fein To Run Presidential Candidate**

## **Genocidalists Create Ruckus Over *Non-Nuclear* Accident in France**

## **Opium Growing in British PM's Home District**

### **Tremonti: Bank Bailout Threatens 'Dark Age'**

Sept. 15 (EIRNS)—Speaking at a public meeting in Munich, Germany, on Sept. 13, Italian Economy Minister Giulio Tremonti warned that "the threat of a dark age is real," as a consequence of having "bailed out the most negative part of the banks," instead of restructuring them at the onset of the crisis. Tremonti said that "the mass of derivatives is as big as before the crisis," and that banks "nowadays issue currency, and states no longer do it."

Banks have been entrusted with drafting rules, but the first rules should be "to kick speculators out of the temple."

Tremonti spoke at an inter-religious meeting organized by the Sant'Egidio Community.

### **UBS Report Threatens War, Chaos, Dictatorship**

Sept. 15 (EIRNS)—Switzerland's largest banking house, UBS—formed by a 1998 merger between Union Bank of Switzerland and the Swiss Bank Corporation—issued a report in early September which threatens that there will be "authoritarian or military government, or civil war" if the Eurozone splits up because its bankrupt banks are not bailed out.

Lyndon LaRouche responded by charging UBS with attempting to start a panic, which is tantamount to criminal activity, and should be treated as such.

The UBS threats were issued in a lengthy study titled "Euro Break up—the Consequences", which includes the following mafia-like warning:

"Past instances of monetary union break-ups have tended to produce one of two results. Either there was a more authoritarian government response to contain or repress the social disorder (a scenario that tended to require a change from democratic to authoritarian or military government), or alternatively, the social disorder worked with existing fault lines in society to divide the country, spilling over into civil war."

## **Book on Britain's 'Secret War' vs. Italy Sold Out in Three Days**

Sept. 14 (EIRNS)—Giovanni Fasanella's book *The British Coup: From Matteotti to Moro—The Evidence of the Secret War To Control Oil and Italy* (*Il golpe inglese. Da Matteotti a Moro: le prove della guerra segreta per il controllo del petrolio e dell'Italia*) was sold out three days after it hit the bookstands on Sept. 8. The book is a reconstruction of how Britain controlled Italian politics from 1924 to the present day, on the basis of original Foreign Office papers found by Fasanella's collaborator Mario J. Cereghino.

Highlights of the book are: The 1924 assassination of Mussolini's opponent Giacomo Matteotti, which consolidated Mussolini's dictatorship; the 1943 overthrow of Mussolini by the pro-British faction of Fascism, and the British plot for Italy's "unconditional surrender"; the British-engineered restoration of the Sicilian Mafia as well as British-controlled separatist plots; the British take-over of oil-rich Libya after 1945; the oil war between Enrico Mattei and Britain; the assassination of Mattei; the Congress for Cultural Freedom (CCF) deployment in Italy; the British plot for a military coup in 1976; the kidnapping and assassination of Christian Democracy chairman Aldo Moro in 1978.

## **Belgian Parliament Approves Greek Bailout**

Sept. 15 (EIRNS)—Belgium's House of Representatives voted overwhelmingly to ratify the country's participation in the Greek bailout scam decided at the EU summit on July 21; with 114 votes for, 13 against (Flemish separatists), and 1 abstention (Greens), Belgium is now the second country, after France, to vote up the bailout.

However, the Belgian Parliament will convoke a follow-up commission on the banking crisis. The first report of the Belgian Financial Commission implicitly called for a return to Glass-Steagall-style banking.

## **Italian Asset Sale Is Draghi Plan**

Sept. 17 (EIRNS)—Liliana Gorini, chairwoman of the Italian Movimento Solidarietà LaRouche's movement in Italy, was interviewed yesterday by Radio Padania on the article appearing in *Il Sole 24 Ore* which discussed a "Britannia 2" plot to sell Italian state industries and assets in order to pay the Italian debt, an idea wrongly attributed to Economics Minister Giulio Tremonti.

Gorini took the opportunity to clarify, "I doubt that Tremonti is in favor of such a plan; he just demanded in Munich to chase speculators out of the Temple, and not to entrust banks with the solution of the problem, since they are the ones who caused it. As LaRouche often said, you do not entrust a fox with guarding the hen house. I would rather say these pressures on Italy come from Draghi [head of the Bank of Italy], who was the author of Britannia 1 in 1992, and from the ECB."

## **Sinn Fein To Run Presidential Candidate**

Sept. 17 (EIRNS)—In announcing the decision of Sinn Fein Officer Board decision to ask Martin McGuinness, Deputy First Minister of Northern Ireland, to stand for the election as Ireland's President, Sinn Fein president Gerry Adams said:

"This is a time of great challenge for all the people of Ireland. We need positive but authentic leadership. It will be a great honour for me to propose Martin McGuinness to contest this election on a broad, republican, citizen-centred platform.

"I believe that this election will give Martin the platform to continue the work which he has led in the North and in the peace process and to put it on a national footing.

"I believe he can be the people's president. If elected he will draw the average industrial wage. He will dedicate himself to a genuine national reconciliation and the unity of our people. He will personify hope in the great genius and integrity of all the people of this island, Catholics, Protestants and Dissenters...

"The campaign will give citizens the opportunity to make a stand for a better Ireland, for a united Ireland."

## **Genocidalists Create Ruckus Over *Non-Nuclear* Accident in France**

Sept. 12 (EIRNS)—The explosion today of an incinerator that melts low-level radioactive metals at Condolet, France, located close to a nuclear site, Marcoule, which houses several decommissioned reactors, caused a ruckus among the anti-nuclear media. The accident took one life and injured four others, but it had nothing to do with nuclear technology. Nonetheless, immediately following the accident, France's Nuclear Safety Authority (ASN) activated its emergency center in Paris.

"This accident bears no radiological risk nor (need for) action to protect populations," the ASN said in a statement. The building housing the incinerator had not been damaged, and none of the four injured, one of whom suffered serious burns, had been contaminated, ASN said. A security perimeter had been set up around the site, but the employees were not evacuated.

## **Opium Growing in British PM's Home District**

Sept. 14 (EIRNS)—Stanley Collymore, in the website digitaljournal.com, says that "fields of opium poppy are presently being grown in England; that's not a wind up, it's true." Collymore claimed knowledge of an Afghanistan-type opium production den, with the telling exception that in Afghanistan such activities are in the open, in discernible contrast to what's going on in David Cameron's Oxfordshire as a very secretive affair.

Britain's Home Office has granted pharmaceutical company Macfarlan Smith a licence to harvest the poppies, and now they are being grown in tens of farms across Oxfordshire, Northamptonshire, and Lincolnshire. Smith has declined to give any information about what it is up to, stating that it has been specifically instructed by the Cameron government not to say anything about the matter to anyone.

## **Southwest Asia News Digest**

**LaRouche: Blair, Obama Pushing Civil War Among Palestinians**

**EIR Participates in Seminar on Upcoming UN Palestine Vote**

**US Diplomat Accused Saudis of Aiding Philippine Terrorists**

### **LaRouche: Blair, Obama Pushing Civil War Among Palestinians**

Sept. 19 (EIRNS)—Former British Prime Minister Tony Blair, the ostensible representative of the Mideast Quartet, is continuing to push Palestinian Authority President Mahmoud Abbas to drop plans to take the issues of Palestinian statehood and UN membership directly to the UN Security Council, and the General Assembly. According to senior U.S. intelligence sources, Abbas has not yet released the final wording of the resolutions that will be presented, as early as Sept.

20, at the United Nations in New York. In a speech late last week in Ramallah, Abbas made it clear that he intends to go to the Security Council for an immediate vote on Palestine's application for full UN membership.

It is already conceded by both Israel and the Obama Administration that the Palestinians have enough votes in the General Assembly to win status as a non-member state. The Security Council issue is a different matter, because it puts Obama directly on the spot to veto the request.

In the past week, there has been a panicked flurry of diplomacy, including the Blair trip to the region, a visit by U.S. National Security Council Middle East head Dennis Ross, and other actions, aimed at undermining the Palestinian actions. According to one U.S. intelligence source, the United States and Saudi Arabia have been pressuring—through the Arab League—with threats of a cutoff of aid to the P.A., if it goes forward with the Security Council petition, which would embarrass Obama.

According to another source, Blair has been pressing for a rewrite of the UN application, to include a recognition of Israel as a "Jewish state." All of this will come to a head in the next 24-48 hours, as the UNGA session begins, and both Obama and Abbas are scheduled to address the General Assembly. Netanyahu has also decided to come to the UN, and he, too, will address the General Assembly on Sept. 20—the same day that Abbas will speak. Netanyahu is also scheduled to meet with President Obama in New York City.

In several TV appearances on Sunday, Sept. 18, former President Bill Clinton took a very different attitude, arguing that the Palestinian statehood status would be a good thing, and that anyone thinking about cutting off aid to the P.A. in retaliation would be making a big mistake. It appears that Secretary of State Hillary Clinton is in agreement. A senior U.S. intelligence source reported that last week, U.S. UN Ambassador Susan Rice, rather than Clinton, was sent up to Capitol Hill to brief about 25 House Democrats on the Administration's stance.

## **EIR Participates in Seminar on Upcoming UN Palestine Vote**

Sept. 15 (LPAC)—*EIR* counterintelligence editor Jeffrey Steinberg participated in a panel discussion on Sept. 14 in Washington, D.C., on the upcoming UN General Assembly session and the anticipated vote on recognition of Palestine as an observer state. The event was co-sponsored by the National Council on US-Arab Relations and the International Council on Middle East Studies. The other speakers on the panel were Mark Perry, Phil Giraldi, and Fouzi Al-Asmar. Also participating was Dr. Norton Mezvinsky.

In his brief opening remarks, Steinberg focused on the global crisis, including the complete collapse of the trans-Atlantic financial and monetary system, and the disintegration of the Obama Presidency, including its failed Arab-Israeli "peace initiative," warning that revolutionary changes are underway around the globe, and that the Middle East region is by no means exempt from the impact of those sweeping changes. He referenced Lyndon LaRouche's focus on regional economic development, dating back to the original Middle East Peace and Development Act of 1975, which drew an enthusiastic endorsement from one former official of USAID, who was moderating the event.

The other speakers concentrated more on the immediate developments surrounding the pending UNGA vote and its aftermath.

## **US Diplomat Accused Saudis of Aiding Philippine Terrorists**

Sept. 6 (EIRNS)—Recently released Wikileaks documents, show former U.S. Ambassador to the Philippines Francis Ricciardone accusing the Saudi envoy in Manila of interfering in cases against Saudi subjects who were under investigation

for supporting terrorists in the southern province of Mindanao.

The U.S. Embassy in Manila, in a May 4, 2005 cable classified as secret and sent by Ricciardone, expressed alarm at the "disturbing trend" involving Saudi envoy Mohammed Ameen Wali and senior Philippine police and immigration officials. Wali repeatedly met with government officials, arranging the release of at least three Saudis into his custody for deportation, ending the investigation into their terrorist connections. In one case, Ricciardone said, a Saudi named Talhi "had admitted to giving \$8,000 to Cotabato (a city in Mindanao) Mayor Muslimin Sema, whose meetings with suspected terrorist financiers caused us to suspend a USAID road project." Saudi envoy Wali then met with the Philippine Immigration Commissioner, and Talhi was released.

Ricciardone said in one leaked cable that the Saudis' public pronouncements against terrorism "are contradicted by a developing pattern of effective Saudi embassy influence on GRP [Government of the Philippines] officials to release suspected [terrorist] financiers." He added that the Saudis had "powerful access and influence with senior [Philippine] law enforcement officials, undoubtedly stemming from the important role the remittances of overseas Filipino workers in Saudi Arabia play in keeping the weak Philippine economy afloat." There are about 1 million Filipinos working in Saudi Arabia.

Ricciardone reported that he told the Philippine foreign minister that "there have been no discernible Saudi efforts to guard against private Saudi funding to extremist Islamic groups here."

## Asia News Digest

- [U.S. Embassy and NATO Headquarters in Kabul Under Attack](#)

### U.S. Embassy and NATO Headquarters in Kabul Under Attack

Sept. 13 (EIRNS)—Insurgents identifying themselves as the Taliban launched a suicidal attack inside the highly fortified diplomatic conclave in Kabul that houses the U.S. Embassy and NATO, among other embassies and major government offices today.

According to Afghan National Army General Ayub, "The attackers were wearing burkas. They were traveling in a minivan. We don't have female police officers to search females." Following the explosion, a squad of about five insurgents took over a shopping center under construction on the outskirts of Kabul's diplomatic district, armed with rocket-propelled grenade launchers, AK-47s, and suicide vests, and moved into the upper floors of a 13-story unfinished building. Explosions were interspersed with gunfire all afternoon, and several rockets landed in the Wazir Akbar Khan district, near the British and other embassies. One hit a school bus, which appeared to have been empty at the time.

The attack on the U.S. Embassy was synchronized with two other attacks and one failed attack in the city. In west Kabul, within a few minutes after the main assault launched on the U.S. Embassy and the NATO HQ, a suicide bomber attacked a Border Police post, and another suicide bomber attacked the 202 Shamsad Regiment's office, causing casualties. The fourth attack was planned for the airport, but the suicide bomber was killed before he could detonate the belt bomb inside the airport. Iranian Press TV said its office in Kabul had been attacked and one person injured.

This incident is one of the rare occasions that militants have demonstrated the capability to get extremely close to the heart of the Western military and intelligence presence in the Afghan capital. The ability to get numerous operatives armed with explosives and heavy guns into this area, could not have been possible without aid from Afghan security personnel posted in high-security areas. "The scale of today's attack is unprecedented," Andrew Exum, fellow at the Center for a New American Security, told Reuters.

U.S. Administration officials have attempted to downplay this incident, saying that groups, other than the Taliban, are carrying out the violence. But the reality is that neo-Salafi groups, armed and supported by the global reach of the British-Saudi fundamentalist apparatus, are proliferating in Southwest Asia and the Muslim world, from al-Qaeda in the Sinai in Egypt, to al-Qaeda in the Arabian Peninsula, particularly in Yemen, to al-Qaeda in the Magreb, which includes elements of the Libyan "rebels" being backed by NATO.

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