
Economics in Brief

Agriculture

USDA To Slash Production, Population

Jan. 12—The Obama regime announced plans Jan. 9 to slash Agriculture Department operations here and abroad, closing 259 offices in 46 U.S. states and seven foreign countries. The excuse is to save funds—a paltry \$150 million a year out of a USDA budget of \$145 billion—but the intent is to undercut the support of U.S. agriculture and the food supply, in accord with the British imperial intent to reduce population.

Among the plan's deadly features:

- Reduce disaster aid. Farm Service Agency offices—131 of them—are to be closed. The agency is part of the system to aid farming, by monitoring pending disasters, and conducting post-disaster follow-up.

- Reduce food safety inspection. Many of the closures eliminate local and regional operations of the Food Safety and Inspection Services in the Farmbelt.

- Reduce research. Ten research centers are to be eliminated, including the only USDA operation in Alaska, which has focused on the rich fishery potential of the northern waters.

- Eliminate experienced people. Agriculture Secretary Tom Vilsack's deputy Kathleen Merrigan said, "When you calculate the number of years employees have been at the Department, we're seeing an outflow of 20,000 years of USDA service...."

Rating Agencies

Will S&P Downgrades Do In Financial System?

Jan. 13—Late this afternoon, after U.S. financial markets had closed for the weekend, the oligarchy's Standard & Poors announced that it had downgraded the AAA credit ratings of France and Austria, along with seven other European nations. Al-

though expected for some time, the downgrades sent shockwaves through world financial markets, and may well be the last nudge which pushes the entire trans-Atlantic financial system over the brink into uncontrolled disintegration.

The French downgrade, in particular, could unleash an uncontrolled chain reaction, since large amounts of European banks' debt is collateralized against their holdings of French and other government bonds, which, by contract, must be AAA-rated. Downgrade the collateral, and the bank bonds go up in smoke. Only four European countries, including Germany, retain AAA ratings.

The oligarchy's media outlets, such as the *Financial Times* are spewing their disgust that the Dec. 9 Euro summit failed to agree to implement either sufficient fascist austerity, or the kind of Tim Geithner-style hyperinflationary bailout of the banks that the British Empire has been demanding.

EIR had warned that precisely this would occur, writing on Dec. 9, within hours of the summit's conclusion: "The Brussels EU Council summit was a complete failure. While a EU 'treaty change,' imposing budgetary rigor and super-austerity, was held up as the 'last chance' to again give credibility to the euro, after ten hours of clashes, it appears clearly that there will be no treaty change at all for lack of unanimity among EU members. It means in essence and spirit (not yet in law) the break up of the current EU."

Mexico

Drought Threatens Food Shortages, Starvation

Jan. 13—Leaders of Mexican farmworker and peasant organizations, as well as legislators from the opposition PRI, PT, and PRD parties, are warning President Felipe Calderón to act swiftly to counter the effects of the worst drought in the country's history, or face catastrophic food shortages, starvation, and "a social explosion."

The Mexican crisis underscores the urgent necessity of implementing Lyndon LaRouche's proposals for a scientific and technological revolution, to al-

low mankind to respond to the extreme weather events caused by galactic forces. Yet at a "Green Growth Strategies" conference held in Mexico City this week, Mexican government officials, joined by lunatics from the World Bank, United Nations, and other international agencies, demanded that Mexico embrace the British Empire's green energy agenda and low-carbon economy—genocide—to get through the current crisis.

In 2011, floods and frosts wreaked havoc in Mexico's agricultural sector. But this past week, in testimony before the Third Commission of Congress, farm leaders and legislators specified that the destruction caused by the current drought, which is affecting 50% of the country's municipalities, could mean that Mexico will have to import 50% of its food needs.

Glass-Steagall

Gutless Congress Still Needs More Kicking

Jan. 14—What more will it take to get Congress to start to act in the interest of the nation? Recent days have seen demands for Franklin Roosevelt's Glass-Steagall Act to eliminate London and Wall Street's deathgrip on the economy, from a broad spectrum of institutions and individuals, but the number of co-sponsors of H.R. 1489 to reimpose Glass-Steagall has been stuck at 57 since Dec. 12. And a companion bill has yet to be introduced in the Senate.

This past week, more calls for a Glass-Steagall banking reorganization came from the collegiate press (the *Daily Princetonian*), the business press (Crain's *Chicago Business*), and financial websites (*MoneyControl.com*). Former New York Attorney General and Gov. Elliot Spitzer used the forum of the German financial weekly *Wirtschaftswoche* to call for Glass-Steagall.

In mid-December, Essex County, N.J. joined other local governments in calling for the FDR measure.