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Brutish Bastards Are At It Again!

LaRouche Demands Patriots Act To Pass Glass-Steagall

FLASH: *The British swine have once again imposed a 1923-style hyperinflationary collapse on modern Germany, with the trillion-dollar bail-out scheme imposed on the Eurozone this past weekend. Only the immediate enactment of a Glass-Steagall law could prevent the United States itself from falling into the same fate now destined for continental European victims such as, above all other targets for total destruction, the Federal Republic of Germany.*

Chancellor Frau Merkel's Germany was given virtually no option in this matter. Indeed, only the immediate enactment of the return to President Franklin Roosevelt's Glass-Steagall law in the U.S.A. could create the shift in global conditions which would prevent the British hyperinflationary policy for continental Europe from plunging the entirety of this planet into the darkest dark age in known history now.

—Lyndon LaRouche

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This Week's Cover

- **Brutish Bastards Are At It Again!**

- **LaRouche Demands Patriots Act To Pass Glass-Steagall**

Only the immediate enactment of a Glass-Steagall law could prevent the United States from falling into the same fate now destined for continental European victims such as, above all other targets for total destruction, the Federal Republic of Germany. Lyndon LaRouche called the Glass-Steagall amendment, introduced on May 6 by a group of Senators led by John McCain and Maria Cantwell, the act of a growing group of patriotic Members of Congress.

- **Documentation:**

- **Cantwell-McCain on Glass-Steagall**

World News

- **Germany's North Rhine-Westphalia Elections:**

- **'No Confidence' Vote Slams Chancellor Merkel's Party**

The vote shows that German voters are just as disgusted with incumbent legislators as are their U.S. counterparts, and that the economic crisis in Europe has sparked a mass-strike process of political resistance in Germany.

- **Operation Moshtarak:**

- **Was the Attack on Marja a False Flag Aimed at the Encirclement of Iran?**

With 35,000 foreign troops soon to be in southern Afghanistan, and military bases in place, the process of encircling Iran has advanced

considerably.

- **Fed Judge Cancels Human Gene Patents:
You Can't Own a 'Product of Nature'**

The pile-up of patents on lifeforms is not the result of advances in biology, per se, but of the attempted control of the means to life by elite financial and political circles, centered in London.

Feature

- **The Crisis Is Already Here:
Now, Grab the Solution!**

Lyndon LaRouche was the guest on the May 5 edition of the *LPAC-TV Weekly Update*, hosted by *EIR* Economics Editor **John Hoefle**. He continues his series of interviews on the real economics of physical economy, which almost nobody understands.

Science

- **Onward to Mars:
The Triumph of the Weak Forces**

Oyang Teng, of the LaRouche movement's 'Basement Team,' investigates how a new science of dynamics will require a mobilization of the scientific and economic means necessary to secure an interplanetary future for mankind, including mastery of the entire electromagnetic spectrum and its use to sustain human life throughout the Solar System.

Editorial

- **We Can Defeat Fascism Again!**

This Week's News

U.S. Economic/Financial News

Housing Headed for New Collapse; Foreclosures Everywhere

'Jobs, Jobs, Jobs'? Study Shows 30 Million Unemployed

More Pressure Builds on Goldman Sachs

Housing Headed for New Collapse; Foreclosures Everywhere

May 5 (EIRNS)—The foreclosure tsunami in the United States is still rising in its fifth year, having increased another 7% in the first quarter, reaching 16% higher than the first quarter of last year, and headed for an unprecedented 4 million foreclosures in 2010, according to RealtyTrac. And the U.S. home market—home prices and the bank assets based on

them—is now going into a second-wave collapse, joining the ongoing collapse of commercial real estate in a bank-destroying wave.

If LaRouche's Homeowners and Bank Protection Act (HBPA) had been passed back in 2007, when he first proposed it, we would be telling a different tale.

Scorning Obama's pathetic "foreclosure prevention" program for more than a year now, home losses were spiking by another 19% even from February to March. And banks repossessed 35% more homes in the first quarter than they had in the terrible year 2009, reaching the highest level ever in a quarter—256,000.

Now the White House's speculation-driving "homebuyers' tax credit" giveaway of \$8,000 for home purchases has ended; and with millions of foreclosed homes to be sold by banks or "short sold" by distressed households, residential housing values—falling slowly for the past four months—will go into a new plunge in the second and third quarter.

In the commercial real estate/securities collapse, the national average commercial real estate market price has now fallen 41% from its 2007 peak, and is continuing to plunge. In 2010, through last week, 64 U.S. banks had failed, totalling \$61 billion in assets, more than double the 2009 rate of failures. Of the 100 banks that had the highest ratio, on Jan. 1, of commercial real estate loans to their total capital, 42 have already failed. "Commercial real estate exposure has become a frighteningly accurate predictor of bank health"—or death—reported Fox Business News.

'Jobs, Jobs, Jobs'? Study Shows 30 Million Unemployed

May 5 (EIRNS)—Despite House Speaker Nancy Pelosi's renewed "jobs, jobs, jobs" chant on May 4, no action to relieve the misery of more than 30 million unemployed is being allowed to come before Congress by the Obama White House. Obama made clear to Congressmen, and to his economic advisory team on April 24, that creating public employment is not on his administration's agenda now, and won't be.

A new national study by the Rutgers Center for Workforce Development shows a grim picture of the way two years of mass unemployment has spread poverty among tens of millions of Americans.

It has also spread "political mass strike" anger and action among those millions, who now despise Obama only slightly less than they do Pelosi and Congress.

The Rutgers study surveyed Americans who lost jobs since the end of 2007—a population of 12 million. But they represent more than 30 million overall, who are unemployed, out of the work force, underemployed in part-time work on which they cannot live. Here is what it found:

- * 80% of those who lost jobs have not found new employment in periods ranging from a few months to two years;

- * Another 16% have found jobs, but either part-time, with pay cuts, and/or no benefits;

- * 70% have been out of work for six months or more;

- * 70% are spending their retirement savings; 60% have had to borrow money from friends to live; 50% have run up their credit card debt.

- * 40% are skipping medical care; one-third are using food stamps;
- * 20% have had to move in with family or friends;
- * 60% report depression. More than 10% have undergone psychological counselling.

And the "optimistic view" of the April 7 national employment report from the Labor Department is that it will show that the unemployment rate "hasn't changed."

More Pressure Builds on Goldman Sachs

May 4 (EIRNS)—Six shareholder suits have been filed against Goldman Sachs, for violations including breach of fiduciary duty, unjust enrichment, mismanagement, and abuse of control, since the SEC charged the bank with fraud last month, Goldman Sachs revealed today. The suits, brought by a pension fund for electrical workers, and several individual shareholders, charge that the company's fraudulent behavior lost money for the investors.

The SEC also disciplined the equity arm of Goldman Sachs for violation of rules on short-selling. NYSE Euronext imposed a censure and a \$450,000 fine, which will be reduced by a \$225,000 civil monetary penalty related to the SEC proceedings.

Global Economic News

Japan's Monju Fast Breeder Reactor Fired Up

Green Energy Is Genocide: UN Report Targets Energy Density

Malaysia Joins the Nuclear Bandwagon

Japan's Monju Fast Breeder Reactor Fired Up

May 6 (EIRNS)—Japan restarted its Monju Prototype Fast Breeder Reactor today, 14 years after the plant was shut down following a minor fire and media-induced hysteria. This is further confirmation of Lyndon LaRouche's comment, "The East is going nuclear, while the West is going to Hell."

The Monju reactor is only a prototype and it will take some time before the reactor is brought up to full power, but its restart is an important accomplishment. The fast breeder reactor, using a mixture of uranium and plutonium, is able to "breed" more fuel than it uses. This built-in capacity of nuclear power is one of the most important advantages of fission technology, and is vitally necessary for full-scale nuclear deployment.

AFP news service notes that, "besides Japan, Russia and India are now the only nations that operate fast-breeder reactors, with China also hoping to start this year.... The United States, Britain and Germany have suspended fast-breeder projects and France shut down its last such reactor last year."

Green Energy Is Genocide: UN Report Targets Energy Density

May 3 (EIRNS)—A report released April 30 by the UN Advisory Group on Energy and Climate Change has as one of its two major goals a 40% reduction of "energy intensity" by the year 2030. Although couched in terms of reduction of carbon, the thrust of the 25-page "Energy for a Sustainable Future" shows that this is a direct attack on Lyndon LaRouche's concept of increased energy-flux-density.

With the additional goal of "equal energy access" for all (everyone gets a 100-watt light bulb), the AGECC is calling for \$35-40 billion to find a way to "progressively decouple growth from energy consumption" worldwide. For "high-income" countries, this means finding ways to "decarbonize" their economies as "large infrastructure investments made in the 1960s and 1970s begin to wear out." This is achievable, it says, because of "technological innovations," coupled with "ongoing shift in international funding priorities" which include public-private partnerships.

The AGECC, a public-private partnership, has been asked by UN Secretary General Ban Ki-moon to continue its work, helping to lay the groundwork for the September UN Framework Convention on Climate Change Conference, in Cancun, Mexico.

Malaysia Joins the Nuclear Bandwagon

May 4 (EIRNS)—The Malaysian government has approved the construction of a nuclear power plant, which is expected to start operation by 2021, to meet the country's power demand in the future. Energy, Green Technology and Water Minister Peter Chin Fah Kui made this announcement today after officiating the First Carbon Neutral Conference on Sustainable Buildings South East Asia in Kuala Lumpur, Malaysia. Technology know-how and providers may come from South Korea, China, France, or Japan, he added.

Like South Korea, Malaysia is taking the tack that green energy means nuclear energy, at least as much as other low-energy "solutions."

He stressed that a nuclear plant was sorely needed to meet the country's energy needs and ensure its energy security. "Nuclear energy is the only viable option toward our long-term energy needs." Chin stressed that despite nuclear energy's large start-up costs, it was more cost- and energy-efficient than dotting the country with coal-fired power plants.

United States News Digest

Mass Strike Hits Political Allies of Wall Street

Virginia A.G. Subpoenas Papers of Climate Hoaxster

Conyers and Other Reps Nail Obama Fiscal Commission

E-Records Doled Out Amidst Wave of Hospital Shutdowns

Mass Strike Hits Political Allies of Wall Street

May 9 (EIRNS)—In Utah yesterday, 18-year incumbent U.S. Sen. Robert Bennett was ousted at the Republican caucus, finishing third, his Senate career ended. Bennett's defeat was set in motion with an unprecedented turnout for the preliminary caucuses at the end of March, when 75,000 participated, whereas the usual attendance had been under 10,000.

Utah activists had forecast that Bennett would be defeated due to his vote for the TARP bailout and his continuing defense of Wall Street's deregulation and free-market globalization policies.

The two Republicans who will be on the ballot in the June 22 primary, made the continuing bailout of Wall Street their leading issue. They are backed by Tea Party activists. However, contrary to the claims of Dick Armey's Freedom Works, this was less a victory for his group, than a real grassroots rebellion, a continuing, and deepening, example of what LaRouche has characterized as the anti-Wall Street mass strike process.

Bennett had strong credentials as a "conservative," has had the full support of the Mormon Church, is the ranking Republican on the Senate Appropriations Committee—but supported the nationalization/bailout of Fannie Mae and Freddie Mac, which LaRouche called "tantamount to treason," and the TARP bailout. While addressing the convention in Salt Lake City yesterday, he was greeted, derisively, with chants of "TARP, TARP, TARP."

A contrasting marker of the same process, is seen in Arkansas Democratic Sen. Blanche Lincoln's steady advance to a 12% lead in polls for her May 18 primary. Lincoln also voted for TARP, and for the Obamacare bill, and was in serious electoral trouble when state Lt. Gov. Bill Halter filed to run against her, backed by MoveOn.org. But since Lincoln introduced a tough anti-Wall Street/derivatives bill six weeks ago, flanking Senate Banking Committee chairman Chris Dodd's weak and White House-inspired bill, she has moved steadily into a strong lead in the primary.

Virginia A.G. Subpoenas Papers of Climate Hoaxster

May 7 (EIRNS)—Virginia Attorney General Ken Cuccinelli has issued a Civil Investigative Demand (CID) to the Rector and Board of Visitors of the University of Virginia, commanding the University to turn over information and documents—principally e-mails—relating to the "global warming" work of Michael Mann, for the period from 1999 to 2005 when Mann worked at the University.

Mann was a central figure in last year's Climategate scandal, wherein emails were published showing personnel associated with the British East Anglia University manipulated and faked data to "prove" global warming. Mann was already notorious as the author of the so-called "hockey stick" chart, which falsified (smoothed out) temperature records from 1500 A.D. to the 19th Century in order to falsely show a sharp rise in global temperatures in the 20th Century, supposedly due to industrialization.

Cuccinelli's office released to news media a terse explanatory statement on the CID for Mann's papers: "The revelations of Climate-gate indicate that some climate data may have been deliberately manipulated to arrive at pre-set conclusions. The use of manipulated data to apply for taxpayer-funded research grants in Virginia is potentially fraud."

The University of Virginia announced that it would comply with Cuccinelli's April 23 order. They must produce all emailed or written correspondence between or relating to Mann and 40 other "climate scientists"; documents relating to Mann's applications for five grants totalling \$484,875 that he collected from the state of Virginia; and evidence of documents that may no longer exist, with proof of exactly how and why they disappeared.

If fraud is demonstrated, Virginia's Fraud Against Taxpayers Act mandates recovery of the grant money, legal fees, and triple damages.

As public support for the global warming hoax evaporates, Cuccinelli's action has drawn an anguished response from global warming promoters. The *Washington Post* devoted its May 7 lead editorial to an attack on the Virginia legal order.

Conyers and Other Reps Nail Obama Fiscal Commission

May 6 (EIRNS)—Rep. John Conyers (D-Mich.) and 15 other members of Congress issued a letter implicitly attacking President Obama's debt commission for its intention to destroy American living standards.

The April 28 letter to the leaders of the National Commission on Fiscal Responsibility and Reform calls for its work to be "transparent and inclusive." The letter asks the Commission to show how any proposed cuts, such as in Social Security, or how "investments, made or not made, in job creation, infrastructure, child development," and so forth, would affect different groups in the population.

The letter also asks that the Commission meetings be broadcast on CSpan, and that the Commission's findings be released before the November elections. Sensitive Commission meetings are now taking place in secret—the latest one on May 5—and the Obama plan is to hold off the Commission's recommendations until after the elections, to prevent public reaction from having any effect.

E-Records Doled Out Amidst Wave of Hospital Shutdowns

May 4 (EIRNS)—The wave of hospital "downscales" and closures continues in the United States, backed by the Obama Administration's policies, with recent shutdowns reported in New York City, Pennsylvania, Michigan, and in the central and western states, too. This reality was mocked, today, by the announcement of 15 new pilot-project grants for electronic records, at a press briefing by Vice President Joe Biden and HHS Secretary Kathleen Sebelius, who released the names of recipients of a combined \$220 million for e-records, from the Office of National Coordinator of Health IT. Of the 130 grant applications, the 15 winners include the Mayo Clinic, Geisinger Medical Center, and several others, considered the darlings of how to cut costs, for the Obamacare Nazi health "reform."

It's hard to apply for, or use, e-records, if your facility is going out of existence. Some salient cases follow:

New York: On April 30, the 160-year-old St. Vincent's Hospital in New York City shut down, after months of public protests and appeals to keep it open.

New Jersey: Bergen County officials are appealing the reopening of Pascack Valley Hospital, shut two years ago.

Pennsylvania: In the western part of the state, on Jan. 30, Braddock Hospital shut down. In March, Jeaneatte Hospital shut down.

Michigan: Statewide, of the 144 hospitals open, 83 of them—58%—no longer provide obstetrics services, one of the original purposes of the 1946 Hill-Burton Act. For example, the West Branch Regional Medical Center plans to close down its obstetrics unit as of July 1, or even earlier. They are contacting pregnant women, to advise them to find somewhere else to give birth. This hospital, started in 1929, improved under Hill-Burton, now is scaling back to suit the "market." Its 2011 budget is cutting \$613,000 out of staff costs, and \$588,000 out of other expenses.

Ohio: In metro Cleveland, a rally was held May 2, to support two physicians who were being dismissed from St. John Medical Center in Westlake, on grounds that they were not sufficiently "profit-driven" and were too "volume oriented"; in other words, they didn't cut costs and slight patients.

Ibero-American News Digest

Brazil Enters Disintegration Phase Under 'Hari Kari' Trade

Argentina's President Slams Greek EU-IMF Deal

Haiti Still a Catastrophe, Four Months After the Earthquake

The Empire's Martínez de Hoz Arrested

Brazil Enters Disintegration Phase Under 'Hari Kari' Trade

May 6 (EIRNS)—Having served as the pivot of the Inter-Alpha Group's unsustainable, usurious carry trade for the past decade, Brazil has entered a phase of hyperinflationary blowout, with the disintegration of the British system in Europe.

The huge speculative carry trade into Brazil has led to a 47% annual increase in the growth of credit, but London is demanding continuing increases in interest rates to ensure continuing carry trade flows, and keep the bubble from bursting. The Central Bank raised the benchmark interest rate (SELIC) by 0.75% on April 29, to 9.5%, but market traders are betting they will be jacked up several times more in the course of this year. London's *Financial Times* editorially warned Brazil on May 5, that "complacency" is dangerous: "The worst falls often come just when you are strutting your stuff." They point to the fact that Brazil is awash in liquidity, and that housing prices in Rio de Janeiro are rising by about 50% per year, "just two early warnings of a post-boom headache to come."

BRIC-inventor Goldman Sachs, and its ilk, lie that Brazil's finances are solid, because they are based on sustainable growth of the Brazilian domestic middle class market. In reality, Brazil's middle class growth is based on a usurious swindle, which deliberately burdens the elderly and working people with huge debts, to create a financial bubble for foreign financiers to securitize and feed into the Brazilian carry trade. This Brazilian version of London's subprime swindle is now popping, too. Naturally, the Inter-Alpha Group's Spanish Banco Santander, is found at the center of it.

In his first year as President (2003), Inácio Lula da Silva issued a decree allowing banks to sell payroll-deductible loans to private sector workers, retirees, and pensioners affiliated with the government's National Social Security Institute. Such loans had previously been available only to public employees and retirees. These are loans in which a fixed payment for the banks is automatically deducted monthly from a worker's salary or pension, before his or her check is issued. Banks love them; once hooked into these loans, no family involved can put food or medicine before their debt payments. It's like a modern version of indentured servants who "owe their soul to the company store."

At first, people could hock "only" up to 20% of their salary or pension, but as this credit boomed, the law was changed to permit banks to take 30% off the top, every month, for terms running anywhere from three to 72 months, with an average 2.5% a month—around 40% annually—collected in interest! Pensioners and workers rushed to take out these loans to pay off other consumer loans, which run an average 75% a year in the usurers' haven which Brazil has become.

Some courts tried to declare them illegal, and pension auditors in Rio de Janeiro called them a "crime"; but automatic payroll deduction loans took off, sending personal debt soaring by over 20% per year. By June of 2005, 30% of all personal loans in Brazil were such payroll/pension loans. Banco Santander executives bragged they intended to increase issuance of these loans by 10-fold over the next five years.

In October 2005, a mere two years after the law was passed, Moody's hailed payroll loans as the key force in the doubling

of Brazil's "domestic" securitization market. By 2007, when London's international system entered its final phase of disintegration, such loans totalled \$34 billion, and foreign banks began moving in to get their share. Santander's expansion in this area "steered the whole market dynamic" in this area, CBS Moneywatch reported in March 2008.

It is estimated, that through this mechanism, banks seize a portion of the pensions of an astounding 89% of Brazil's pensioners, a sly step towards the full privatization of the pension system demanded by London, which no Brazilian politician could be caught supporting directly.

Argentina's President Slams Greek EU-IMF Deal

May 8 (EIRNS)—Commenting May 6 on the mass demonstrations in Greece, Argentina's President Cristina Fernández de Kirchner compared the situation to Argentina's financial crisis of 2001: "Those images that we see on the television are too much like the ones of 2001," Kirchner said in Buenos Aires yesterday, Bloomberg reported. In December of 2001, more than two dozen people were killed in Argentina in mass protests against IMF-dictated economic austerity. The country had five Presidents in the space of two weeks as the situation unraveled, and before that year's end, Argentina defaulted on its \$95 billion foreign debt.

Fernández de Kirchner said that the IMF and EU prescription of spending cuts and brutal austerity is "almost identical" to the measures that consecutive Argentine governments had imposed on the population, at the bidding of the IMF. "The international multilateral lenders, which keep offering the same old prescriptions, still don't understand what's going on in the world," she said.

In contrast, on May 8, Brazilian President Lula da Silva criticized Europe for waiting so long to bail out Greece's creditors, and huffed about how Brazil is going to give a big \$286 million towards the IMF package for Greece, because Brazil is now a "creditor country."

Haiti Still a Catastrophe, Four Months After the Earthquake

May 5 (EIRNS)—President Obama's murderous refusal to adopt Lyndon LaRouche's Feb. 22 proposal to relocate 1.3 million people out of Haiti's flood-prone capital of Port-au-Prince, using the U.S. Army Corps of Engineers, has trapped this impoverished nation in a situation that is *still* catastrophic—almost four months after the Jan. 12 earthquake.

More than a million people in the capital are homeless, living in as many as 1,300 makeshift camps that are unsafe, filthy, and a breeding ground for infectious disease. People report that they spend the night "*domi pandeye*"—creole for sleeping while balancing upright, standing under their plastic sheeting because there's no room for everyone to be sheltered and lie down. So far, there is only one camp, Corail Cesselesse, that meets the standards for human habitation, and this is the one that is showcased for visiting dignitaries. Located north of the capital, it is only intended to house 7,500 people.

Worse, the rainy season has begun. Aid workers told CNN they fear that the constant rains will overflow canals filled with garbage and rubble, and flood the encampments that have sprung up on the canals' banks, making them "life threatening." Diarrhea, malaria, dengue fever, and malnutrition are just some of the diseases caused by these living conditions.

Moreover, prices for basic foodstuffs—rice, beans, cornmeal, cooking oil and charcoal for cooking—have risen by 15% to 30% since Jan. 12. Those who are lucky enough to obtain food coupons must travel long distances to pick up food, often finding that it has run out when they arrive. And the locations for food pick-up can change daily, creating anxiety among traumatized Haitians.

It is in this chaotic environment that threats of Jacobin violence have surfaced, from gangs linked to former President Jean-Bertrand Aristide. Readers may recall that the trademark of Aristide's satanic Lavalas movement was "necklacing"—tying a victim's hands, dousing a rubber tire with gasoline, placing it around the victim's neck and upper torso, and then setting it afire.

The Empire's Martínez de Hoz Arrested

May 5 (EIRNS)—Chicago Boy economist and Argentine oligarch José Martínez de Hoz—whom David Rockefeller used to refer to affectionately as "my friend Joe"—was finally arrested yesterday in Buenos Aires, for involvement in the 1976-77 kidnapping and disappearance of two Argentine businessmen whose company business was deemed threatening to the then-ruling military junta's economic goals.

Martínez de Hoz was the economics minister and eminence grise of the 1976-83 London-run military dictatorship in Argentina, which implemented Pinochet-style Nazi policies in that country, designed at George Shultz's University of Chicago. To this day, he is rightfully hated by the Argentine people.

Western European News Digest

200,000 Greeks Say No to Bankers Dictatorship

Mass Strike Spreads to Romania; Unions Protest IMF-Ordered Cuts

Schachtians Demand EU Dictatorship

Italy: Minority Voices Against the Euro

Deputy Mayor Calls for France To Leave Euro

Italian Oligarch Caracciolo Celebrates Euro Death

200,000 Greeks Say No to Bankers Dictatorship

May 5 (EIRNS)—Up to 200,000 Greeks demonstrated today in central Athens as a message to the Greek government, the European Union, and the International Monetary Fund that the Greek population will not accept the brutal austerity that will reduce their living standards by 20% or more. In Thessalonika, 20,000 people demonstrated.

The demonstrations were called by the public workers unionADEDY, and the private sector workers federation GSEE, which have also staged a 24-hour strike that has closed down government services, transportation, and private business. The two unions represent 50% of Greece's working class. The Communist Party and its trade union also participated in the strike.

While the police talk of tens of thousands of demonstrators, others spoke of up to 100,000; but the trade unions said that 200,000 participated, making it the largest protest in 20 years.

Meantime, three people were killed when fires broke out at a bank in central Athens, believed to have been the result of a fire bomb. Fires were seen at two other buildings. Anarchists and provocateurs also clashed with riot police.

Mass Strike Spreads to Romania; Unions Protest IMF-Ordered Cuts

May 8 (EIRNS)—The mass strike ferment that has seized Greece is now spreading to Romania, as Romanian unions threaten a wave of strikes which could cripple hospitals, schools, and public transport, in protest against draconian wage and pension cuts. President Traian Basescu announced the cuts on May 6, saying they were needed to ensure continuation of a EU20 billion aid package led by the International Monetary Fund, according to Reuters.

Romania's powerful unions will meet Basescu today before an IMF review mission leaves the country, and leaders said protests similar to those in Greece could be carried out if they do reach an accord. "The likelihood that we will strike is big, as long as these draconian measures are not abandoned," said Marius Petcu, head of the CNSLR Fratia union, which represents about 800,000 people. "I think in two weeks we will know whether we will strike. We are talking about hundreds of thousands of people that need to be consulted."

Schachtians Demand EU Dictatorship

MAY 4 (EIRNS)—Three liberal European politicians authored an article in the April 30 Swedish *Svenska Dagbladet*, demanding that all EU bailout packages include a temporary withdrawal of sovereignty in economic matters. The three are European Parliament Members Wolf Klinz (FDP) and the Olle Schmidt (Swedish FP), together with the Swedish member of Parliament Carl B. Hamilton (FP), the Swedish henchman of Iceland. Following the tradition of Nazi-era Liberal Party leader and Economics Minister Hjalmar Schacht, these three detail the demands in three points originating from an article by Klinz:

1. The Stability Pact must be obeyed. "Member states breaking with the pact should lose their voting rights in matters of budget deficits and crisis measures and also risk withdrawal of EU funding for support of agriculture and economic structure."
2. The Eurogroup must have an automatic crisis mechanism, using the IMF but, "withdraw, at least temporally, the sovereignty in economic matters of the recipient country or at least a great part of policy regarding taxation, wages, labor market, social welfare etc." They add here, "It should not be excluded that lenders should be forced to contribute through debt write offs."
3. "The Stability Pact should be expanded to also include measures for financial stability and preemption against transnational banking crises."

Italian LaRouche Rep on Radio Padania: Glass-Steagall Is Solution

MILAN, May 7 (EIRNS)—Liliana Gorini, chairwoman of Movisol (Movimento Soliarietà), the LaRouche movement in Italy, was interviewed today by Radio Padania, radio station of the Northern League (Lega Nord) in Milan. Host Roberto Ortelli initially wanted to question her on the British elections and the Greek crisis, but Gorini opened her report with the good news of the Cantwell-McCain measure in the U.S. Senate to restore Glass-Steagall, and Lyndon LaRouche's evaluation that this could bring down the present defunct system, and allow the creation of a new credit system in replacement.

Ortelli asked questions on the SEC investigation of Goldman Sachs (and its role in the Greek crisis), and also Treasury

Secretary Tim Geithner's ties to Wall Street, which led into a discussion of the Dodd-Obama financial reform as a cover-up, in contrast to the Cantwell-McCain amendment.

Italy: Minority Voices Against the Euro

May 5 (EIRNS)—Whereas most Italian media and politicians are supporting the doomed bailout of the euro system, a minority faction is exposing the bankruptcy of the euro. One of these is author Ida Magli in the pro-government daily *Il Giornale*. Magli, an anthropologist from Rome University, writes that "those who designed the euro have barely taken into account the lack of an image of 'Europe' behind the 'single' currency. Now, facing the crisis, it is useless to remark that one should have first built the political Europe, before the monetary Europe. De facto, a political Europe was not built because it was impossible, and it is impossible, to build it."

Also today, Mario Borghezio, Lega Nord caucus leader in the European Parliament, issued a statement blasting the euro as responsible for aggravating the crisis: "Behind the drama which is unfolding in Greece, on the verge of a civil war, surely also the European Union bears a large responsibility. Today, the 'wisemen' of Europe would like us to believe that Greece is an isolated case, but tomorrow, when perhaps it will be the turn of Spain and/or other countries, what will they tell us? The sad scene of dying workers and of a whole people suffering, clashes with the inability of European political, economic, and financial leaders to recognize their mistakes and, above all, that the euro neither solves nor eases, but actually aggravates crises."

Deputy Mayor Calls for France To Leave Euro

PARIS, May 6 (EIRNS)—Nicolas Dupont Aignan, Deputy Mayor of Yerres in the Paris region and a National Assembly Deputy, is the first national elected official to call for France to leave the euro. Aignan is the leader of a Gaullist party, Republic Arise. He is also calling for closing down the European Commission and for renegotiating the Economic and Monetary Union Treaties, adopted in 1992, which created the supranational single currency Eurozone that has brought about the present crisis.

"In order to face up to the major crisis shaking Greece and soon other countries of South Europe, it is high time to allow the return to national currencies which would adjust to each other, in order to carry out effective policies to come out of the crisis, policies which must be differentiated according to the competitiveness of each of the member states."

Italian Oligarch Caracciolo Celebrates Euro Death

May 7 (EIRNS)—Whereas eurofools believe they can save a dead currency, better informed British-allied strategists acknowledge the death of the euro, but also plan a chaos and break-up scenario for Europe. Italian oligarch Lucio Caracciolo, editor of the geopolitical magazine *Limes*, bluntly exposes the failure of the euro ("Without a real state, no currency can exist"). However, Caracciolo forecasts that European leaders will let the situation slide "to the point that the sickness is so widespread and rooted in the Eurozone and beyond, that it is impossible to cure. At that point, politics can do nothing, except take care of public order, because it is evident that the collapse of our monetary system, in a recession and with double-digit unemployment, would produce social revolts and political-institutional crises of unforeseeable dimensions."

The most probable outcome of the crisis, Caracciolo says, will be a "Europlus" core with Germany and "its economic sphere of influence" which includes northern Italy. "The optimal currency area, from a German standpoint, is the one that splits Italy."

Russia and the CIS News Digest

Russia Celebrates 65th Anniversary Of Victory Over Fascism

Russian Commentator Notes LaRouche's Diagnosis of BRIC as a Controlled Creation

Japanese Governors See Future in East Siberian Development

Russia Celebrates 65th Anniversary Of Victory Over Fascism

May 9 (EIRNS)—The leaders and population of Russia, Ukraine, and the other countries formerly in the Soviet Union today marked the 65th anniversary of victory over Nazi fascism in the Great Patriotic War—World War II. In Russia, it was a huge patriotic mobilization, with parades from Kaliningrad in the West to Vladivostok on the Pacific scheduled to coincide in time, and the national news. Surviving veterans, now all in their late eighties, received free rail passes to come to Moscow, where the festive military parade also included a NATO grouping for the first time ever. In Volgograd (formerly Stalingrad), where the Nazi invasion began to be turned back, the parade was led by one of the famous Soviet T-34 tanks, brought out of its usual museum location.

From Red Square, President Dmitri Medvedev led a group of visiting heads of state on foot to the eternal flame by the Kremlin wall, which marks the tomb of an unknown soldier from the Great Patriotic War. At the wreath-laying, he was flanked by President Hu Jintao of China, German Chancellor Angela Merkel, and President Shimon Peres of Israel, together with leaders of the former Soviet republics.

In the late evening, a crowd estimated at 2.5 million people came out for a Victory Day fireworks display in Moscow.

Russian Commentator Notes LaRouche's Diagnosis of BRIC as a Controlled Creation

May 5 (EIRNS)—Circulation in Russian of Lyndon LaRouche's March 13 webcast, in which he exposed the "BRIC" construct (Brazil-Russia-India-China) as controlled through the London Rothschilds' Inter-Alpha Group, is shaping discussion of the latest financial crisis developments among Russian commentators. The webcast video, with Russian voiceover, has been viewed by thousands of people.

In an April 29 column for FinTimes.ru and his own blog, financial commentator Mikhail Khazin cited LaRouche in connection with Russian "Subprime" Minister Alexei Kudrin's latest travels in the United States. Kudrin's included mission was to renegotiate Russia's World Bank quota. Noting that the so-called BRIC countries make up less than 50% of the World Bank quotas, Khazin added: "Incidentally, the very term BRIC was originally proposed by Goldman Sachs, which has recently been in the news because of accusations of fraud.... In the opinion of the well-known American dissident Lyndon LaRouche, this was done expressly in order that the financial authorities of Russia and Brazil, which are controlled by the world financial elite (such as Goldman Sachs), would serve to 'dilute' the stronger and, most importantly, more independent financial teams of India and China."

Japanese Governors See Future in East Siberian Development

May 6 (EIRNS)—A group of Japanese governors is visiting Vladivostok in Russia's Far East. Gov. Wataru Aso of Fukuoka, who heads the National Governors' Association, and the governors of four other prefectures facing the Sea of Japan, arrived in the city yesterday.

They met with Gov. Sergei Darkin of Russia's Maritime Province, besides touring various development projects. Darkin called for further Japanese involvement in more than 60 development projects now underway in Vladivostok and elsewhere in his province. An increasing number of Japanese municipalities have shown interests in those projects. Some of them have set up offices in Vladivostok to help Japanese companies launch businesses in the region.

Southwest Asia News Digest

UN Perm-5 Support 1995 Resolution for WMD-Free Middle East

IAEA and Turkey Attempt Measures Against Drive for Iran War

IAEA Chief Amano Asks Member Countries for Input on Israel and NPT

UN Perm-5 Support 1995 Resolution for WMD-Free Middle East

May 5 (EIRNS)—On May 5, Anatoly I. Antonov, Director of the Department for Security Affairs and Disarmament of the Russian Ministry of Foreign Affairs, delivered a statement on behalf of the Permanent Members of the UN Security Council—China, France, Russia, the United Kingdom, and the United States—to the 2010 conference on the Nuclear Non-Proliferation Treaty which supported the resolution for a nuclear-free Middle East.

The statement reads: "We are committed to a full implementation of the 1995 NPT resolution on the Middle East and we support all ongoing efforts to this end. We are ready to consider all relevant proposals in the course of the Review Conference in order to come to an agreed decision aimed at taking concrete steps in this direction."

IAEA and Turkey Attempt Measures Against Drive for Iran War

May 8 (EIRNS)—As the British Empire continues its drive for a military attack against Iran using Israel, two initiatives—one by Turkey, and another by the International Atomic Energy Agency (IAEA)—are an attempt to stop the countdown for war.

On May 7, during an official visit to Turkey, Iranian Foreign Minister Manouchehr Mottaki said that Iran would be willing to participate in talks, proposed by Turkey, between the European Union and Iran on Iran's nuclear program. Mottaki made the statement after meeting with Turkish Foreign Minister Ahmet Davutoglu. A day later, on May 8, Syrian President Bashar al-Assad supported this initiative, meeting with Turkish President Abdullah Gul in Istanbul. The proposed talks would be in Turkey.

Davutoglu is an ardent supporter of nuclear energy for developing countries, and spoke in favor of a Middle East Nuclear Weapons Free Zone, at the Middle East panel at the February 2010 Munich Global Security ("Wehrkunde") conference in Germany.

With the Nuclear Free Zone (NFZ) proposal taking headlines at the UN conference on the Nuclear Non-Proliferation Treaty, a move by the IAEA to put the NFZ issue on the agenda at its June 7 board meeting, is being described as an attempt to counter Israel's military threats against Iran. Associated Press reported on May 8, that in a copy of the "restricted provisional agenda" of the IAEA, the issue of "Israeli nuclear capabilities" is included as the eighth agenda

item. This is the first time in its 52 years of existence that the IAEA has addressed Israel's undeclared and secret nuclear arsenal. AP reports that a letter signed by 18 Arab countries that belong to the IAEA requested that this question of Israel be taken up.

IAEA Chief Amano Asks Member Countries for Input on Israel and NPT

May 10 (EIRNS)—The backdrop to the listing of Israel's nuclear capabilities on the agenda of the June 2010 meeting of the International Atomic Energy Agency (IAEA) meeting, is a longstanding decision by the IAEA member countries to support a nuclear-free Middle East, as endorsed by the conference on the Nuclear Non-Proliferation Treaty (NPT) in 1995.

This commitment was reiterated by IAEA chief Yukiya Amano on May 3, in his opening statement to this year's NPT meeting. "I would like to recall that the IAEA General Conference has adopted resolutions in recent years on the establishment of a nuclear-weapon-free zone in the Middle East," Amano said. "Last year's General Conference also adopted a resolution on Israel's nuclear capabilities. I am following up on these resolutions as requested by the General Conference."

Even earlier, Amano, on April 7, sent a letter to the foreign ministers of the IAEA countries requesting their input and views on the matter of Israel. The letter was obtained by Associated Press, and made public in a May 5 wire story.

Amano reportedly referred in his letter to the resolution on Israeli nuclear capabilities that was adopted by the 53rd regular session of the General Conference on Sept. 18, 2009. That resolution states that the IAEA General Conference "[e]xpresses concern about the Israeli nuclear capabilities, and calls upon Israel to accede to the NPT and place all its nuclear facilities under comprehensive IAEA safeguards." The 2009 resolution also requires the IAEA chief to report on the status of that resolution at the 2010 meeting, which is scheduled to take place in June.

Asia News Digest

Despite Troop Surge, Afghan Security Is Deteriorating

British-Laid Design To Break Pakistan Touted

China Central to Crisis Resolution Between South and North Korea

Thai Compromise May Avoid Bloody Chaos—for Now

Despite Troop Surge, Afghan Security Is Deteriorating

May 6 (EIRNS)—Talking to reporters in Geneva, UN Human Rights Commission chief Antonio Guterres said security in Afghanistan is deteriorating and that the situation is such that foreign staff of the UN's refugee agency are unable to travel to half of the country. Guterres pointed out that the latest U.S./NATO dictum to win the hearts and minds of the people has put the aid workers together with the soldiers who are now involved in building small bridges and canals. Since the locals can no longer tell a foreign soldier from an aid worker, their anger toward the foreign soldiers is now threatening the security of aid workers. He added that more barbed wire, blast walls, and armed guards alone wouldn't be effective unless the local population could be convinced that agencies such as UNHCR are independent from U.S.-led international military presence in Afghanistan.

The deterioration of the security situation was pointed out last August by Joint Chiefs of Staff chairman Adm. Mike Mullen, on CNN's State of the Union program. Responding to an interviewer's question on Afghan security, he had said: "I think it is serious and it is deteriorating. The Taliban insurgency has gotten better, more sophisticated, in their tactics."

Last January, in his report to the Security Council on Afghanistan, UN Secretary-General Ban Ki-moon had painted a dire picture of the security situation. He noted that an average of 1,244 incidents per month occurred in the third quarter of 2009, a 65% increase over 2008, with armed clashes, improvised explosive devices (IEDs) and stand-off attacks constituting the majority, the report shows.

The UN Assistance Mission in Afghanistan (UNAMA) recorded 784 conflict-related civilian casualties between August and October, up 12% from the same period in 2008, with anti-government elements responsible for 78% of the total, of whom 54% were victims of suicide and IED attacks. "While the violence was caused by a politically driven insurgency, it has also been exploited by criminal groups, drug traffickers and others," Ban said. "There have been increased civilian casualties and greater risks for UNAMA and other Afghan partners."

British-Laid Design To Break Pakistan Touted

May 6 (EIRNS)—The *Washington Post*, in its lead editorial, "Terrorist Training in North Waziristan," on May 6, pushed for what the British and the British faction within the United States have long been pushing—a regular military operation by the Pakistani Army in North Waziristan, the tribal area bordering southeastern Afghanistan. This new call for armed attacks was issued after what by every indication seems to have been a fake failed terrorist bombing effort in New York's busy Times Square on the evening of May 1.

Part of the fakery was to set the stage to make the claim that the Pakistani Taliban network operating from within North Waziristan had set up the bombing effort. The accused bomb-maker, Faisal Shahzad, allegedly told the authorities, after being arrested, that he was in North Waziristan where he was trained on how to make the bomb. Islamabad has reported that it has no evidence to show that Shahzad was indeed in North Waziristan.

However, the objective of the *Post*, which has taken a page out of London's playbook, is to use this incident to generate pressure on the Pakistani Army to launch a full military operation in North Waziristan. The Pakistani Army has withstood this British-designed pressure for months, but in order to release some pressure, has allowed the Obama Administration to steeply increase drone attacks into North Waziristan. The Army rightly fears that a military operation inside the country, against its own countrymen, however carefully executed, will leave a huge scar, encouraging a full-fledged secessionist movement instantaneously.

Whether Islamabad is aware of this or not, this is the gameplan of the British. They want to separate the Pushtuns of Pakistan and Afghanistan, and draw yet another line to create a new nation in the highly sensitive area and secure virtual control of this newly-formed, weak nation.

With this editorial, the *Post* has just endorsed the process.

China Central to Crisis Resolution Between South and North Korea

May 4 (EIRNS)—With the tension in the Koreas continuing to mount over the sinking of the South Korean warship *Cheonan* last month, South Korean President Lee Myung Bak addressed the twice-yearly meeting of the top military brass, calling for a review of the South's defenses against North Korea. Stopping short of an open accusation of the North for the incident, he said: "What is obvious so far is that the *Cheonan* did not sink due to a simple accident. As soon as the incident

occurred, I sensed it was a grave international and inter-Korean matter."

Meanwhile, North Korean leader Kim Jong-il is in Beijing, but there are no reports as yet on his meetings. Lee Myung Bak met with Hu Jintao last week at the opening of the Shanghai World Expo, where they spoke about the incident. Both the Koreans and the Western officials recognize that China will be central in determining how to respond if it is determined that the North was involved, and in any successful resolution.

Thai Compromise May Avoid Bloody Chaos—for Now

May 4 (EIRNS)—Thai Prime Minister Abhisit Vejjajiva, who, until today, appeared to be following British intentions of creating total chaos in Thailand, went on TV last night to offer new elections on Nov. 14, and a "roadmap" to solve the political crisis. Previously, the opposition Red Shirts, who have occupied central Bangkok for over two months, had demanded immediate resignation of the government and elections in 30 days, while Abhisit had offered elections in nine months—so, the November date (six months from now) splits the difference, and is being taken seriously as a first step toward a resolution of a situation of virtual dual power and a threatened civil war across the country.

Both the Red Shirt demonstrators and Chavalit Yongchaiyudh, head of the opposition Puea Thai Party, have responded positively, but demand that the government set a specific date for the dissolution of Parliament before they leave their demonstration site. They did not demand amnesty against accusations of "lèse majesté" and "terrorism."

The government has issued daily threats of the use of force, but the military is deeply divided, and it is unlikely that it would comply with such an order. The lead item in today's *Bangkok Post* states that "Prime Minister Abhisit Vejjajiva has been compelled to offer a house dissolution to break the country's political deadlock because of the army's reluctance to use force to clear anti-government protesters from Ratchaprasong intersection." One commander told the *Post*: "The order to kill is easily executed because soldiers have guns. But what will happen afterwards? ... That will bring the country closer to civil war. And there will be more red shirts coming out in other provinces."

While chaos in Thailand would be to the benefit of the berserker faction in London, who are pushing for war and chaos everywhere in the face of the global financial collapse, there are others on the British side who are afraid that any further suppression of the population's rage against the puppet government would turn that rage against the monarchy itself, and the Brits could lose their leading asset in the region.

Ending the current standoff will avoid a bloody breakdown, but without solving the issue of the monarchy and its privy council (the British-dominated power behind the military/monarchist regime), the crisis is likely to recur in the near term.

Africa News Digest

Egypt Supports Sudan Sovereignty, Urges Unity as January Referendum Approaches

Va. Congressman Wolf Joins British Rice-ists, Demanding Balkanization of Sudan

Egypt Supports Sudan Sovereignty, Urges Unity as January Referendum Approaches

May 10 (EIRNS)—Egyptian Foreign Minister Ahmed Abul Gheit called for the unity of Sudan in a press conference yesterday in Sudan's capital, Khartoum, after he met President Omar al-Bashir and Sudanese officials, in an effort to counter the British imperial financial cartel's effort to break up Sudan. He stated that "Egypt is in favour of the unity of

Sudan as a part of Africa and a member of the African Union. We will do everything in our power to save the unity of Sudan." A referendum on Southern Sudan's independence is scheduled for January 2011.

Abul Gheit is in Sudan with Egyptian intelligence chief Omar Suleiman. They congratulated al-Bashir on his election victory. Later that day, they left for Juba, the capital of South Sudan, where they met South Sudan President Salva Kiir Mayardit, and congratulated him for winning the presidency of South Sudan.

Abul Gheit said in Khartoum that Egypt will continue to support development projects in the South to encourage citizens there "to support unity."

In his press conference, Abul-Gheit stated that in his talks in Khartoum, Egypt proposed a conference in Cairo between the Sudanese ruling National Congress Party (NCP) and the South's ruling party, the Sudan People Liberation Movement (SPLM), "to support unity," according to today's *Sudan Tribune*. He again emphasized, however, that Egypt will respect the choice of the South in the 2011 referendum.

The British empire is playing the water issue against Egypt and Sudan. Because the two nations have been denied nuclear power for water desalination, reliance on the Nile for water is a critical issue. A 1959 agreement between Egypt and Sudan reserved 55.5 billion cubic meters of water per year for Egypt, and 18.5 billion cubic meters for Sudan, which together reportedly amounts to 87% of the river's water. Other Nile basin states want to make a new water-sharing agreement that would allow them more for irrigation and water projects.

Because of the contentious relationship deliberately created by the British between North and South during the period of British control of Sudan, an independent South Sudan could complicate a diplomatic solution to the Nile issue, although the South receives most of Sudan's rainfall. The British policy kept the South isolated from the North, and thus it was even less developed, and had lower levels of education than the North.

Abul Gheit said in Khartoum that Sudan and Egypt are ready to continue discussions with other countries, and to cooperate to reach a final agreement that will satisfy all the Nile Basin Initiative countries. In April, Egyptian Presidents Hosni Mubarak and al-Bashir sent messages to the heads of the other Nile Basin states, seeking to keep the door open for a new round of negotiations, and to head off a unilateral agreement by the other Nile Basin nations. After the messages were sent out, Egyptian Minister of State for Legal and Parliamentary Affairs Moufid Shehab said that "the River Nile provides Egypt with 95% of the country's water needs."

Va. Congressman Wolf Joins British Rice-ists, Demanding Balkanization of Sudan

May 6 (EIRNS)—Virginia Republican Congressman Frank Wolf yesterday launched a campaign to make United States policy toward Sudan much more hostile, so that the United States would play the leading role in implementing the British imperial financial cartel's plan to split up Sudan. He said that Obama's special envoy, Gen. Scott Gration, "has failed to recognize the true nature of Bashir and the NCP."

He approvingly cited the *Washington Post*, which in an editorial said that Bashir can't be trusted. He also cited John Prendergast, who hates the Sudan government and is a leader of the "Enough" movement. Wolf called for U.S. Sudan policy to be run by Secretary of State Hillary Clinton and the anglophile U.S. Ambassador to the UN, Susan Rice, who is also a long-time hater of the Sudan government, and advocate of secession of South Sudan.

Yesterday, in his statement and in a press conference, Wolf made the following policy recommendations: that the United States move forward with military collaboration with South Sudan; not recognize the recent elections; make clear that the

United States "will honor the outcome of the referendum [for independence for South Sudan] and will ensure its implementation"; begin assisting South Sudan in building support for the outcome of the referendum; appoint an ambassador or envoy to South Sudan.

Wolf cited Rice's attack on Sudan for not being willing to fully engaged in the peace process.

At the end of his press conference, Wolf paraphrased Sudan-basher Nicholas Kristof of the *New York Times*: "If President Obama is ever going to find his voice on Sudan, it had better be now."

Wolf has been a long-time active member of the British anti-Sudan government faction inside the U.S. Congress. Wolf previously worked against Sudan in collaboration with Baroness Caroline Cox, a high-level British Intelligence operative deployed against the government of President Bashir. Her organization, Christian Solidarity International (CSI), also linked to Wolf, in the 1990s bilked contributors out of millions of dollars, in an alleged slavery redemption program in Southern Sudan, until it was later exposed as a fraud, by admissions of CSI officials themselves, and shut down.

The whole operation was a deceit, in which some played the role of slave owners, and said they were selling slaves, who turned out not to be slaves at all. It was just a money-making con-job, in which many gullible Americans, and others, were fleeced. A small amount of the money went to the fake slave traders and fake slaves, while the lion's share went to Southern Sudanese commanders and other anti-government figures. After the exposé, Cox split from CSI and formed her own operation, Christian Solidarity Worldwide, in 1997.

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