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# Economics in Brief

## *United Nations*

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### **Former UN Official Endorses Glass-Steagall**

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Antonio Maria Costa, the former head of the UN Office on Drugs and Crime, in reaction to the news that Sen. Tom Harkin (D-Iowa) had introduced S. 985 to reinstate the Glass-Steagall Act, responded on June 12, "Yes, I'm willing to be on record with a statement in favor of Glass-Steagall."

In an April 2012 interview with *EIR*, Costa stated, "There is no problem making money through purely financial activities, but if they become destabilizing to the system at large, then I believe that this is a perverse type of development. As a consequence, and to conclude on this, not only a Glass-Steagall sort of separation between commercial and financial activities, but I strongly support also cooling the financial transactions in order to render them part of the stability of the system and not a destabilizing force."

Costa pointed out in early 2009 that huge amounts of criminal- and narcocash were solicited by the top international banks as the interbank markets froze up in 2008.

## *Detroit*

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### **Ex-Industrial Hub Defaults on Its Debt**

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The City of Detroit, once the heartland of America's industrial and machine-tool might, on June 14 defaulted on a \$34 million payment to creditors, while its Emergency Manager, Kevyn Orr, announced a moratorium on principal and interest payments on the city's unsecured debt. Orr also presented a detailed proposal regarding Detroit's nearly \$17 billion in debt, whereby holders of unsecured debt would be paid less than 10 cents on the dollar, according to Reuters.

Among the unsecured debt holders that will take the hit are bondholders and pension funds.

Lyndon LaRouche commented that now the retired auto workers and others who thought they had bought into retirement, when their industries were shut down, are going to find out that *they* are the ones being shut down. Pensions are simply going to vanish. The only answer to this and similar destruction, LaRouche stated, is to ensure that Obama's political lifespan is very quickly reduced. The only way that the U.S. can survive is to throw him out of office, and to punish Wall Street brutally. Because now the only options are either that the U.S. disappears, or that we get rid of Wall Street and all the related parasites, with Glass-Steagall.

The same day that Orr was announcing Detroit's demise, the Detroit School Board voted up a resolution memorializing the U.S. Congress to restore the Glass-Steagall law.

## *Central America*

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### **Green Energy Policies Produce Hunger, Death**

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The British Empire's depopulation policy is well underway in Central America, where severe drought and food shortages are producing starvation and death.

Her Majesty's biofuels genocide is literally taking food out of people's mouths, as in the case of Guatemala, which has put increasing quantities of its farm land in the past 20 years to producing corn, sugar cane, and African Palm *to produce ethanol for export*, starving its own population.

Guatemala has the highest rate of child malnutrition in the Western Hemisphere, higher even than Haiti, with 50% of children under the age of five malnourished, rising to 80% among indigenous populations.

The fierce pressure to use corn for biofuels has driven prices up so far that tortilla prices have doubled.

In Nicaragua and El Salvador, sugar cane production for biofuels has increased enormously, but takes place under such brutal conditions, that a large number of workers on both nations' Pa-

cific Coast have become terminally ill with chronic kidney disease, attributed to the horrific working conditions.

Drought has ravaged Panama this Spring, which has led to electricity rationing, and closure of businesses, public schools, and universities, and even jeopardized the functioning of the Panama Canal. Crops and cattle have been lost, requiring emergency food distribution to the affected populations.

Now, President Ricardo Martinelli has announced a huge solar energy scheme, as the "green" solution to the energy crisis.

## *Nuclear Power*

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### **Generation Declines For Second Year in Row**

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The world's generation of nuclear power declined by 6.9%, the largest decline on record for a second consecutive year, according to BP's "Statistical Review of World Energy, June 2013."

In Japan, where nuclear power plants still have not fully been brought back on line following the 2011 earthquake and tsunami, nuclear output fell by 89%, accounting for 82% of the global decline.

Nuclear's share of global primary energy was the lowest since 1984.

Southern California Edison announced June 7 that it will be "permanently retiring" the two-unit San Onofre Nuclear Generating Station in California, because it has no assurance that even if mandated safety improvements are made, it would ever get permission from the Nuclear Regulatory Commission to restart the shuttered plants. A fault in one of two new steam generators installed on Unit 3 shut down that reactor in January 2012, and Unit 2 was shut as a precaution, although no problem was detected. This leaves the state with one remaining nuclear plant, Diablo Canyon. San Onofre provided electricity for 1.4 million homes in the San Clemente region for 40 years. It is the fourth nuclear power plant to be permanently closed in the U.S. this year alone. The Greenies are ecstatic.