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LaRouche's June 27 Webcast:
'Britain Delenda Est'

Today, we should probably say that the best news, is the bad news: That is, those who admit the bad news they are receiving as good news--the fact that they recognize it's bad. Because you have a lot of people out there who have wishful thinking, who are not dealing with reality.

Reality is this: The world has been, since, actually, July of 2007, almost two years, in the process of a general breakdown crisis, of the economy of the entire world. There has been nothing which has halted that process--it is just a process which has started, and it's continuing. Under the present Administration, the situation is more desperate than it was before the inauguration of President Obama....

In-Depth articles from EIR, Vol. 36, No. 26

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This Week's Cover

- **LaRouche's June 27 Webcast:**
'Britain Delenda Est'

'We're in a situation where we're looking at the collapse of civilization,' LaRouche declared. 'It's already in process, it's not some event that might happen or might not happen: The crumbling of civilization is currently in progress. And it's global civilization.' Behind the destruction of the U.S.A., is the British Empire, and its puppet Barack Obama: Yet, 'even without the murderous policy of the Obama Administration, this planet, if it doesn't change in a certain direction, is doomed in any case. Obama just makes it surer and quicker.' The two-and-a-half-hour discussion that followed LaRouche's opening remarks, showed that there is a healthy resistance developing to the British Empire's Nazi policies.

Economics

- **Zhou Xiaochuan Hooked by British:**
Bank of China Official Takes British Bait
by Lyndon H. LaRouche, Jr.

The proposal by a People's Bank of China official, that nations adopt a British scheme to form a new world monetarist system, based on a basket of currencies, instead of the dollar, would be the worst thing that China could do to itself and its people.

- **Shut Down Derivatives:**
Regulation Is Too Little, Too Late!

The Obama Administration plan for a so-called regulation of derivatives is fatally flawed.

- **Afghanistan:**

Ending the Colonial Legacy Means Developing Agriculture

- Jack Wennberg, M.D.:

America's Josef Mengele

- Wennberg Lies Behind Attack on McAllen Docs

International

- The Fight for an American Development Policy for Sudan

U.S. Special Envoy to Sudan, Gen. Scott Gration, said he wants to shift the focus of U.S. policy toward successful implementation of the agreement which ended the North vs. South civil war. He will, therefore, shift the agenda from the lies about genocide in Darfur, and will review the brutal sanctions policy against Sudan.

- British-Directed Coup in Iran Exposed; the Question Now Is:

What Comes Next?

The British Empire has been caught red-handed, trying to turn a protest against the Iranian election results into a bloody destabilization.

- Exposed:

British 'BAE' Hand Behind Terror

There is strong evidence that some of the BAE kickbacks to Saudi Prince Bandar were used to bankroll at least two of the 9/11 hijackers.

National

- California in the Lead:

The Killings Have Already Begun

As the new fiscal year begins, the collapse of California, the sixth-largest economy in the world, looks increasingly likely. Obama's Nazi health program would further devastate the state. Gov. Arnold Schwarzenegger's response has been to threaten additional murderous budget cuts.

- Murtha's 'Earmarks for Dummies':

FDR-Style Economics Rattles Soros Hyenas

- National News

Science

- Pandemic Update:

Prince Philip's Flu Is on the March

The world is now in the midst of a pandemic condition, of which the H1N1 swine flu is presently the leading marker. With a few notable exceptions, the nations of the world are vastly underprepared to deal with a crisis which could hit with deadly force as early as this Autumn, perhaps sooner.

- The Present Pandemic

LaRouche: Either the pandemic is being deliberately spread, or measures are being condoned which contribute to its spread. Either way, the result is the same.

- Obama Flu Policy: Go F** Yourself!

- ID Death Rate Began Rising 25 Years Ago

Editorial

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This Week's News

U.S. Economic/Financial News

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[State Governments Move to Austerity as They Run Out of Money](#)

[States Negotiate for Doomsday Budgets; Deadline Is June 30](#)

Feinstein on Obama Health-Care: How Could I Support That?

June 21 (EIRNS)—Following Sen. Dianne Feinstein's (D-Calif.) warning June 16 that she could not vote for Obama's health policy, if it takes billions of dollars in Medicaid funds away from California to cover uninsured patients in low-cost and rural areas of the country, Feinstein reiterated this warning on June 19, during an interview on CNN's State of the Union.

Responding to a question about Obama's health policy, Feinstein said: "Well, to be candid with you, I don't know that he has the votes right now. I think there's a lot of concerns in the Democratic caucus.... You have enormous problems in my state. California is bigger than the populations of 21 states and the District of Columbia put together. We have an enormous health-care industry, 350 hospitals; University of California alone has 34,000 health-care workers, has health care worth \$4 billion a year.

"So it's complicated. Additionally, the state is in a state of financial catastrophe. I think that's clear. So if you change the Medicaid rate, for example, it has an impact on California of between \$1 billion and \$5 billion a year.

"Now how could I support that?

"Because it would take down the state."

State Governments Move to Austerity as They Run Out of Money

June 22 (EIRNS)—A June report prepared for the National Governors Association documents the gruesome California-style cuts in education (K-12, as well as higher education), Medicaid, state employment, and state employee benefits, that are taking place in 47 out of 50 states because they have run out of money. On June 30, 46 states have to come up with a new budget for the Fiscal Year 2010 that starts on July 1. The states are facing a \$121 billion shortfall, at the same time that jobless rates are rising, and the stimulus money that covered the extension of unemployment benefits has run out.

The National Conference of State Legislatures did a survey reported in the *Wall Street Journal*, which showed that welfare

cases have risen in 23 of the 30 largest states, due in part to ending of unemployment benefits. California, Oregon, and South Carolina have already reported increases in the welfare rolls.

States Negotiate for Doomsday Budgets; Deadline Is June 30

June 27 EIRNS)—Reeling from the economic collapse, 46 state governments are in the throes of trying to confirm some kind of balanced budget by the deadline of June 30 midnight, the end of their fiscal year, in the face of their revenue hemorrhages. In the first quarter 2009, state-level revenue dropped 26% year-on-year. Other revenues are likewise plunging. A special deadly feature of the hopeless state budget process at this point, is that they face cutting social services—health care and education, which comprise the largest share of state expenditures—just at the time the new flu virus is spreading nationwide.

For example:

* **Illinois:** Gov. Pat Quinn and the Democratic state legislature came up with a minimal budget to "keep the lights on," involving drastic cuts in the state workforce, but still cannot come up with the revenue to avert a \$9.2 billion budget gap. The legislators are split over the apparent (non)solution of raising taxes on personal income (3-4.5% increase) and corporate income (4.8-7.2% increase).

A June 23 protest rally in the capital, Springfield, brought 6,000 workers, seniors, and health-care staffers, whose mass impact shut down the statehouse for a time. On June 29, a nighttime vigil will be held in downtown Chicago; on June 30, there will be a daytime demonstration at the Thompson Center.

* **Pennsylvania:** The had no budget agreement as of midnight June 30, and faces a repeat of its 1991 "suspended government" impasse, under far worse conditions of a collapsing economy today. On June 26, Gov. Edward Rendell (D) went to formerly industrialized York, Pa., to volunteer \$500 million more in budget cuts, on top of \$2 billion implemented over the past year. He advocates "temporary" tax increases for three years. But so far, no deal in Harrisburg.

Global Economic News

Colonials Are Back in Africa, Grabbing Land

Japan's Economy Continuing to Break Down

Feed the Hungry, Not the Bankers!

Colonials Are Back in Africa, Grabbing Land

June 24 (EIRNS)—A very important element of the British Empire and dedicated practitioners of the British system—Britain, Saudi Arabia, and the Gulf Emirates—have swooped down upon Africa, using their oil and illegitimate offshore money to buy up land. The purpose of the purchases is to ensure food for their kingdoms, while that could enforce mass starvation in the food-short continent of Africa. While a few other nations are also leasing land in Africa, Britain, Saudi Arabia, and the Gulf Emirates dominate. All the leasing is done by private companies of those countries.

Following is an abridged list of land grabbing that is in progress:

Angola: U.K.-based Lonrho corporation leased 25,000 hectares for rice;

Egypt: Saudi Arabia's Jenat company secured 10,000 hectares for barley, wheat and livestock feed; Dubai World Trading Co. secured 5,000 hectares for tea in a joint venture with East Africa agribusiness; Britain's Sun Biofuels secured land for jatropha, a biofuel crop; unknown Saudi investors leased land in exchange for US\$100 million in investment;

Kenya: Qatar leased 20,000 hectares for fruit and vegetable cultivation in exchange for funding a \$2.3 billion port.

Sudan: Kuwait secured a "giant" strategic partnership, no further information; Qatar set up a joint holding company to invest in agriculture; Saudi Arabia leased 10,000 hectares for wheat, vegetables, and livestock; South Korea secured 690,000 hectares for wheat; United Arab Emirates is investing in 378,000 hectares after already securing 30,000 for corn, alfalfa, and possibly wheat, potatoes and beans.

Tanzania: Saudi Arabia wants to lease 500,000 hectares; CAMS Group of Britain purchased 45,000 hectares for sweet sorghum, a biofuel crop; Sun Biofuels of Britain secured 5,500 hectares for jatropha.

Japan's Economy Continuing to Break Down

June 25 (EIRNS)—The world's second-largest economy continues to experience deepening distress. The latest government figures indicate that Japan's exports in May dropped 40.9% from a year earlier. This compares with the 39.1% fall in April. Exports to the United States fell 45.4%, marking the 21st straight monthly decline. Japan's exports to the European Union decreased 45.4%. And Japan's exports to China alone declined 29.7%, marking the eighth consecutive monthly fall.

The key automotive sector saw further damage as auto production in Japan dropped by 40% in May from a year earlier, mainly due to the disappearing U.S. and European markets. This is the largest year-on-year drop for May.

Six out of the eight carmakers, including Honda, Nissan, and Toyota, had year-on-year declines of more than 50% in their production.

The number of people visiting Japan fell by 34% in May from a year earlier. The drop is being attributed to the outbreak of the new flu, which has hit Japan hard, but at least as much of the decline is due to economic reality cutting into both tourism and business travel.

At this rate, the Japanese will have little or nothing to do in order to meet their wildest, most insane goals in "protecting the environment" by cutting "greenhouse gases."

Feed the Hungry, Not the Bankers!

June 24 (EIRNS)—A few hours before the opening of a three-day conference on the world financial and economic crisis at the UN headquarters in New York, the VENRO, an association of non-governmental associations including relief organizations, addressed the crying discrepancy between bank bailouts and funds for the developing sector. In less than one year, \$18 trillion has been granted for the bailout of banks, which is nine times the total volume of global development aid of the past 49 years, the VENRO statement says.

Against the background of the FAO's latest world hunger review, which notes a shameful all-time record of more than 1

billion humans starving, the VENRO calls for substantial increases of funds for development. It also calls for decisive steps to overcome the other discrepancy between promised funds and actual payments which stay way behind: For example, of the funds promised to Africa at the British-run Gleneagles G8 Summit, Africa has so far received just one-third. And that promise was made four years ago.

United States News Digest

Holbrooke: Afghan Drug Strategy Is a Failure

Obama Muscles Cap-and-Trade Genocide Bill Through the House

AARP Praises Obama's Nazi Health Care

Soros Coalition Rules Out Single-Payer Health Plan

Holbrooke: Afghan Drug Strategy Is a Failure

June 28 (EIRNS)—When getting American troops killed pursuing a stupid British drug policy, a useful first step is to admit the folly of it; and the State Department's special representative for Afghanistan and Pakistan, Richard Holbrooke, did that yesterday. The British NATO troops in Afghanistan have been, notoriously, repeatedly caught by the CIA, State Department, and U.S. military forces, working to bring Taliban and drug-running local warlords into control of regional governments there.

Now Holbrooke has publicly admitted the failure of the British-instigated policy which was denounced again yesterday in a webcast by Lyndon LaRouche. LaRouche said, in response to a question from a Senate office, instead of shooting the farmers, who "are working under a gun at their neck.... Shut down the drug traffickers!" including British agent George Soros.

Holbrooke, speaking at a G8 conference in Trieste, Italy, said the U.S. was shifting away from eradicating poppy fields, and *toward interdicting drug supplies*—"seizing both drugs coming out of the country, and growing/processing supplies coming in.... The Western policies against the opium crop, the poppy crop, have been a failure," he said. "They did not result in any damage to the Taliban, but they put farmers out of work and they alienated people and drove people into the arms of the Taliban. The poppy farmer is not our enemy." Holbrooke said the United States had wasted "hundreds and hundreds of millions of dollars" on the failed British strategy.

Obama Muscles Cap-and-Trade Genocide Bill Through the House

June 26 (EIRNS)—Down-to-the-wire thuggery and bribery were required by President "Nero" Obama himself, to win passage tonight, by a bare minimum of 219 to 212, of Prince Philip's "Bomb the U.S. Economy!" bill, otherwise known as HR 2454, the Cap-and-Trade Energy bill.

The President spent June 25 calling up Congressmen; undecided Congressmen meeting with Chief of Staff Rahm 'Hedge Fund' Emmanuel, received "a tap on the shoulder" and were ushered in to meet with the President personally; Obama arranged a last-minute Rose Garden speech, denouncing "misinformation that's out there," as to why the vote was so close. Emmanuel's front-woman Nancy Pelosi worked over top House Democrats for more than two hours, until after midnight

on Thursday.

At stake in the vote was not so much the policy, as was Obama's political control. Rep. Peter DeFazio (D-Ore.) counselled in advance, that if the House defeated the bill, the fascist policy to take down what remains of the U.S. industrial economy could be imposed by Environmental Protection Agency regulation, Congress be damned.

Forty-four Democrats and 168 Republicans voted against the bill; 211 Democrats and eight Republicans voted for it; two each from both parties abstained.

AARP Praises Obama's Nazi Health Care

June 22 (EIRNS)—Kicking off a White House propaganda campaign to try to ram through Obama's Nazi health policy today, President Obama held a press conference with Barry Rand, the CEO of the American Association of Retired People (AARP), and Senators Max Baucus (Mont.) and Chris Dodd (Conn.), who are leading the push in the Senate. The event was called to announce a so-called "breakthrough," which is a phony deal with the major pharmaceutical companies, which promised to cut \$80 billion over a period of ten years in the costs of medication for the poorest senior citizens. This pittance is meaningless in terms of the real burden on seniors, and will only come through if Obama succeeds in passing his plan to cut \$1 trillion in Medicare.

Contrary to its own propaganda, AARP is not a pro-health group, doing nice things for seniors. The largest voluntary organization in the world, AARP is in a public-private partnership with UnitedHealth Group, one of largest of the HMO corporations, with 70 million enrollees. UnitedHealth Group in turn, is directly tied into Britain's fascist NICE (National Institute for Health and Clinical Excellence) program through Simon Stevens, who was Tony Blair's national health advisor from 1997-2004, and implemented the health-care rationing NICE program in 1999.

Stevens then ran United Health U.K. (a newly created-division of UnitedHealth Group) from 2004 to 2006, which made fat profits by privatizing parts of the British National Health Service. Then in January 2007, he moved to UnitedHealth Group's headquarters in Minnesota to become a vice president, and head up its UnitedHealth Groups' seniors business, Ovations/AARP Medicare division. In January 2009, he launched the UnitedHealth Group's new thinktank on health "reform." As the director of the Center for Health Reform and Modernization, Stevens is a major pusher of Obama's death plan.

Soros Coalition Rules Out Single-Payer Health Plan

June 22 (EIRNS)—Health Care for America Now (HCAN), endorsed by President Obama as the coalition pushing his health-care (euthanasia) reform, is a project of billionaire British-agent George Soros, his Tides Foundation, and the Saul Alinsky counterinsurgency networks used by Soros to ramp up the Obama Presidential candidacy. HCAN explicitly opposes the single-payer health-care plan favored by most Americans.

The group was established in July 2008 as an adjunct to the Soros operations supporting the Obama candidacy. At the outset, HCAN national campaign director Richard Kirsch wrote (July 16, 2008, Huffingtonpost) under the headline, "Why Not Single-Payer?" "I want to take a moment and address those of you who have been asking why Health Care for America Now is not focusing on creating a single-payer health insurance system." Kirsch explains that he used to believe in that sort of thing, but came to realize it would scare people.

Richard Kirsch was for 22 years an executive of the Saul Alinsky-modeled group led by Heather Booth, Citizen Action.

The inner core that created HCAN is the tight clique of Soros front organizations, ACORN, Americans United for Change, Campaign for America's Future, Center for American Progress, Center for Community Change, MoveOn, Service Employees International Union (SEIU), and USAction (formerly Citizen Action).

Although Andy Stern's SEIU openly runs anti-union wrecking operations, and outrageous sell-out deals with nursing homes and budget-cutting politicians, such as Arnold Schwarzenegger, the AFL-CIO, and some of their union affiliates have signed onto the HCAN initiative.

Wade Rathke was chairman of the Tides Center, founder of ACORN, and a high executive of the SEIU. Rathke had to step down as ACORN dictator and Tides Foundation board member during the Obama campaign, when it was discovered that Rathke's brother had embezzled about \$1 million from the money passed through to ACORN.

Ibero-American News Digest

[July Swine Flu Summit Planned for Mexico](#)

[Honduras Crisis Reflects Global Wave of Ungovernability](#)

[Mexico's Drug Decrim Could Lure Foreign 'Drug Tourists'](#)

July Swine Flu Summit Planned for Mexico

June 22 (EIRNS)—Against the backdrop of reported new outbreaks of the A/H1N1 swine flu virus in several Mexican states, the directors-general of the World Health Organization, the Pan American Health Organization, as well as health ministers from 40 countries, will hold a ministerial-level summit in Cancún, Mexico on July 1-3, to debate the "Lessons Learned from Mexico, Canada and the U.S." in combatting the virus.

When the summit was announced on June 8, Mexican Health Minister José Córdova reported that the A/H1N1 virus was "under control" in the country, and that certain emergency measures had been relaxed. But in the intervening two weeks, demonstrating the unpredictable pattern of the virus's behavior, authorities have reported new outbreaks in several states, including the southeast, central and northern regions of the country.

On June 15, seven states reported a "resurgence" of the swine flu virus, and two days later, a Health Ministry official reported outbreaks in southeastern Mexico, including the states of Tabasco, Veracruz, Chiapas, Yucatan, and Quintana Roo. Tabasco, Veracruz, and Yucatan had also been named in the June 15 report. Health Ministry official Mauricio Hernández announced on June 17 that the federal government would deploy special health brigades to all the affected southeastern states, to assist in dealing with these outbreaks, and that, in some cases, emergency measures had been "reactivated."

According to Yucatan state health ministry official Pedro González, dealing with the 255 A/H1N1 confirmed cases in the state as of June 18, had been complicated by the appearance of 40 cases of seasonal flu, which, he said, has "confused" the local population. Health officials had predicted that the seasonal flu wouldn't appear until Winter, but Yucatan is just beginning its Summer season.

Honduras Crisis Reflects Global Wave of Ungovernability

FLASH: June 30 (EIRNS)—Since the following was written, the situation in Honduras has devolved, with the outcome uncertain.

June 26 (EIRNS)—Economic disintegration, food scarcity, ever-expanding poverty, drug traffic and gangs, and now, the spreading A/H1N1 flu virus, have pushed Honduras to the brink of ungovernability, a breakdown brought about by British imperialist globalization, which Lyndon LaRouche warned this week could break out at any point, in every region of the planet.

Honduras is in such a state of upheaval, that President Manuel Zelaya requested that the Permanent Council of the Organization of American States meet in emergency session on June 26, to examine his charges of coup threats against him. The OAS is sending a delegation to investigate the situation and support Honduran democracy, driven, in particular, by the recognition that all of Honduras's Central American neighbors face similar conditions, and it would take very little to unleash the same type of chaos in those nations as is now occurring in Honduras.

The ostensible cause of the unrest is the June 28 referendum called by Zelaya to amend the constitution, so he can run for a second term. Congress, the Armed Forces, and other government and civil institutions oppose the referendum. When Zelaya fired the head of the Joint Chiefs of Staff on June 25, because of the latter's opposition, the Supreme Court promptly reinstated him. From there, the situation very quickly unravelled.

Mexico's Drug Decrim Could Lure Foreign 'Drug Tourists'

June 22 (EIRNS)—State and local officials on both sides of the U.S.-Mexican border fear that Mexico could become a mecca for "drug tourists," should President Felipe Calderón sign into law the bill that decriminalizes possession of small amounts of several different drugs for personal consumption.

The bill was passed in the Mexican Congress two months ago, but Calderón has yet to sign it; he most likely is waiting until after the July 5 mid-term election. There is significant opposition to the law, especially from financially strapped state governments which lack the means to deal with the increased numbers of consumers who will appear once the bill becomes law.

The *Los Angeles Times* reported June 21 that church and state officials from Mexican and U.S. border states warn that decriminalization for personal consumption could turn many Mexican cities into "Latin Amsterdams," attracting consumers from inside and outside Mexico.

Mary Ellen Hernández of the Rio Grande Safe Communities Coalition in El Paso, Texas, whose agency specializes in drug prevention, warns that legalized drug consumption in Mexico will lure Americans into a drug world for which they are ill-prepared to handle. She told the *Times* that those drugs that don't come over the border into the U.S., are now being handed out by dealers to younger and younger Mexican children, "eight-, nine-, and ten-year-olds, hooking them." Youth then turn to crime to feed their habit, she reported.

Mexican drug cartels also go into poorer neighborhoods in U.S. border states to recruit and train impoverished youth to work as their hitmen, the *New York Times* reported June 21.

Western European News Digest

Up to 50% of Germans May Catch Swine Flu

Germany and France Infected by British NICE

Blair Buddy Heads Up British Euthanasia Drive

Escalating Fight Over Euthanasia in Europe

City of London Leaves Britain Free to Starve

Maastricht Pushes Germany to Brutal Cuts

Up to 50% of Germans May Catch Swine Flu

June 22 (EIRNS)—Prof. Gerhard Ehninger of the University Clinic in Dresden was quoted in today's *Bildzeitung*, saying that, "about a quarter or half of the people in Germany could be infected with the swine flu."

Then, in an apparent effort to play down the issue, in line with the general approach of German institutions these days, he added: "Based on data from the U.S.A., we think that one-third of those who have been infected, will not notice it and not develop symptoms."

What about the two-thirds of those infected who would feel it, and have symptoms—around 35 million Germans?

Germany and France Infected by British NICE

PARIS, June 23 (EIRNS)—As might have been expected, Germany and France are infected by the British fascist NICE virus, NICE (National Institute for Health and Clinical Excellence) being the model for Obama's Nazi health-care reform in the United States.

On March 27, 2006, NICE's Michael Rawlings, Peter Sawicki of the German *Institut für Qualität und Wirtschaftlichkeit im Gesundheitswesen* (IQWiG), and Laurent Degos of the French *Haute Autorité de Santé* (HAS) signed an agreement to "exchange methods, to share experiences...." The three institutions are in charge of "elaborating professional recommendations, to give advice and formulate estimates in respect to the optimal use of health technologies, drugs, services, and medical acts." In principle, the officials meet every six months.

There have been recorded arguments between the French HAS and NICE spokesmen, with HAS head Degos saying the issue was not to spend less, but to spend in a better way. But the nasty NICE is firmly ensconced.

Blair Buddy Heads Up British Euthanasia Drive

June 26 (EIRNS)—Lord Falconer (of Thoroton), the leader of the group of Lords that is now pushing legislation to legalize euthanasia in Britain, is one of Tony Blair's best friends. They were roommates when they studied law, and Blair made him the first of a whole list of new Labour peers, shortly after he took office as prime minister in May 1997. Falconer then served in various government functions, including that of head of council on constitutional affairs (the equivalent of justice minister) during the period of the "assisted" suicide of David Kelly, in 2003, when the latter exposed Blair's having forged data on Saddam Hussein's alleged weapons of mass destruction, to prepare the war against Iraq.

Escalating Fight Over Euthanasia in Europe

June 26 (EIRNS)—Propagated as a "living will," an "advance directive," or "assisted suicide," pro-euthanasia legislation has been, or is being promoted in many European countries, in addition to Britain, which we cited above.

The Netherlands is said to be the country in Europe with the most excessive euthanasia practice: Already in 2001, a survey showed that in 25% of euthanasia cases, doctors did not even ask or wait for a patient's "living will." New legislation passed in the meantime was advertised as being able to prevent that, but the reality is that euthanasia has been legalized to such an extent that the so-called "credo card" has become popular—this is a "will to live" document that unmistakably states: "*Maak mij niet dood, Dokter!*" (literally, "Make me not dead, doctor!").

In Luxembourg, euthanasia ("active mercy-killing" as it's called there) was fully legalized, in mid-March. Now, an initiative by medical doctors would place a ban on such practices, which they justifiably fear will lead to "tourism of death" attracting people from other countries who want to die. Luxembourg is now the third country, after the Netherlands and Belgium, which has legalized euthanasia. In Switzerland, it has been tolerated since 1942, but there are two initiatives underway that aim to outlaw that. In particular, the ban is to hit an organization with the misleading name "Dignitas" that has, among many others, already killed at least 114 Britons for a price of EU6,400 each, making a profit of several hundred thousand euros from that. The scandal broke in January, when a nurse at a Dignitas clinic revealed that even people who had no fatal illness had been killed.

A German author, Stefan Rehder, has published a book *Die Todesengel—Euthanasie auf dem Vormarsch (Angels of Death—Euthanasia on the Advance)*, which he is also presenting at events in Germany, Austria, and other countries. Rehder warns that behind all the "arguments" brought forward to promote "mercy-killing," there is nothing but the most brutal cost-cutting motive—which he thinks will also very soon be implemented in the most brutal form, as under the Nazis. The "Angel of Death," as a new "service sector that relieves the public-health sector of substantial expenses," is what Germany and Europe are heading for, Rehder warns.

City of London Leaves Britain Free to Starve

June 24 (EIRNS)— The City of London's lying mouthpiece, the *Financial Times*, devotes its second editorial today to invoking John Locke in its call for cuts in the U.K. health and welfare budget. "Large, diverse, market-oriented and individualist, the land that spawned John Locke will not easily adopt to communitarianism. Indeed, it should not. It must permanently shrink the size of the state," the *FT* writes.

Already in the land of John Locke, youth have been robbed of the liberty of a future. British youth unemployment has increased dramatically in the last year, the *Guardian* reported June 24. For youth aged 16 to 24, not enrolled in school, the unemployment rate rose from 13.6% to 15.6%. The figures for 18-24-year-olds is 17.6%.

A *Daily Telegraph* article the same day, reported on the parallel disaster for the old, expressed in pitifully low pension plans. "The OECD said Britain had the least generous state pension in the Western world, with the average worker receiving only 31% of final salary in state support on retirement, the worst pension gap in the developed world," the article reports. But the private plans which supplement them are collapsing. A worker in the private sector, whose salary is £50,000, is lucky if he receives a pension of £16,000 after paying into it for 40 years. Not only are these schemes paying less, but many companies are dropping them altogether and offering no pension.

Maastricht Pushes Germany to Brutal Cuts

June 24 (EIRNS)—German Finance Minister Peer Steinbrück presented his draft for 2009-13 on June 23, projecting a net record borrowing of EU310 billion for that period, EU86 billion of that for FY 2010 alone. That is to compensate for record losses in tax revenues of about the same range, which have been forecast by the government's experts council, and it includes extra expenses for jobless support and short-term workers pay, plus extra burdens resulting from the banking rescue fund (Soffin) of the government. This also puts an end to Steinbrück's lying that allegedly, the Soffin would cost the taxpayer "not a single euro, if it works well."

At the same time, Steinbrück insisted that the European Union's deficit rules (the infamous Maastricht criteria) must be maintained. Asked by DLR radio this morning whether these criteria were irrelevant now, given this extraordinary stress on fiscal policies, he said: "No, on the contrary. I strongly advocate that the discipline of these limits in the stability and growth pact remain. When we pull out of this extraordinary, exceptionally deep recession, we must return to consolidation."

What Steinbrück did not say, is what the citizens will be told Only after the Sept. 27 national elections: Keeping the Maastricht criteria implies brutal cuts in the state's budgets, and, very likely, implies heavy tax increases. The expected drop in tax revenues will increase further, because many of the leading economists forecast that real incomes will decrease, not least because of massively expanded short-work, and that means less in taxes paid to the state. The fiscal plan 2009-13 will be decided after the election of a new government, with a new finance minister, so that Steinbrück will not be the one to announce the brutal cuts.

Southwest Asia News Digest

Quartet Backs U.S. Demands on Israeli Settlements

Iran: Britain Is Running Election Destabilization

Quartet Backs U.S. Demands on Israeli Settlements

June 26 (EIRNS)—The Middle East Quartet (the U.S., EU, UN, and Russia), meeting on June 26 in Trieste, Italy, was briefed by U.S. special envoy George Mitchell, and issued a statement which is being taken as representing full support for U.S. efforts to compel Israel to freeze and dismantle settlements, and to move toward a comprehensive Israeli-Palestinian peace agreement. The Quartet statement also backed U.S. efforts to obtain peace agreements between Israel and Syria, and Israel and Lebanon, and for the full normalization of relations between all states in the region based on the Arab League initiative.

The official Quartet statement calls for an end to the 1967 occupation, a freeze on Israeli settlements, including "natural growth," the dismantling of outposts erected since 2001, and an end to home demolitions and evictions in East Jerusalem.

It calls on the Palestinians "to fight violent extremism," and urged Palestinian unity based on what it referred to as the PLO commitments. It calls for the "sustained reopening" of the Gaza border crossings, to ensure a regular flow of people, and humanitarian and commercial goods.

This is the first Quartet meeting since the Obama Administration came into office. When questioned about its significance, State Department spokesman P.J. Crowley said: "I think that what the Quartet statement reiterated, is what the President has said, the Secretary of State has said, and Special Envoy Mitchell have all said recently—which is, we believe, that all settlements should stop, full stop." When a reporter asked, "That's a full and total, immediate, stop?" Crowley responded

that, "the President, the Secretary, and Special Envoy Mitchell have all made pretty categorical statements on this, and it's reflected in the Quartet statement today."

The real question is whether President Obama will actually stick with his competent team of foreign policy and national security advisors, including Secretary of State Hillary Clinton, Mitchell, Defense Secretary Robert Gates, and National Security Advisor Gen. James Jones; or whether his Nero complex will ultimately lead him to strike out at those who are among his most qualified teammates.

Iran: Britain Is Running Election Destabilization

June 28 (EIRNS)—Iranian authorities have arrested eight local employees of Britain's embassy in Tehran, accusing them of an active role in the recent unrest and riots following the June 12 national election, thus stepping up Iran's campaign against the British. The semi-official Farsi News Agency reported June 28, "The eight are accused of playing a 'remarkable role' in the recent unrests and riots after June 12 election in Tehran."

The June 28 *Los Angeles Times* reports that all eight British Embassy employees were members of its "political section." "Authorities with a search warrant," the *Times* reported, "detained at least one of the embassy staffers at his home Saturday morning. Authorities brought him back to his apartment later in the evening and seized computers and documents."

In addition to expelling BBC's Tehran correspondent Jon Leyne last week, Iranian authorities arrested a British-Greek journalist, Jason Athanasiadis (a.k.a. Jason Fowden), who works for the neocon *Washington Times*, as he was about to depart at Imam Khomeini Airport in Tehran, on charges of underground activities, according to the June 28 *Sunday Times*.

The Iranians are being quite specific in whom their arrest are targetting thus far: no Americans; only British nationals or employees of the British Embassy.

Asia News Digest

British Push BRIC To Dump the Dollar

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British Push BRIC To Dump the Dollar

June 18 (EIRNS)—John Browne, a former British MP who now works for the Connecticut security firm Euro Pacific Capital, published a piece in the *Asia Sentinel* titled, "BRIC Threat to US Dollar Reserve Currency." Browne is best known as a frequent guest on CNBC's neocon Kudlow & Co., and as the former editor of the right-wing NewsMax Media's Financial Intelligence Report and Moneynews.com.

Browne incredibly describes the BRIC nations as "united by healthy economic growth [!] and their concern about unprecedented levels of US debt and the safety of their respective reserves." He gloats: "There can be no doubt that these

emerging economic powers are trying to chart an economic path that will free them from dependence on the American financial system. And there is ample evidence that the first coordinated steps are being taken."

Browne claims that the BRIC nations—Brazil, Russia, India, and China—are "flying kites"—first China, and now all of them, putting out calls to dump the dollar, but always tactfully retreating. This, says Browne, has "served to erode confidence in the dollar's role."

Browne concludes by stating the British policy intention, while ascribing it to the BRIC: "The US dollar is clearly coasting on its legacy. The Obama Administration's actions have eroded confidence to the point that the rapidly developing BRIC membership has risked its own substantial stake in dollar investments to publicly call for an alternative. These comments are the tip of the iceberg. Behind the scenes, we can bet that creditor states are preparing for flight. Though the dollar's slide has been stayed by pronouncements of confidence from Russia, Japan, China, and others, there will come a time when the pain is too great and the outcome too certain. Private investors who haven't already left the collapsing dollar ballroom may be crushed when the big players stampede."

As *EIR* has reported, the BRIC did *not* adopt an anti-dollar proposal at their summit, while both China and Brazil have stated that there is no replacement for the dollar at this time. Prime Minister Manmohan Singh, on his return to India, told reporters that the idea of an alternative to the dollar was "aired, but no concrete conclusion emerged," but that "further examination by our finance ministers and governors of the central banks."

Pro-Nuclear Campaign Takes Off in Malaysia

June 28 (EIRNS)—Malaysia's semi-official *New Straits Times* carried two strongly pro-nuclear articles today. Nuclear power was put on the table earlier this month, when Prime Minister Datuk Seri Najib Razak announced in South Korea that Malaysia will develop a reactor.

In the article, titled, "We have expertise to go nuclear," Atomic Energy Licensing Board chairman Prof. Datuk Dr. Noramly Muslim said Malaysia has the expertise to build its own nuclear power plant, and earlier than scheduled. The country has about 80 individuals with Ph.D.s, who have expertise in nuclear engineering technology. This is a key point. Detractors of nuclear power in the Philippines and elsewhere use the argument that their countries are not capable of handling nuclear power.

Prof. Jong Hyun Kim of the Nuclear and Quantum Engineering Department at the Korea Advanced Institute of Science and Technology, who is in Malaysia, said in a second article, that, while it took his country some 20 years to build a nuclear power plant, Malaysia would need only half of that time. According to Kim, Korea had only three nuclear scientists with Ph.D.s when it embarked on building its first nuclear power plant, but Malaysia today has much more expertise, better technology, and newer processes.

Kim said South Korea operates 20 reactors that produce 35% of its electricity needs, but aims to increase its number of reactors to 41 to generate up to 59% of its electricity.

South Korea is playing a crucial role in promoting nuclear power in Southeast Asia and worldwide. Malaysian Prime Minister Najib Tun Razak, upon returning from an ASEAN-Korea summit, declared his intention to promote Malaysia's nuclear development based on the small nuclear facilities developed by South Korea.

Noramly dealt with the question of "nuclear waste," saying the issue was not one of safety. "The issue of nuclear waste is of a political nature." In reality, Noramly said, nuclear waste was not waste at all. "The waste can be recycled. It has more

value than the original uranium."

LaRouche associate Mohd Peter Davis in Malaysia has helped spark the new assertiveness by his friends in the nuclear community. Davis will be a speaker at the International Nuclear Conference 2009 to be held in Kuala Lumpur June 29-July 2.

Chinese Fight Over Dollar Reserve Policy

June 29 (EIRNS)—People's Bank of China governor Zhou Xiaochuan asserted that China's "foreign reserve policy is always quite stable. There are not any sudden changes," in a statement to the press yesterday at a meeting of world central bank heads in Basel, Switzerland. "China's reserve policy is aimed at liquidity, safety and, returns. You should realize it's very stable."

The greater part of China's \$1.95 billion in foreign exchange reserves, the largest in the world, are held in U.S. dollar assets, and China is the United States' biggest creditor.

Zhou's clarification demonstrates the policy fight going on in China on its vital relations to the United States and the dollar. It was Zhou himself who had made the dangerous and insane British-inspired proposal in March, to set up a new "super sovereign" reserve currency; and, just two days ago, the PBOC posted its annual financial stability report, which reiterated the criticism of using any "sovereign" or "national" currency as the world's reserve currency. The PBOC report said that "we need to create an international reserve currency that is divorced from sovereign states and can maintain a stable value over the long term."

Chinese sources in touch with *EIR* have indicated that a decision made subsequent to Zhou's comments, and after assurances had been given by U.S. Treasury Secretary Tim Geithner and others, that the Chinese investments in U.S. Treasury bills would be secure, put a damper on the SDR proposal.

While there is concern over where U.S. policy will go with respect to the dollar, the general attitude in Beijing, the source says, is that China's future well-being is intimately connected to that of the U.S. And, as former Chinese ambassador to Germany, Mei Zhaorong, said last week at a meeting in Washington, it would be extremely difficult for China to divest itself of its U.S. holdings.

Nevertheless, the source indicated, there is growing concern among the Chinese populace that these Treasury bond holdings are precarious; if anything would ever happen to the dollar which would lead to a significant deterioration of the holdings, the population would hold the Chinese government responsible.

A continuation of the presently insane Treasury policy could provide the breaking point, however.

Making Britain Uncomfortable, India and Pakistan Talk

June 26 (EIRNS) — In the second high-level meeting between the two countries, External Affairs Minister S.M. Krishna met his Pakistani counterpart Shah Mehmood Qureshi on the sidelines of the G-8 Foreign ministers meeting at Trieste, and reviewed the current status of Indo-Pak relations. The meeting comes close on the heels of the one held during the SCO summit in Yekaternburg, where Prime Minister Manmohan Singh and President Asif Ali Zardari met. That was the first high-level contact, after the December 2008 Mumbai terror attacks. In between, the Indian foreign secretary had met with the Pakistani Ambassador in New Delhi to start a dialogue to ease tensions between the two nations.

On June 12, U.S. Under Secretary of State, William Burns, while in New Delhi, gave a press conference where he said that he has handed a personal letter from President Obama to Prime Minister Manmohan Singh. He told the press corps that "it was up to India and Pakistan to decide on the pace and scope and character ... of that dialogue,... the timing ... is something for India and Pakistan to decide." Insiders point out that the message he carried to India was to start talks with Pakistan in which U.S. will "neither be a mediator, nor a moderator, but a facilitator." U.S. National Security Council Chief, Gen. James Jones is now in Delhi. His talks with Prime Minister Manmohan Singh also included Pakistan and terrorism, reports indicate.

In addition, on June 25, the President's envoy to Afghanistan and Pakistan, Richard Holbrooke, testifying before the U.S. House committee, said Pakistan's three power factors — President Zardari, Pakistani Army and the main opposition leader, Nawaz Sharif—are now working in tandem. Unifying all three power factors in Pakistan has also helped in starting the India-Pakistan talks.

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