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It Is Time To Declare War

by Lyndon H. LaRouche, Jr.

July 17—The common error presently encountered even among leading circles today, is the common tendency of the post-industrial cultures of the Americas and Europe, to threaten war against the noisy brat next door, as a way of pretending not to notice the arrival of the powerful invading forces which have just now reached the outskirts of the city. Such behavior is typical of the fiercely militant cowards who limit their attention to the "more credible" issues of "immediate concern." We must recall, from experiences such as World War II, that it is stupid strategy to appeal, by populist rhetoric, to the stupid prejudices of those who appeal to the lower, more simple minded passions, and related issues, of those who rely upon the populist passions of people who prefer, like the French masses of 1939-1940, not to be forced to actually think in the needed, more profound way....

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This Week's Cover

- **It Is Time To Declare War**

Lyndon H. LaRouche, Jr. writes: "The specific charge of high crimes and misdemeanors against this U.S. President, at this time, is his current, publicly stated intent to arrange the premediated deaths among our citizens, a method of massmurder of the nation's own nationals, and others, copied exactly from the Adolf Hitler regime's 'Tiergarten Vier (T-4)' mechanisms.' Impeachment could be avoided, on condition that Obama is reined in by competent advisors, and that the behavioral economists and other lunatics in his entourage are dumped.

- **Lyndon LaRouche Repudiates Obama's Fascist Sophistries on Health Care**

- **Proposed Act:**

- **'The Right to High-Quality Health Care'**

International

- **LaRouche to Mexico's Pro-PLHINO Committee:**

- **'Victory Is a Matter of Grand Strategy'**

Lyndon LaRouche held a telephone conference with the Pro-PLHINO Committee of the 21st Century in Ciudad Obregon, Sonora, Mexico, on July 14. The PLHINO (Northwest Hydraulic Plan) would bring prosperity to the entire region, but has been sabotaged for decades. LaRouche told the committee that they cannot win this battle on their own; the enemy is the British empire, and it must be defeated globally.

- **The British Monarchy's 'Green' Opium War Against the Americas**

- **Soros Strikes Again:**

Daycare Fire Covers Sonora Election Fraud

A statement by the LaRouche Youth Movement in Mexico.

Economics

- What Profits?

- The Nation Is Dying!

Four of the biggest banks in the United States declared huge profits for the second quarter, prompting cheers about how the financial system has returned to normalcy. Virtually none of what these cheerleaders are saying is true, because virtually nothing they believe is true.

- Eurasian Land-Bridge:

- Bangladesh Revives Silk Road Concept

National

- President Obama Flaunts His Nero Complex

In apparent imitation of the Emperor Nero, Obama and his close advisors are conducting a reign of terror against any elected Democrat who opposes them. Inside the Beltway, as well as outside, people are recognizing that LaRouche was right to denounce the President's 'Nero' complex, in his April 11 webcast.

- LaRouche's April 11 Webcast:

- President Obama's 'Narcissus Syndrome'

Book Reviews

- 'Dead Aid' Proposes More Death for Africa:

- Why Not Kill Globalization Instead?

Dead Aid:

Why Aid Is Not Working and How There Is a Better Way for Africa,

by Dambisa Moyo.

Editorial

- The British Empire Is the Disease

This Week's News

U.S. Economic/Financial News

- Foreclosures Spike: One in 84 Homes Hit in First Half of 2009

Bankrupt States, Army of Jobless; Summers Gloats About 'Stimulus'

Summers Is More Psychotic than Greenspan

State Tax Revenues Plunge in First Quarter

Foreclosures Spike: One in 84 Homes Hit in First Half of 2009

July 16 (EIRNS)—A record 1.53 million properties were in the foreclosure process during the first six months of 2009, 9% over the previous six months and 15% more than the same period of 2008, according to a report released today by RealtyTrac. There were a total of 1.91 million filings resulting in 1 out of every 84 U.S. properties receiving at least one filing in the first half of the year. Banks repossessed 386,800 properties.

Also, there were no "green shoots" of recovery in June, as more than 336,000 homes reported foreclosure filings, the fourth straight 300,000-plus month. Filings were up 33% over last June and nearly 5% compared with May.

Bankrupt States, Army of Jobless; Summers Gloats About 'Stimulus'

July 17 (EIRNS)—While President Obama's principal economic advisor, Larry Summers, in a speech today at the Peterson Institute for International Economics, was telling his audience that the positive effect of the stimulus has already begun to help the U.S. economy, although the "peak" impact on the economy would not occur until the end of 2010, the U.S. Labor Department issued its monthly report. It shows that six U.S. states posted record unemployment rates in June, while Michigan became the first to top 15% in a quarter-century, threatening to deepen budget crises in state capitals across the nation.

The total number of states with at least 10% joblessness rose to 15, the Labor Department reported. Georgia, Nevada, Rhode Island, South Carolina, Florida, and Delaware all reached their highest level of joblessness since records began in 1976.

California suffered the biggest drop in payrolls among all states, at a time when its lawmakers are struggling to narrow a \$26 billion budget gap that may send its debt rating below investment grade. California's jobless rate held at a record 11.6% for a second month, after May's level was revised from a previously reported 11.5%. Unemployment in the District of Columbia exceeded 10% for a second month, rising to 10.9%.

"Soaring unemployment, rising deficits and spending like there's no tomorrow has done nothing to help put families back to work; in fact, our economy keeps getting worse," House Minority Leader John Boehner (R-Ohio) said.

Summers Is More Psychotic than Greenspan

July 17 (EIRNS)—It is not often that a disciple outshines his guru, but it has happened in the case of National Economic Council director Larry Summers. It can now be confirmed that Summers is more psychotic than his mentor, former Federal Reserve chairman Alan Greenspan.

At the time the U.S. Department of Labor was issuing state-level record unemployment figures, Summers was telling the Peterson Institute for International Economics that the recession is over. How did he come to that conclusion? Here is his

answer: "Take one example as an indicator: Google searches for the term 'economic depression' was [sic] up four-fold from their pre-crisis level. Now, such hits have returned to normal levels."

On job losses: "The economic contraction has caused significant job losses. It is noteworthy, however, that the higher than forecasted job losses do not appear to be primarily the result of weaker-than-expected GDP. Rather it appears that a given level of output is being produced with fewer people working than historical relationships would have led one to predict."

In other words, Summers said, normally in economic downturns, productivity decreases as firms keep workers employed even as the amount of work declines. This has not been a feature of the current "recession." In fact, he said, productivity has increased in this recession.

Then, why the layoffs? Summers says, "perhaps an expectation that the recession would be lengthy has also contributed to this behavior [of the employers]."

State Tax Revenues Plunge in First Quarter

July 18 (EIRNS)—Reflecting the reality of the economic disintegration underway, state tax revenues plunged to their lowest level on record, during the first quarter of 2009, and preliminary data suggest that the second quarter will beat that record. The Albany, N.Y.-based Nelson A. Rockefeller Institute of Government reported, yesterday, that overall, state tax revenues fell 11.7% during the first quarter, as compared to the same period a year ago. Income tax collections were down 17.5% and sales tax revenues fell 8.3%. Corporate tax revenues also fell, by 18.8%. Forty-five states reported declines, up from 35 in the fourth quarter of 2008. Twenty-five of those states saw double-digit declines, as compared to six in the previous quarter.

Preliminary data for April and May indicate a drop in tax revenues of nearly 20% compared to the same period a year ago. Such extraordinary weakness in revenues makes widespread budget shortfalls highly likely this year, says the report.

Global Economic News

Low Milk Prices, Economic Collapse Forces World Farmers Into Ruin

Germany: Skyrocketing Social Costs, as Tax Revenues Collapse

Low Milk Prices, Economic Collapse Forces World Farmers Into Ruin

July 15 (EIRNS)—At the current rate of economic breakdown, 10% to 20% of the U.S. dairy herd will be wiped out by the end of this year. This projection comes from many state and national dairy leaders, referring to the fact, as one farmer put it, we're getting 1973 prices while paying 2009 costs. "I'm almost 50 years old, and in my lifetime it's never been this bad. Everyone's in the red," said Mike Van Amburgh, professor of Animal Science at Cornell University in New York, one of the traditional U.S. milk states.

The crisis is worldwide, and serves to eliminate the main source of animal protein in the daily diet for millions of people. As such, you could say that the current economic policy of the Obama Administration, which is contributing to this disaster, is part of his Nazi health-care policy.

Consumers are faced with impossibly high prices charged for dairy products by the mega-processors—Nestle, Kraft, Suiza/Dean, Unilever, and others, all the while, farmers, almost without exception, are hit with below-cost-of-production payment for their milk output. There is outstanding *inaction* by governments.

In the U.S. for example, over the last 18 months, the price the farmer receives for 100 pounds of milk fell from \$20.50 down to about \$11.50-12.50 in June. This is \$3 short of breakeven, as well as \$6-8 short of what the farmer received in 2007 and early 2008. A typical farmer milking 375 cows is losing \$26,000 a month.

Internationally, a similar situation prevails. The world's largest milk exporting company, Fonterra Cooperative Group, Ltd., is paying New Zealand farmers 12% less for their milk as of May 31, than a year before.

In Argentina, the head of the National Dairy Farmers Association warned that by the end of 2009, the nation may have to import milk. In 2006, the Argentine dairy herd was in the range of 55.4 million head, but by 2010, it could be below 47.9 million.

In Europe, on July 13, dairy farmers blocked the roads to Brussels, a continuation of many protest actions over recent months, staged to demand action to save the European dairy sector, the biggest cheese production center in the world.

This Spring, dairy farmers from California—since 1993, the biggest milk state—conducted a "fly-in" to Washington, D.C. to lobby for action.

But no effective national, nor internationally concerted action is underway to save the food supply and production capacity. Instead, there are "for show" responses. On July 22, the EU is to announce some measures, and it recently extended for six months, its program to buy and store surplus butter and milk powder, in order to give farmers a slightly better "marketing option." In the U.S., Obama's Agriculture Secretary is stonewalling. Sen. Bob Casey (D) from Pennsylvania—an important dairy state—has introduced a bill to also improve "marketing."

But the policy required—to take emergency action on the crash, as LaRouche proposes, and within that, to implement cost-of-production and parity pricing for farmers and producers of other public-good commodities—is the only direction that can work.

Meantime, crazed plans based on mythical "supply and demand" have led U.S. farmers to join the National Milk Producers Federation's cow kill-off plan, promoted to "drive up prices." So far, 101,040 cows have been culled. In 2008, 1.6 billion pounds of U.S. milk production capacity were eliminated.

Germany: Skyrocketing Social Costs, as Tax Revenues Collapse

July 15 (EIRNS)—Reports show how the social fabric is threatened in a country, that is, Germany, which was once proud of its industry and its social system:

The DGB trade union confederation is demanding an increase of payments for people who are on Hartz IV (reduced unemployment and welfare benefits). It points to the higher poverty risk of those, living in the Eastern German states. There, 16.4% of the potential working population are on Hartz IV (in West Germany 7.4%). East German children below the age of 15, who are living in families with HARTZ IV are double the number of those in the Western German states (28%, as compared to 13,1%).

The managing director the German Association of Cities and Municipalities rejected the higher payment demands. He

pointed to the dramatic budget situation, with an increase of debts for the federal state, the states, and communes to a total of 1.7 billion at the end of this year. This also implies, according to the municipal association, that the communes, just to pay the rent for those on Hartz IV through 2013, will have to spend EU12-18 billion.

The German Labor Office (BA), meanwhile, sees a dramatic increase of costs due to the coming explosion in short work and unemployment, with the BA facing a budget hole of EU20 billion in 2010. This would have to be filled either by a tax increase, or by a loan from the federal government. A federal loan is already under discussion for the health insurance fund.

All in all, social costs in Germany, according to the new government report on social matters, will increase this year by almost 5% to 31.9% of GDP. This is an addition of EU32.6 billion, to a total of EU754 billion.

United States News Digest

Secretary Clinton Outlines Four-Power Thrust

'Focus on Hamilton, Not Smith and Ricardo'

Pelosi's Fake 'Pecora Commission' Panned

Obama and Congress Clash over Bush-Like 'Signing Statement'

Dems Challenge White House Over Jobs Creation

Secretary Clinton Outlines Four-Power Thrust

July 15 (EIRNS)—In her presentation to the New York Council on Foreign Relations today, Secretary of State Hillary Clinton announced her upcoming schedule of visits, which reflects the importance she is placing on relations with the nations Lyndon LaRouche has identified as indispensable for a "Four-Power" agreement to create a new international credit system. After saying that she will be "encouraging major and emerging global powers — China, India, Russia, and Brazil, as well as Turkey, Indonesia, and South Africa," she laid out her itinerary.

"This week, I will travel to India, where External Affairs Minister Krishna and I will lay out a broad-based agenda that calls for a whole-of-government approach to our bilateral relationship. Later this month, Secretary Geithner and I will jointly lead our new strategic and economic dialogue with China. It will cover not just economic issues, but the range of strategic challenges we face together. In the fall, I will travel to Russia to advance the bi-national presidential commission that Foreign Minister Lavrov and I will co-chair.

"The fact of these and other meetings does not guarantee results, but they set in motion processes and relationships that will widen our avenues of cooperation and narrow the areas of disagreement without illusion. We know that progress will not likely come quickly, or without bumps in the road, but we are determined to begin and stay on this path."

'Focus on Hamilton, Not Smith and Ricardo'

July 17 (EIRNS)—"If today's leaders spent more time focussing on Hamilton, and less time on Smith and Ricardo, I don't

think we'd be facing the prospect of a jobless recovery," said Scott Paul of the Alliance for American Manufacturing, implicitly drawing the contrast between the American and the British systems of political economy, the latter represented by free-trade ideologues Adam Smith and David Ricardo.

Paul made this refreshing statement while testifying at a Hearing of Senate Banking Committee's Subcommittee on Economic Policy, chaired by Sen. Sherrod Brown (D-Ohio); the topic of the hearing, was "What are the elements of a national manufacturing strategy?"

"We urgently need a national manufacturing strategy," Paul told the committee, noting that this is hardly a radical concept, since "Alexander Hamilton constructed America's first industrial policy in 1791."

The view that the loss of manufacturing jobs "isn't such a bad thing as we transition to a new economy," is "dangerous and misguided," Paul told the subcommittee.

Another witness, Leo Hindery of the New America Foundation, cited the "desperate need for an all-of-government national manufacturing and industrial strategy," emphasizing the "uncounted unemployed" in the United States, which, he said, are actually 800,000 more than the officially-counted unemployed. Hindery pointed out that real unemployment is actually about 19%, and he expects this to increase over the next 18 months. The economy is "hemorrhaging jobs in the very sector—manufacturing—that must grow in order for us to move permanently away from debt-financed consumption as the principal engine of economic growth," he stated.

Hindery attacked, without naming, those in the Obama Administration who "wrong-headedly believe that one job is as good as another, whether it is in manufacturing or service," and who also believe that jobs associated with exported services will make up for the loss of manufacturing jobs. (He cited an unnamed Administration official who stated that America's future resides in exporting "consulting and legal services, software, movies, and medicine.")

Hindery pointed out, reasonably, that California wouldn't be in the mess it is in, if it hadn't lost over 400,000 manufacturing jobs since the year 2000, which would have produced \$300 billion in income-taxable wages.

Hindery called for the Administration to 1) "pick winners" in the economy and support them, as every other G-20 country does; 2) fund a ten-year program of public investment to upgrade and rebuild the nation's infrastructure; 3) adopt "Buy American" rules for Federal procurement; 4) carry out tax reform to create incentives for creating jobs here, and eliminate incentives for relocating jobs abroad.

Pelosi's Fake 'Pecora Commission' Panned

July 16 (EIRNS)—As House Speaker Nancy Pelosi prepares to name the members of the Financial Crisis Inquiry Commission (FCIC), which she falsely describes as being modeled on the Pecora Commission of the FDR years, the New York *Observer's* Joe Conason has exposed the lie, showing that the FCIC is a cover-up of the crimes of Wall Street, while the president of the Franklin and Eleanor Roosevelt Institute, Andrew Rich, described what a real Pecora Commission would be.

Conason described the original Pecora Commission, "armed with full subpoena power," dragging J.P. Morgan and all the other Wall Street crooks before the people, exposing their crimes, such that "the furious reaction of the public armed FDR with the political power to enforce reforms, despite the bitter opposition of the bankers."

But, Conason writes, "What Pelosi and her colleagues appear to be preparing, with the apparent assent of President

Obama, is much weaker stuff." He ridicules the proposed team for the Commission, and charges that "the congressional Democrats are running away from the mission of change that they were elected to fulfill," by creating a "cowardly evasion and a mush-mouthed 'bipartisan' report."

Andrew Rich, who heads the Roosevelt Institute (tied to the Roosevelt Library at Hyde Park, and with a network of organizations on 70 campuses around the country), while ignoring the fact that the new FCIC is a transparent fraud, issued a public letter describing three guidelines:

1. Appoint a single investigator. This individual must have a proven record of exposing fraudulent elites and institutions, and must provide a professional, non-political spirit to the investigation.
2. Afford no special treatment. No one is off-limits or gets special protection in the investigation.
3. Provide the tools to do the job. The investigator must be given ample budget and time, full subpoena authority, and the ability to hire and fire staff.

True enough—but it won't happen under the nut case in the White House.

Obama and Congress Clash over Bush-Like 'Signing Statement'

July 15 (EIRNS)—Back in February, at the G20 meeting in London, President Barack Obama agreed with his British exemplars in Tony Blair's circle and the royal family, that he would build up the International Monetary Fund with \$500 billion new capital, with the United States providing \$108 billion. Obama and Treasury Secretary Tim Geithner slipped the loan to the IMF into a war appropriations bill, but neither house of Congress was intimidated by that ploy. Opposition was strong, and the White House made deal after promise after pledge, cutting down the IMF's authorities and prerogatives, to get votes.

Once the bill was finally passed, Obama disowned the deals with Congress, in the type of "signing statement" made infamous by President George W. Bush. He claimed that limiting the IMF's prerogatives, meant limiting his Presidential authority to conduct foreign policy. Even "Bailout Barney" Frank (D-Mass.) called the White House behavior "outrageous," and in a foreign policy appropriations bill passed on July 8, the House voted 429-2 to overrule everything in Obama's signing statement.

Today, the conflict began to escalate, with a letter delivered to Obama from Democratic Reps. David Obey (Wisc.), Barney Frank (Mass.), Nita Lowey (N.Y.), and Greg Meeks (Fla.). The four warn that if Obama attempts a signing statement defending the IMF on the foreign aid appropriations bill, they will cut off the IMF funds entirely. But Obama has his promises to the Queen, and to Blair and Gordon Brown, which to him outrank those he makes to Congressmen—so this fight may have interesting results.

Dems Challenge White House Over Jobs Creation

July 15 (EIRNS)—Obama Administration economic policymakers Larry Summers and Tim Geithner—with their lunatic line that the economy is "in recovery" and no further infrastructure investments are to be allowed—are driving Congressional Democrats who want to create public jobs, into opposition to the White House.

Today, House Democratic infrastructure leaders James Oberstar (Minn.) and Peter DeFazio (Ore.) joined with Republican Sen. George Voinovich of Ohio to announce that they were pushing forward a new six-year, \$500 billion surface

transportation (highway and rail) authorization bill "against strong White House opposition," as their press release said. Yesterday, in interviews with *The Hill*, Oberstar and DeFazio attacked the "theoretical economists at the White House"—Summers and Geithner, above all. These "theorists," they said, are focussed on bailing out Wall Street banks, and are trying to shut down all plans for more infrastructure public works even while Obama cheerfully predicts official unemployment rates of over 10% later this year. They also blamed Summers and Geithner for severely limiting the infrastructure spending that got into the "stimulus bill," the American Recovery and Reinvestment Act Obama signed in February.

DeFazio said Obama's advisors believe only in tax cuts and bailouts; their stimulus "wasn't productive activity, it didn't put any Americans back to work, it didn't rebuild our infrastructure, it didn't even fill in a single pothole."

Ibero-American News Digest

Clinton to Chávez: Cease Interference in Honduras

LaRouche: The Last Thing Obama Needs Now Is Chávez's Support

'Expanding Wave' of A/H1N1 Spreads Through Southeastern Mexico

Clinton to Chávez: Cease Interference in Honduras

July 17 (EIRNS)—Following a meeting yesterday with her Canadian and Mexican counterparts, before departing for India, Secretary of State Hillary Clinton reiterated her support for a negotiated solution to the Honduran crisis, and urged other countries to "play a positive role in achieving that outcome, and to refrain from any actions that could lead to violence."

Clinton mentioned no names, but clearly alluded to Venezuelan President Hugo Chávez, who has done everything possible to provoke violence, urging the Hondurans to mount an insurrection against the government, while warning that events in that country could lead to a "regional civil war" with much bloodshed.

The region is rife with rumors, including reports that foreign elements have entered Honduras from neighboring countries, and are prepared to wage guerrilla warfare on behalf of the deposed President, Manuel Zelaya. Zelaya does seem prepared to wait and see what happens in the July 18 negotiations in Costa Rica, but is warning that should no agreement be reached, he intends to return to his country and set up an "alternative government." He is currently in Nicaragua.

Costa Rican President Oscar Arias has proposed the creation of a "national reconciliation" government in Honduras, which would allow Zelaya to return as President, receive amnesty for his crimes, and govern with limited powers. This proposal nixes the proposed illegal referendum that Zelaya had planned, on revising the Constitution so as to allow his re-election. Arias was firm that any solution for Honduras must include Zelaya's return. This, he said, is the only "constitutional" solution.

LaRouche: The Last Thing Obama Needs Now Is Chávez's Support

July 17 (EIRNS)—As Secretary of State Hillary Clinton was preparing to leave on her trip to India and Thailand July 16, Venezuelan President Hugo Chávez took the opportunity to announce very loudly from La Paz, Bolivia, that the State Department and the U.S. military had orchestrated the coup in Honduras, and that President Obama is "misinformed" about what's going on.

It's no surprise that Chávez would play on the "Obama vs. Hillary" profile that the British Empire is so carefully cultivating. But with all of the narcissistic excesses that the U.S. President has engaged in this past week, Lyndon LaRouche remarked today that the last thing he needs, is Chávez's support.

Chávez is more than happy to give it, however. The Bolivarian leader told a group of Ibero-American Presidents and foreign ministers, who were gathered to commemorate a July 16, 1809 rebellion in La Paz against the Spanish, that the Honduran military wouldn't have dared to move without the approval of the U.S. military, stationed at a base in Honduras, and "without the approval of the State Department. President Obama is between a rock and a hard place," Chávez said. "I don't think they told him what was going on." Chávez urged Obama to take measures to restore "constitutional" government in Honduras.

'Expanding Wave' of A/H1N1 Spreads Through Southeastern Mexico

July 16 (EIRNS)—As health ministers from South America's Southern Cone countries met yesterday to map out coordinated strategies to deal with the A/H1N1 virus, Mexican health authorities warned that an "expanding wave" of the virus was spreading through the nation's southeastern states, creating an "out of control" situation in the impoverished state of Chiapas.

Miguel Angel Lezana, director of the National Epidemiological Vigilance and Disease Control Center, explained that, after the virus hit central Mexico in April and May, it then moved into the Southeast, "with greater force." Obviously, it could return to central Mexico, or any other part of the country.

Chiapas, Quintana Roo, Tabasco, and Yucatan, now in their Summer season, are in a state of high alert, Lezana said. The most serious situation is in Chiapas, with 100-130 new cases reported daily—a 350% increase. Between June 1 and today, Chiapas reported 1,980 cases, and the number continues to rise. The state is desperately poor, and the combination of poverty and current heavy rains "creates an incubation point for the virus," he explained.

The Federal Health Secretary has taken aggressive measures, with special emphasis on Chiapas and Yucatan. Coordinating with state health officials, mobile health units provide doctors, respirators, and other urgently needed supplies. Efforts are being made to bolster the health-care systems of Chiapas's neighboring states, so they can better deal with new cases. Within the past 48 hours, 109 new A/H1N1 cases have been reported in Yucatan, bringing the total number in that state to 1,846.

Dr. Lezana commented that the situation in the Southeast "is a reminder that we can't let our guard down; [we must] maintain sanitation and precautionary measures, because the virus continues to be present in the entire country."

The worsening situation in the Southern Cone of South America is seen in Argentina, where the death toll from the virus is over 137, and climbing.

In advance of the regional flu summit, Brazil's Health Minister, José Temporão announced that Brazil is proposing that medicine and supplies should be shared among the Common Market of the South (Mercosur) member governments, and that Mercosur and Unasur (Union of South American Nations) should demand total transparency of information about the flu, from the World Health Organization, so as to facilitate vaccine production, acquisition of medicine, and diagnostic tests. Negotiations should be held with the WHO for technology transfer for vaccine production, he told the Argentine daily *Clarín*.

Brazil has 9 million doses of antivirals, and has the capability to produce vaccine at the Butantan Institute. What is required now, Temperão said, is a "broad regional plan against H1N1 virus."

Western European News Digest

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Zepp-LaRouche Webcast To Address Collapsing Infrastructure

July 18 (EIRNS)—The first webcast by Helga Zepp-LaRouche, lead candidate of the Civil Rights Solidarity Movement (BüSo) in the Sept. 27 national elections, will be broadcast from Berlin on July 21. She will address how to liberate the real economy from the collapsing global monetarist-imperialist system. This webcast is particularly timely, as Berlin's public transport infrastructure is collapsing at an alarming pace as a result of cost-cutting and disinvestment.

Worsening conditions of track beds and other infrastructure of the electric S-Train, the core of the city's public transportation system, including the conditions of locomotives and rolling stock, have led to the collapse of vital lines. In particular, the east-west connections will be taken out of service for the coming weeks if not months, for emergency repair. This includes passenger service to and from Berlin's main airport. All transfers for passengers will be done by buses, with obvious consequences for Berlin's already congested streets.

S-Train staff have persistently tried, through warning strikes and full-fledged strikes, to alert the public about the consequences of the chronic disinvestment strategy of Deutsche Bahn, which owns the S-Trains, but the protests have been to no avail. The Federal Railway Authority (Eisenbahnbundesamt, EBA) has ordered Deutsche Bahn to carry out repair work on several substantial aspects, for example the wheels of the trains. The EBA decision was influenced by a train accident that killed 23 people in Viareggio, Italy, in June.

BüSo Campaign Against Lisbon Treaty Draws Media Coverage

July 13 (EIRNS)—The July 6 issue of the German weekly *Das Parlament* reports on the German Supreme Court's ruling on the Lisbon Treaty, including a photo of a poster put up by a squad of organizers from the Civil Rights Solidarity Movement (BüSo) in Karlsruhe, where the court sits, on June 30. The poster reads, "*Verteidigt das Grundgesetz, jagt davon/ die Diktatur von Lissabon*" (Defend the Constitution, Send the Lisbon dictatorship packing).

As *EIR* reported (July 17 issue), the Supreme Court ruled that only a restrictive interpretation of the Lisbon Treaty is consistent with the German Basic Law (constitution). Any interpretation that violates German sovereignty is unacceptable.

Das Parlament, somewhat comparable to *The Hill* in Washington, is a national weekly with regular coverage and full transcripts of the most important debates in the national Parliament, plus coverage of important issues, such as the debate on the European Union's still-unratified Lisbon Treaty.

Brits Push Blair for EU President as Lisbon Treaty Crumbles

July 16 (EIRNS)—The British Minister for European Affairs, Glenys Kinnock, announced yesterday that the British government is nominating former Prime Minister Tony Blair to the office of Permanent EU President, a position introduced by the unratified Lisbon Treaty.

The announcement surprised many, not because Blair was unexpected (everybody knows he wants the job), but because it comes at a moment when hopes to resuscitate the Lisbon Treaty are sinking. The Irish have not decided to support it yet, and a recent decision by the German Constitutional Court has essentially buried the issue. The treaty must have unanimous support of EU member countries to become binding. (Some are speculating that the British announcement is a dirty trick by Prime Minister Gordon Brown against Blair.)

Conservative Party shadow foreign minister William Hague said that Blair should be let "nowhere near the job." He said: "The creation of a new EU President could be enormously damaging for Europe. Any holder is likely to try to centralize power for themselves in Brussels and dominate national foreign policies. In the hands of an operator as ambitious as Tony Blair, that is a near certainty."

Doctors Challenge Kelly Suicide Ruling

July 13 (EIRNS)—On June 22, Lyndon LaRouche dismissed the flak over British Prime Minister Gordon Brown's planned investigation into the lies told about the Iraq War under Tony Blair's tenure at 10 Downing Street. LaRouche said that "the key question is the death of Dr. David Kelly," which had been falsely ruled a suicide, and will not be part of the Brown probe.

Kelly was a government scientist who died in July 2003, after being exposed as the source who revealed that the report used to claim that Iraq had weapons of mass destruction had been "sexed up."

Today, 13 doctors released a strongly worded report challenging the official cover-up of the cause of Dr. Kelly's death. Then-Prime Minister Blair organized the Hutton Commission, which ruled the death a suicide; but the autopsy was never made public, and the commission's verdict was used to prevent a coroner's inquest from being carried out.

According to today's *Daily Telegraph*, the doctors' report said a cut to Kelly's ulnar artery was "highly unlikely" to have caused enough bleeding to kill him. The doctors also claim that the level of the painkiller coproxamol in Kelly's bloodstream was about one-third of that required to cause death. The doctors have been working closely with Norman Baker, the Liberal Democrat MP, who believes Kelly was murdered for causes related to his work as a weapons inspector.

Sweden Warns of Dependency on Britain for Flu Vaccine

July 17 (EIRNS)—A former minister of Sweden's Social Democratic opposition, Morgan Johansson, has demanded that

Sweden restart plans for a domestic, or a common Nordic vaccine production site to cope with the swine flu. Currently, Sweden is dependent on the British firm GlaxoSmithKline to deliver the 18 million doses of swine flu vaccine needed to vaccinate the entire population twice this season.

An editorial in the Social Democratic paper *Vermlands Folkblad* backs up the call for sovereign production, noting that Britain could impose an export ban to protect its own population and that "there could be an even worse pandemic coming than the swine flu."

Meanwhile, Swedish health authorities warn of that the main problem will be finding enough health personnel to staff the hospitals.

In discussions with their U.S. and Canadian colleagues, it was reported that the health personnel in the hospitals in New York are already exhausted due to constant overload of patients. Swedish hospitals are now being told to postpone all elective treatments, in order to make room for the expected influx of flu patients.

British Industry Calls for Nuclear, not Wind Power

July 13 (EIRNS)—The Confederation of British Industry has called for cutting back wind turbine projects in favor of building 15 new nuclear power stations. The *Guardian* cites John Cridland, deputy director of the CBI, saying that the idea of having 32% of British energy needs supplied by wind power was "overambitious," and should be scaled back. Cridland called for building 15 nuclear plants that could produce 34% of British electricity needs by 2030. He said that wind power projects are receiving a subsidy, while nuclear projects are not.

Wind Insanity on the Baltic

July 13 (EIRNS)—Three new German wind power projects are under way in the Baltic Sea: Baltic 1, which will supply 52 megawatts of electricity for 57,000 households in Baden-Wuerttemberg, about 1,000 km away. Two other projects, Kriegers Flak 1 for 330 MW and Arkonabecken Suedost for 400 MW, are also planned. Three more wind plantations off the German Baltic coast are under discussion.

Ironically, a recent "scientific" survey showed that wind power would be most effective in Russia, which, because of its giant land mass, has the most "wind reserves" of any country in the world. Yet, that would push Europe, which says it wants to become less dependent on Russia, into a new energy dependency. A good part of the "Baltic" wind actually originates in Russia anyway.

Russia and the CIS News Digest

- ['Petersburg Dialogue' Expects Worst Is Yet To Come](#)

'Petersburg Dialogue' Expects Worst Is Yet To Come

July 15 (EIRNS)—The ninth annual meeting of the German-Russian Petersburg Dialogue, held this year in Munich, Germany, heard a lot of lip service paid to alleged successes in avoiding a meltdown of the banking system, but speakers and workshop participants admitted that the worst is yet to come for the real economy. The most explosive remarks came from Victor Zubkov, the Russian deputy prime minister, who is co-chairman of the Dialogue. He said that there is the big problem of "dirty money," of hundreds of billions in dope money that is traded at offshore centers, at centers legalized by

"some states," and that one should investigate whether, and how, this dirty money contributed to the crisis, and what role it still plays.

Zubkov also mentioned the financial pyramids that were built, in spite of all the banking regulation which some German speakers had claimed had been very intense before the 2007 crisis erupted. Zubkov said, during the panel discussion, that mankind must pay attention to the real problem of 1 billion human beings suffering from hunger.

Yuri Shokin, director of the CIS Regional Business Development agency, said that behind the present unemployment figure of 10.5% in Russia, there is a lot of hidden unemployment, in shortwork arrangements in the car-making and construction sectors, and we do not know yet when the worst of this crisis will be reached, not to speak of when it will be overcome.

Heinz Herrmann Thiele, CEO of the German brakes manufacturer Knorr, said that it is insane that the Russian government has axed nearly all of its larger infrastructure projects, so that it has eliminated the basis for a rapid recovery of industrial production. Vasili Titov, vice-CEO of VTB (Vneshtorgbank), also voiced his doubts that Russia will be able to rebuild its industry quickly, because, coming from more than a decade of short-term credit policies, Russian banks have not developed a culture of long-term, low-interest credit for industry.

The discussion revealed significant limitations in outlook, since no big perspective of how the banking and credit system could be reorganized was offered. The only tiny step in that direction being what Vladimir Dmitrev, CEO of Vneshekonombank, said, when he portrayed a close partnership of his bank and the German Kreditanstalt für Wiederaufbau, in organizing long-term credit for projects. Dmitrev spoke of a government-to-government framework that is under discussion between Russia and Germany.

The Petersburg Dialogue goes back to a joint initiative of German Chancellor Gerhard Schröder and Russian President Vladimir Putin, and held its first conference in 2001, gathering about 250 politicians, scientists, journalists, entrepreneurs and bankers, churchmen, and artists from both nations. In discussions on the sidelines of the event in Munich, *EIR* reporters found interest in a New Deal and sovereign credit approach; some of the Russian participants, particularly from the Academy of Sciences milieu, were familiar also with the proposals of Lyndon LaRouche.

Southwest Asia News Digest

- [LaRouche on Iran Policy: 'Why Should We Allow Britain To Have Nuclear Weapons?'](#)

LaRouche on Iran Policy: 'Why Should We Allow Britain To Have Nuclear Weapons?'

July 15 (EIRNS)—In a policy speech at the New York Council on Foreign Relations today, U.S. Secretary of State Hillary Rodham Clinton reiterated the Obama Administration's intent to pursue dialogue with Iran on the nuclear issue. The relevant section of her speech, in reference to the United States' offer to engage with Iran, if it chose to improve relations:

"Direct talks provide the best vehicle for presenting and explaining that choice. That is why we offered Iran's leaders an unmistakable opportunity: Iran does not have a right to nuclear military capacity, and we're determined to prevent that. But it does have a right to civil nuclear power if it reestablishes the confidence of the international community that it will use its programs exclusively for peaceful purposes."

"That's fine as far as it goes," commented Lyndon LaRouche. "I'm not going to criticize Secretary of State Clinton's view,

especially since I realize that she had to deal with the President, who should be recognized as a nut, with fascist proclivities.

"But the real danger in the Middle East region is not Iran. It's not even Israel, which everyone knows has nuclear weapons. In fact, there's no reason to be afraid of Israel, because it is not an independent state. It is simply a pawn of the British Empire.

"The relevant power, and threat, to deal with in the region is Great Britain, joined by its Saudi ally. Why should we allow Britain to have nuclear weapons, when they are the main threat in the area? No other nuclear power has the motive today to use nuclear weapons, except the British, who are hellbent on trying to save their financial empire.

"Maybe it's a legitimate strategic objective, to give Iran the right to bomb Buckingham Palace," LaRouche concluded. "That would deal with the core of the problem that is destabilizing Southwest Asia, and beyond."

Rafsanjani Invokes Natural Law

July 17 (EIRNS)—For the first time since the Iranian Presidential elections, Ayatollah Ali Akbar Hashemi Rafsanjani, the former President of Iran and the current head of the Assembly of Experts, delivered the Friday Prayers at Tehran University, before tens of thousands of people. His sermon, which was frequently interrupted by applause, was significant for a number of reasons. First, he made a forceful statement against the suppression and arrest of demonstrators, and the failure of the Guardians Council to satisfy the population that the elections had been conducted fairly. His sharp criticisms were couched in a call for unity, particularly in the face of foreign efforts to exploit the differences that were provoked by the failures of the Guardians Council.

What was even more significant in his sermon was his invoking of universal principles of natural law. (These were first fully presented in the 15th Century by Cardinal Nicholas of Cusa.) Rafsanjani reviewed the history of how the Prophet Mohammed established rule over the city of Medina, by drawing upon the support of the people, including Muslims, Jews, and Christians. He relied on the will of the people, by providing for their needs.

Rafsanjani also reviewed the history of the Iranian Revolution, and the emphasis that Ayatollah Khomeini had placed on the same principles. "Imam Khomeini always said that you should always listen to the people. See what the people want. If the people are with us, then we have everything."

Rafsanjani emphasized that the Iranian Revolution embodied Islam and the principles of the republic. "When we were writing the new constitution [in 1989]," Rafsanjani continued, "we asked the Imam for advice. He put a lot of emphasis on the role of the people. He also knew that the people's vote was the most important thing inside our country. Everything depended upon the people's vote. People should directly elect the President, the parliament, the local council. It was all about the vote of the people. This is a theocracy, a theocratic republic. If the government is not Islamic, then we are heading nowhere. If it is not a republic, then it doesn't amount to anything."

Lyndon LaRouche noted that Rafsanjani's invocation of such universal principles is significant, because it situates the current dynamic in Iran in a larger ecumenical framework. LaRouche emphasized that his observations are not intended, in any way, to be taken as interference in the internal situation in Iran. Rather, they underscore that the fight in Iran involves universal principles of natural law, that should shed further light on the unfolding events there.

Asia News Digest

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Saudi Funding of Uighur Terrorists

July 12 (EIRNS)—Turkish Prime Minister Recep Tayyip Erdogan's appraisal of the July 5 riots in Urumqi, urging Beijing to abandon efforts at assimilation of the Uighur population, has raised a few eyebrows. Erdogan, in a speech to his Justice and Development Party, broadcast on television, went on to say: "No state, no society which attacks the lives and rights of innocent civilians can guarantee its security and prosperity.... Whether they are Turkic Uighurs or Chinese, we cannot tolerate such atrocities. The suffering of the Uighurs is ours."

Thousands of Turks held a demonstration against the Chinese actions in Istanbul today.

Erdogan's outburst will be read elsewhere as standing up for the Uighurs, who are of Turkic stock, but it could be a little more complicated than that. It is widely known that the Uighur militants, who are considered extremely orthodox Muslims, have been funded by Saudi Arabia, while getting arms training in Pakistan. These Uighurs also played a role in bringing the Taliban to power in Afghanistan in the mid-1990s. One of the ways that Saudi Arabia funds, and Pakistan recruits militant Uighurs, is through offering *Hajj* (pilgrimage to Mecca) visas from Islamabad. Since western China does not have a Saudi Consulate, China previously allowed this arrangement, but stopped the process in recent years because of the developments referred to here. A Saudi visa for the *Hajj* can now be obtained only from Beijing.

In addition, there are reports that Saudi Arabia is investing heavily in southeast Turkey, an area which is particularly impoverished. The Saudi help could be another reason why Erdogan spoke out so stridently, criticizing what is China's internal affair. On July 10, a private Saudi firm, Planet Food World (PFWC), announced that it would invest around \$3 billion in agriculture in Turkey over the next five years, to export food products to the Gulf region. PFWC wants to build 20,000 industrial farms over the next five years.

U.S. Energy Secretary Chu Peddles Green Genocide to China

July 16 (EIRNS)—Greenie Nobel Prize laureate Steven Chu, now the U.S. Energy Secretary, is in China, along with Commerce Secretary Gary Locke. Chu gave a speech at Qinghua University, one of the leading science schools in China, demanding that China stop emitting carbon—i.e., stop industrial development. Chu said that if China continued growing at the pace it has for the last 30 years, it would emit more carbon than the U.S. has in its entire history, and that global warming will thus displace more Chinese through rising sea levels than in any other country, among other horrors. The *New York Times* notes that although Secretary of State Hillary Clinton has praised China's progress on limiting carbon emissions, Chu made the "clearest demands that China take action."

Chu announced a new U.S.-China Joint Clean Energy Research Center, focussed on carbon sequestration. He visited the carbon capture and sequestration project at a power plant in Tianjin, China's first such project.

Obama Praises British in Afghanistan as Death Toll Mounts

July 13—President Barack Obama is praising Britain's military role in Afghanistan, even as the mounting death toll of British soldiers is causing a furor in Britain itself. Obama yesterday told Sky News that he supports the policies of Tony Blair and Gordon Brown. "Great Britain has played an extraordinary role in this coalition," Obama said. "We've got a core mission that we have to accomplish. The contribution of the British is critical."

Meanwhile, Prime Minister Brown today had to call on the Afghan Army to send more troops to back up British forces in Helmand province, the opium-producing center of Afghanistan, where less than 10% of the Afghan army is deployed. Fifteen British soldiers have been killed since the beginning of July, making their death toll there, at 184 since 2001, higher than in Iraq (179). (The United States has lost 747 soldiers in Afghanistan and 4,327 in Iraq.) On July 8, British Defence Secretary Bob Ainsworth said that the situation in Afghanistan "is serious ... and not yet decided." Moves of U.S. and British forces into Helmand and other areas are being stalled by the widespread mining of roads and other areas by ever-bigger and more powerful land mines and other devices, as Ainsworth admitted.

Gen. Stanley McChrystal, commander of U.S. and NATO forces in Afghanistan, told the London *Times* July 9 that the problem is that "British forces have been too limited to allow us to go into more than fairly limited areas and change the dynamic by actually staying." This will be accomplished by the surge in U.S. forces which will bring their deployment there to some 60,000. The U.S. "strategy now [is] doing comprehensive counter-insurgency operations ... that allow us to make it stick," McChrystal said.

Western China Struggling for Development

July 14—China's huge interior western region is still far less developed than the rest of the nation, ten years after the develop-the-west policy was launched, the annual Blue Book on Western China reports. This is a critical problem which Lyndon LaRouche recently discussed with Chinese representatives, one result of the cheap-labor export policy which has made it impossible for China to develop its domestic economy as it must.

The just-released Blue Book reports that while the region's rich hydroelectric and mineral resources are being "massively exploited," it is still the poorest area of China. Worse, the gap, especially in living standards, between the west and the rest of China, is growing larger, *China Daily* reported today. The region is home to 25% of China's population of 1.3 billion, and most of China's minorities, including Tibetans, Mongolians, and Uighurs. The region includes Sichuan, with 100 million people, as well as other provinces and the interior bordering Central Asia. But incomes, while they have risen, are only the equivalent of about \$1,600 a year. Incomes in Gansu province average as low as 40% of those in Shanghai.

The national and state governments have invested something over the equivalent of \$25 billion in some 100 projects in the region in the past ten years, but this is clearly completely inadequate for what is needed for transport, water, energy, and other infrastructure.

China Names NED as Financier of Uighur Separatists

July 16 (EIRNS)—The Chinese Communist Party's *People's Daily* today denounced the U.S. National Endowment for Democracy (NED) for its financing and sponsorship of the World Uighur Congress, the force behind the Uighur riots of July 5. "After the tragic events of July 5 in Xinjiang Uighur Autonomous Region in China," the paper wrote, "it would be useful to look more closely into the actual role of the U.S. Government's 'independent' NGO, the National Endowment for Democracy (NED).... The reasons for Washington's intervention into Xinjiang affairs seem to have little to do with

concerns over alleged human rights abuses by Beijing authorities against Uighur people. It seems rather to have very much to do with the strategic geopolitical location of Xinjiang on the Eurasian landmass and its strategic importance for China's future economic and energy cooperation with Russia, Kazakhstan, and other Central Asia states of the Shanghai Cooperation Organization."

In a separate article, the *China Daily* identifies the relationship between the Xinjiang riots and the al-Qaeda networks in Pakistan and Afghanistan. "Evidence shows Uighur separatists who orchestrated the July 5 riots in Urumqi, capital of the Xinjiang Uighur autonomous region, have close relations with the Afghanistan-based Al-Qaida," and that the Urumqi riots "took place immediately after the U.S. and allied forces launched their fresh offensive in Afghanistan.

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