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Reverse This Treason Now!

Congress Ratifies Obama's Hitler Coup

by Nancy Spannaus

Aug. 2—With the fate of the U.S. republic hanging in the balance, 269 members of the House of Representatives, on Aug. 1, cast their votes for President Barack Obama's copy of Adolf Hitler's Enabling Act of 1933, thus ratifying a measure that will, if implemented, rip up the American Constitution. Today, the Senate followed suit with a vote of 74 to 26, and sent the bill to Obama, who immediately signed it into law.

“This vote brings us that much closer to the imminent destruction of the United States,” declared Lyndon LaRouche on the evening of Aug. 1. LaRouche is leading a major mobilization to stop Obama's coup. “The people who voted for it have committed an act of treason on behalf of a foreign power, whether they knew it or not.” Under the pretext that the U.S. budget had to be massively slashed in order to preserve U.S. solvency, British and Wall Street institutions had waged an extraordinary campaign to intimidate and brainwash the Congress into going along with Obama's “budget control act,” which was agreed upon by the leaderships of the two Houses of Congress on Sunday night, July 31.

But the evil content of the bill they crafted, and which has now been ratified, does not lie in the cuts per se, but rather, in the creation of a new body—what Obama calls a “Super-Congress”—to usurp the authority of the Congress itself on matters of budget policy. ...

Separate In-Depth articles from

Executive Intelligence Review

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(Suitable for emailing, printing and other organizing purposes.)

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This Week's Cover

- **Reverse This Treason Now!**
Congress Ratifies Obama's Hitler Coup

Nancy Spannaus reports that the so-called debt plan, passed by Congress, and immediately signed by President Obama Aug. 2, is nothing but a copy of Adolf Hitler's Enabling Act of 1933, a measure that will, if implemented, rip up the U.S. Constitution. 'This vote brings us that much closer to the imminent destruction of the United States,' declared Lyndon LaRouche. But LPAC is already mobilizing across the country for the only remedy that will work: Glass-Steagall and removal of Obama.

Feature

- **Without Science, There Will Be No Civilization**

Lyndon LaRouche, at the start of the July 27 LaRouchePAC Weekly Report, noted that science has virtually died in the U.S. and Europe,

and that the only solution is to go to the frontiers of scientific progress today.

- **[The Universe Is Creative](#)**

Sky Shields, leader of the LaRouche Basement Science Team, opened the second panel of the Schiller Institute European Conference July 2 with this presentation, in which he develops the concept of the 'Ontology of Mind,' through the work of especially, Vernadsky, the Curies, and Pasteur.

- **[Are Earthquakes Foreseeable?](#)**

- **[The Current State of Research](#)**

Prof. Sergey Pulinets, a physicist from the Institute of Applied Geophysics, Moscow, and an expert in earthquake precursors, in his address to the Schiller Institute conference on July 2, discussed the processes that are connected with the ionization of the atmosphere.

World News

- **[Glass-Steagall Needed Now To Avert Global Dictatorship](#)**

'If the casino economy is not shut down immediately with a two-tiered banking system—a Glass-Steagall standard—we are threatened with dictatorship and a Dark Age,' writes BüSo chairwoman Helga Zepp-LaRouche, from Germany.

- **[London Drives Global Asymmetric Warfare](#)**

Senior intelligence officials are bracing for a renewed wave of asymmetric warfare attacks, modeled on the 2008 Mumbai, India assault.

- **[Progress Seen Toward a Regional Solution for Afghanistan](#)**

As the realization sinks in among Washington policymakers that the situation in southern Afghanistan is worsening, Secretary of State Clinton's Senate testimony, and her proposals during her subsequent visit to India, have raised hopes for a regional solution to the Afghan conflict.

- **[Jail Bernanke, Geithner, and Obama!](#)**

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U.S. Economic/Financial News

Obama's Destruction of Health Care Continues

Of Municipal Bankruptcies, Wall Street Crimes, and Glass-Steagall

Just Who Does S&P Think It Is?

Lawsuits Against Mortgage Bankers Pile Up

Obama's Destruction of Health Care Continues

July 30 (EIRNS)—Two examples of the death of the health-care system show the intention behind Obamacare. Yesterday, the Center for Medicare and Medicaid Services, headed by the Queen's own genocidal maniac, Sir Donald Berwick, announced that it would be cutting Medicare payments to nursing home operators by 11.1%. The rationale for the cut is that some operators took advantage of a loophole in a new billing system to overcharge the government for care they were providing to beneficiaries. Some, may have been overbilling, but yesterday's announcement is across the board, impacting the entire range of nursing homes, including not-for-profits, and this is being done against a segment of health care which is already losing large numbers of beds because of Medicaid reimbursement cuts.

The second example comes from New Hampshire, where 10 hospitals sued the state, this week, to try to prevent \$250 million in cuts to Medicaid that are included in the state budget that took effect on July 1. Two hospitals announced layoffs because of the cuts, and a third made it known that it is considering terminating its Medicaid contract with the state if the suit is unsuccessful.

Of Municipal Bankruptcies, Wall Street Crimes, and Glass-Steagall

July 29 (EIRNS)—As 2011 began, at least \$500 billion of the \$2.8 trillion in bonded indebtedness of U.S. states and municipalities was estimated to be gambling debts: interest swaps and other derivatives pushed on the governments by Wall Street swindlers, with the collusion of rating agency hit squads. These debts would be wiped off the books in one fell swoop with the restoration of Glass-Steagall.

The announcement on July 28 by the Attorneys General of Connecticut and Pennsylvania of a "settlement" with one player in the municipal bond derivatives swindle, points to the criminality of this game, which looted cities, counties, and towns across the United States into bankruptcy. The settlement stems from the 24-state investigation into rigging of the municipal bond derivatives market, begun in April 2008 by the Justice Department, Internal Revenue Service, and Treasury.

In this latest deal, a former chief executive officer of a now-defunct New York brokerage firm admitted to having conspired with major financial institutions from 2001 to 2006, in placing intentionally fraudulent bids on municipal derivatives contracts. In recent months, Bank of America Corp., UBS AG, and JP Morgan Chase have "settled" with the investigation, admitting to having engaged in fraud, only to be let off with restitution payments to defrauded institutions, totaling, among them, a mere \$250 million.

Just Who Does S&P Think It Is?

July 29 (EIRNS)—"Who Is Standard & Poor's To Tell America How Much Debt It Has To Shed in Order To Keep Its

Credit Rating?" That's what Robert Reich asked in a July 26 posting on his website, which noted, among other things: "Until the eve of the collapse, it gave triple-A ratings to some of the Street's riskiest packages of mortgage-backed securities and collateralized debt obligations," and further, that if Standard & Poor's had done its job properly, taxpayers wouldn't have had to bail out Wall Street, millions of Americans would now be working instead of collecting unemployment insurance, and the Federal budget wouldn't be in a crisis.

"So why has Standard & Poor's decided now's the time to crack down on the federal budget," Reich asks, "when it gave free passes to Wall Street's risky securities and George W. Bush's giant tax cuts for the wealthy, thereby contributing to the very crisis it's now demanding be addressed?"

Lawsuits Against Mortgage Bankers Pile Up

July 28 (EIRNS)—Three new civil suits have been announced to recover billions of losses in mortgage securities fraud by international banks in the United States, adding to multiple state and local lawsuits against Deutsche Bank, multibillion-dollar settlements forced on Bank of America, and New York Attorney-General Eric Schneiderman's potential criminal investigations.

In the 1980s savings-and-loan collapse, hundreds of S&L bankers were sent to prison for looting investors and borrowers alike. Where, in this far more vast collapse, with global bank criminality exposed for all to see, the Obama Justice Department has prosecuted no one.

The latest suits disclose the same pattern of blatant mortgage fraud and securities fraud on a grand scale:

* The Federal Housing Finance Agency (regulator of the nationalized entities Fannie Mae and Freddie Mac) sued UBS in New York District Court for at least \$900 million in losses resulting from securitization fraud. In fact, the losses of Fannie and Freddie from just 16 UBS-peddled securities trusts itemized in the suit, total at least \$1.8 billion, even without interest and penalties, legal fees, etc.

* The National Credit Union Administration (NCUA) filed suit against the Royal Bank of Scotland (RBS) in Alexandria, Va. Federal Court, for violations of Federal and state securities laws and thus driving the Western Corporate Federal Credit Union into bankruptcy.

* The NCUA has filed suit in the same court against JP Morgan Securities LLC, and RBS Securities, for damages of more than \$800 million in the failures of other Federal credit unions. A total of five credit unions were driven into bankruptcy by mortgage-backed securities (MBS) frauds by these banks. The NCUA is the liquidator for the five credit unions.

Global Economic News

[Greek Public Sector Workers Wages Cut by As Much As 40%](#)

[Another Brutal Downgrading of Greek Sovereign Bonds](#)

[London Uses Phony Debt Crisis To Push QE3—Again](#)

Greek Public Sector Workers Wages Cut by As Much As 40%

July 30 (EIRNS)—Greek civil servants have received pay cuts of up to 40%, while the government is passing new laws without debate to cut workers' pay even further. The civil servants union federation ADEDY has threatened further strikes in August. The union federation pointed out that civil servants had already suffered a 25% cut in pay in 2010 and further cuts since Jan. 1, 2011, as well as an increase in social withholdings. As a result, ADEDY pointed out, the pay cuts for public-sector staff were now approaching 40% and in some cases have even exceeded that.

Another Brutal Downgrading of Greek Sovereign Bonds

July 25 (EIRNS)—Greece's sovereign credit rating was cut three steps by Moody's Investors Service, which said the European Union's financing package for the debt-laden nation implies "substantial economic losses" for private creditors. Greece's long-term foreign currency debt was downgraded to Ca from Caa1, the ratings company said in a statement in London today.

"The announced EU program along with the International Institute of Finance's (IIF) statement representing major financial institutions implies that the probability of a distressed exchange, and hence a default, on Greek government bonds is virtually 100%," Moody's said. "The financing package will consist of EU109 billion (\$157 billion) from the Euro region nations and the International Monetary Fund. Financial institutions will contribute EU50 billion after agreeing to a series of bond exchanges and buybacks to cut Greece's debt load."

So much for the alleged capacity and willingness of the markets to respond constructively to the signals sent out by the eurocrats and the IIF. The real face of the "market" is visible in calls for trillions of euros more, by people like Jacques Cailloux from Royal Bank of Scotland, who said the new bailout deal is "not enough to halt the crisis at any level.... While the bailout fund (EFSF) will be able to intervene preemptively to cap Italian and Spanish bond yields, it lacks the EU2 trillion funding to be credible.... Nice tools but no firing power. A rolling crisis is still likely," Cailloux said.

London Uses Phony Debt Crisis To Push QE3—Again

July 30 (EIRNS)—The British are using the final countdown to the U.S. Aug. 2 debt-ceiling crisis to try to ram through their hyperinflationary QE3 bailout policy.

Yesterday, the London *Guardian* reported that there is "speculation that the Federal Reserve might need to embark on a third round of quantitative easing—the creation of electronic money," to deal with the crisis. And today's *Financial Times* demands answers to various questions posed by columnist Gillian Tett:

1. Will the government "support the U.S. money market funds" (MMF) if there is a debt downgrade?
2. Will the government "step into the markets and act as the dealer or financier of last resort, if parts of the market freeze up?"
3. What will regulators do about capital standards, "if some banks' balance sheets balloon?"

A separate *FT* article frets that "a serious concern for the financial system is the risk of an investor run on money market funds, some of which specialize in Treasuries." The article reminds readers that "it is legally possible for the Federal Reserve to provide direct liquidity support to MMFs." The *Wall Street Journal* beats the drums for an MMF bailout, recalling that "a run on these funds in 2008 was a major factor in the financial calamity that followed the collapse of Lehman Brothers.... The Treasury had to temporarily guarantee the funds and the Federal Reserve had to offer emergency

loans to them."

United States News Digest

[Nobody Loves Obama Anymore—But Will They Admit He's Got a Mustache?](#)

[Federal Judge Condemns DOJ Treatment of NSA Whistleblower](#)

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Nobody Loves Obama Anymore—But Will They Admit He's Got a Mustache?

July 30 (EIRNS)—During an April 2009 webcast, Lyndon LaRouche first publicly identified Barack Obama's narcissism and what it would mean for the United States. In the two and a half years since then, the prescience of LaRouche's warning has become obvious to anyone with eyes to see. And more and more people are, indeed, beginning to see that Obama simply doesn't care about anyone but the man he sees in the mirror. The next step for them is to acknowledge the true nature of his Hitler-like policies.

Wall Street Journal columnist and former Reagan speechwriter Peggy Noonan nailed the machine-like personality of Obama, in a column posted this morning, pointing out that while Obama has people who support and raise money for him, he doesn't inspire the same depth of feeling that Bill Clinton did, or even George W. Bush. Nobody loves him any more, she writes, quoting one "hard-line progressive and wise veteran of the political wars" to this effect: "I never loved Barack Obama. That said, among my crowd who did 'love' him, I can't think of anyone who still does." As opposed to Clinton, and even Bush, Noonan argues, Obama "doesn't exude any feeling that what he says and does is genuine."

Another sign of Obama's collapsing status comes from an important icon, the liberal activist and singer-actor Harry Belafonte, who was a major supporter of Martin Luther King in the 1960s. "Barack Obama and his mission has failed because it lacked a certain kind of moral courage, a kind of moral vision ... a kind of courage we are in need of," said Belafonte (as reported by the *Washington Post* based on an HBO documentary about his political activism). "When he said 'Yes, we can,' it was politically clever, but he never defined what it is we can do. So we filled in those spaces what we thought he meant, only to find we were disappointed, because none of those points was satisfied."

Federal Judge Condemns DOJ Treatment of NSA Whistleblower

July 30 (EIRNS)—A Federal judge in Baltimore has compared the Justice Department's handling of an NSA whistleblower case to British colonial methods. Judge Richard Bennett, a George W. Bush appointee, refused to even impose a fine on former high-level NSA official Thomas Drake, who originally had faced 35 years in prison on espionage charges, after the Justice Department's case against him collapsed last month. In June, the government dismissed a ten-count felony indictment, and instead allowed Drake to plead guilty to a misdemeanor offense of unauthorized use of a computer. In Drake's sentencing hearing, prosecutors argued yesterday that he should be given a heavy fine to deter others from similar conduct.

Drake's home was raided in late 2007, but no action against him was taken until the Obama Justice Department indicted him for espionage in April 2010, in an unprecedented use of the 1917 espionage law. According to a transcript of the hearing released yesterday, Judge Bennett blasted the DOJ for waiting two and a half years before deciding to indict Drake. "I find that unconscionable, unconscionable," he said. "It is at the very root of what this country was founded on against general warrants of the British. It was one of the most fundamental things in the Bill of Rights, that this country was not to be exposed to people knocking on the door with government authority and coming into their homes. And when it happens, it should be resolved pretty quickly, and it sure as heck shouldn't take two and a half years before someone's charged after that event."

The Drake prosecution is part of a pattern of the Obama Administration's unprecedented use of espionage charges to crack down on leakers in five different cases. As various legal commentators have pointed out, this is far worse than Bush or Nixon. (For more on the Drake case, see "Obama: Worse than Bush and Cheney," *EIR*, May 27, 2011.)

Emergency Rooms See Surge of Malnourished Toddlers

July 28 (EIRNS)—U.S. hospital emergency rooms are reporting increasing numbers of underweight and malnourished children, because more and more families are unable to afford to eat. Hospitals in Baltimore, Little Rock, Minneapolis, Philadelphia, and Boston all reported this in a new survey; medics say this is the worst incidence of malnutrition they have seen since they began to monitor hungry children ten years ago.

The situation is typical of what once was called an undeveloped country, said of the coordinator of the survey, Dr. Megan Sandel, a child and public health professor at Boston Medical Center, which has had the highest increase in undernourished children among U.S. hospitals. The details were released this week by Children's HealthWatch.

Doctors at Boston Medical attribute this to New England's families being hit with impossible trade-offs between heating and housing costs.

Before 2007, when the crash set in, 12% of youngsters age three and under were significantly underweight, in a random survey of BMC emergency department records; this jumped to 18% in 2010, and is getting worse. The survey also reports that the percentage of families with children reporting that they did not have enough food each month, soared from 18% in 2007 to 28% in 2010.

BMC saw a 58% increase in the number of severely underweight babies under the age of one, who were referred by physicians to BMC's GrowClinic, for intensive intervention (nutritional, medical, and other measures) to boost the babies' growth. The Clinic had 24 cases in 2005, 38 in 2010, and now it's worse.

A mockery of this reality comes from First Lady Michelle Obama, who is featured on the August cover of *Better Homes and Gardens*. Shown at her White House picnic table, serving Washington, D.C. fifth-graders fresh food, Mrs. Obama tells you to take charge of your family's eating. "Children's habits can be changed so much easier than adults," so they don't need to be fat. "They don't have control over their diets—we do."

How Obama Thanks Vets for Service: Homelessness on the Rise

July 27 (EIRNS)—Veterans of the Iraq and Afghanistan wars are becoming homeless, or are at risk of homelessness, at a much higher rate than veterans of previous wars. The Veterans Affairs Department (VA) admitted as much yesterday, when it announced \$60 million in grants to organizations that help veterans at risk of homelessness. The grants are intended to help 22,000 veterans and their families who are homeless or at risk of becoming homeless. Pete Dougherty, the

VA's senior policy advisor on homelessness, said that, so far this year, the VA has helped 10,476 veterans of the Iraq and Afghanistan wars, who were homeless or at risk of becoming so—a number that has doubled three times since 2006. Dougherty added that about 70% of that population has a history of combat exposure and consequent psychological effects.

Roemer Declares for President, Backs Glass-Steagall

July 26 (EIRNS)—Former Republican Louisiana Congressman Charles "Buddy" Roemer declared his candidacy for President July 21 in New Hampshire. While he doesn't have a full "platform" posted on his website, news reports state that "Roemer has promised to reinstate the Glass-Steagall Act, which separated investment and commercial banking activities. He plans to impose tough capital-ratio requirements on big banks."

In a wide-ranging interview with Democracy in Action April 11, Roemer said: "I opposed the Glass-Steagall being changed under Bill Clinton. You remember that was '98, '99. I said it was a mistake then. It's happened. We've had the biggest bank failure in our history for the last 75 years, after they got rid of Glass-Steagall. It should be re-imposed. Bank capital ratios should go up as the size of the bank goes up. Too big to fail is not healthy for America, and it hasn't been changed. I don't care what George W. Bush says, I don't care what Barack Obama says; they don't know what they're talking about when it comes to banking. Too big to fail. It's still the law, and it's wrong. I will change it."

A four-term conservative "Blue Dog" Democratic Congressman (1980-88), Roemer helped organize the "Boll Weevils," a group of independent Democrats who "often voted with Ronald Reagan." As Congressman, then Governor, and now as Presidential candidate, Roemer has eschewed corporate cash, and considers that one of his biggest issues. "I want to be a President free to lead on these things, and he [such a Presidential candidate] can't take the big money; he can't do it." As governor of Louisiana, Roemer switched parties in 1991, becoming a Republican, because "I was getting no help from [local] Democrats."

Ibero-American News Digest

Argentina Looks to Space Technology To Protect 'People's Welfare'

Hooker Scandal Hits Soros-Owned Argentine Supreme Court Judge

Argentina Looks to Space Technology To Protect 'People's Welfare'

July 2 (EIRNS)—Dr. Conrado Varotto, Executive Director of Argentina's National Space Activities Commission (CONAE), is enthusiastic that his country will soon be able to launch its own satellites and collect data that will be "of the greatest importance ... [and] can solve problems affecting human development and people's welfare." Varotto has stated on previous occasions that his life's dream is to see space technology used to predict earthquakes "six months before they occur."

CONAE plans to have its Tronador rocket ready by 2014, when it will launch clusters or "flotillas" of small segmented satellites, each of which will serve a different purpose.

The expectation, Varotto said, is that the satellites will be able to identify precursors of extreme weather, and also disease outbreaks, and provide information that will help "solve socioeconomic problems" as well. The SAC-E satellite, which Argentina is building with Brazil, will provide data on the environment, water resources, and agriculture in the Southern

Cone nations of South America. Currently, CONAE is involved in processing satellite images and producing maps of those Patagonian and other regions affected by the volcanic ash that followed the June 4 eruption of the Puyehue-Cordon-Caulle volcano chain in the south-central Andes.

Dr. Varotto said that Argentina "is one of the countries that understands that information from space must be obtained together with other countries, and plans to establish a Latin American agency for such activity." He reports that agreements have been signed with Chile, Peru, Colombia, Ecuador, and Venezuela to create such an agency.

Hooker Scandal Hits Soros-Owned Argentine Supreme Court Judge

July 30 (EIRNS)—In a case smelling of a cross between the infamous "DSK" and U.S. Rep. Barney Frank (D-Mass.), a key asset of George Soros's British-directed "Opium War" against Ibero-America, Argentine Supreme Court Magistrate Eugenio Raul Zaffaroni is embroiled in a scandal over the discovery that 6 of 11 apartments he owns in Buenos Aires have operated as warehouses for the past five years. A "VIP" escort service was operating from one of the apartments in the capitol's exclusive Recoleta district.

In August 2009, members of the LaRouche Youth Movement (LYM) confronted drug-legalization advocate Zaffaroni as he addressed the Latin American Conference on Drug Policy, sponsored by Soros's Open Society Institute, the British and Dutch embassies, and the Soros-sponsored and financed Latin American Commission on Drugs and Democracy (LACDD). The LYM denounced him as a proponent of British menticide and destruction of youth, as well as of Prince Philip's Malthusian population-reduction policies.

Among the "employees" at the six warehouses run from Zaffaroni's apartments were young women from Paraguay and the Dominican Republic who were "savagely exploited," according to an NGO investigating the case. Neighbors reported that whenever they complained to the police about loud noise and drunken behavior by some of the "clients," they were told that the police could do nothing because "the apartment belongs to Zaffaroni."

Soros's judge claims "not to have known" how his apartments were being used, and that management of the properties was delegated to third parties. Some Congressmen reject that argument and propose he be impeached for criminal negligence.

Western European News Digest

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LaRouche on Radio in Birmingham, U.K.

Will Italy Opt Out of Next Greek Bailout Round?

July 29 (EIRNS)—During a conference call of Eurogroup finance officials, the Italians said they might have to use the "step out" option when the September tranche of the Greek bailout is released, Reuters reports. The reason is that Italy would have to pay a higher interest rate for the money it would have to raise for its contribution.

The Italians probably put the issue on the table as a negotiating card. Were they to do it, it would be the *coup de grâce* to the European Financial Stability Fund (EFSF) and the euro.

'Indignants of Syntagma' Call for New Mass Demonstration

July 25 (EIRNS)—The Greek "Indignants of Syntagma" have issued a statement denouncing the Eurogroup's bailout as a declaration of war against Greek society, while calling for a mass demonstration on Sept. 3.

Declaring that the demonstrations will continue to occupy city squares throughout the country, throughout the Summer, the Indignants announced that they are calling "on September 3 for a new big mobilization in order to link the current struggle with others of our people, against tyranny and despotism." Sept. 3 is the anniversary of the first Constitution, after the overthrow of the military junta.

Meanwhile in Spain, 200,000 Indignados demonstrated throughout the country on July 23, including in Madrid, which marked the culmination of weeks of marches by the Indignados from six different parts of Spain.

French Towns Drowning in Toxic Debt

July 25 (EIRNS)—The debt of local government bodies in France (municipalities, departments, and regions) has exploded by 41% in less than six years, says the latest report of the Cour des Comptes. The debt rose from EU116.1 billion in 2004 to EU163.3 billion in 2010, a whopping increase caused by the French government's withdrawal of funding, which was compensated for by borrowing from the banks.

'Martina' Sets Record for Tunnel Technology

July 29 (EIRNS)—The world's largest tunnel-boring machine, named Martina, went into operation Thursday in Italy. Martina is 130 meters long, and as tall as a five-story building. It has been commissioned by the German firm Herrenknecht to proceed quickly and safely in the construction of the second leg of the A1 highway between Bologna and Florence. The new highway, called Variante di Valico, will run for about 65 km, through a series of tunnels and viaducts through the Apennines, and will be used not as an alternative, but as an addition to the old highway, which is full of curves.

Martina solves the problem of working safely through the highly unstable terrain, which is partly soft and full of water. It will be able to advance 15 meters per day, and workers will operate it in an insulated and protected chamber. The expected deadline for concluding the project is 2013.

France Wants To Implement 'Vigilant Neighbors' Self-Policing

July 25 (EIRNS)—French President Nicolas Sarkozy talks tough on crime, but is slashing funding for local police. The solution? His Interior Minister Claude Guéant wants to have private citizens to enlist as "volunteer" police informants.

The vicious concept was first promoted 2008 in the town of Cour-Chevery (pop. 2,700). Phase one: Gendarmerie forces were given huge areas to monitor, far too large for their real capacity to keep the area safe. Phase two: In 2008, a wave of thefts hit a residential area in Cour-Chevery, with 15 villas burgled. Phase three: Local citizens patrol the area and form a private armed militia, embarrassing the local authorities. Phase four: As an excuse to keep things going out of control, the gendarmerie proposed Operation "Vigilant Neighbors," i.e., a vigilante network among neighbors including, as in East Germany, a "reference" person on every block.

U.K. Minister Pushes Glass-Steagall-Type Bank Reform

July 26 (EIRNS)—Vincent Cable, Britain's Business Secretary, today called for full separation between commercial and investment banking. Cable did not use the name Glass-Steagall, but his opponents did in attacking him. Speaking to a consumer group, Cable called on the Independent Commission on Banking (ICB) to review its "ring-fencing" recommendation in favor of a full separation. "My own instincts lie with full separation of retail and proprietary banking," Cable said.

Cable's initiative confirms the existence of a faction in the British establishment which is not willing to go under with the expiring monetarist system under the current policies of the City of London.

Europeans Cut Subsidies for 'Renewables'

July 27 (EIRNS)—European countries—having paid a hefty price for their stupidity—are now forced to reduce subsidies for solar and wind "renewable" energy.

The Netherlands has reacted most sharply. It is reducing its targets for "renewable" energy and slashing the subsidies for wind and solar power. It has also given the green light for the country's first new nuclear power plants in almost 40 years.

Italy's government passed a decree to stop solar energy and made deep cuts in wind energy, due to their high costs to consumers and technical problems integrating these sources into the existing infrastructure.

Spain slashed payouts for wind projects by 35% while denying support for solar thermal projects in their first year of operation.

In Spain, green jobs can require a subsidy of \$1 million per job. Wind-related jobs in Denmark are subsidized at the rate of 175-250% above average pay, costing taxpayers roughly \$90,000 to \$140,000 for each green employee.

New Waves of Health Rationing in U.K.

July 28 (EIRNS)—New rationing of medical treatment procedures is being instituted in Britain, under the various regions of its National Health System, for all kinds of procedures newly designated as "non-urgent" or of "limited clinical value," in order to comply with national health care cost-cutting goals of some £20 billion over the next four years.

Details of the rationing were obtained through Freedom of Information Act requests by the health service magazine *GP*, and were published today by www.independent.co.uk and other media.

Examples of the rationing now in use, as reported by *The Independent* today:

"Hip and knee replacements only being allowed where patients are in severe pain. Overweight patients will be made to lose weight before being considered for an operation.

"Cataract operations being withheld from patients until their sight problems 'substantially' affect their ability to work...

"Patients with varicose veins only being operated on if they are suffering 'chronic continuous pain,' ulceration, or bleeding;

"Tonsillectomy (removing tonsils) only to be carried out in children if they have had seven bouts of tonsillitis in the previous year.

"Grommets to improve hearing in children only being inserted in 'exceptional circumstances' and after monitoring for six months...."

'Never Again' Let the British Be Your Ally

July 27 (EIRNS)—Robert E. Hunter, U.S. Ambassador to NATO during the Clinton Administration, in a letter to London's *Financial Times*, charged that Great Britain bears the responsibility for the Srebrenica, Bosnia, massacre of Bosnians during the Bosnian-Serbian war. This hard-hitting attack was launched in response to a letter to the *FT* (July 16) by one of Her Majesty's dogs of war, Gen. Sir Michael Rose (ret.), who was NATO Commander in Bosnia in 1994, who lobbied for a ground war, as a trap for President Clinton, who, with the help of a major mobilization by the LaRouche movement, did not fall for it.

With typical lying British hypocrisy, Rose had blamed the United States' support for Bosnia and Croatia, and the failure of NATO to send ground troops. Hunter concluded his letter by evoking the phrase "never again."

LaRouche on Radio in Birmingham, U.K.

July 27 (EIRNS)—Lyndon LaRouche was interviewed for 30 minutes on "New Style" radio's evening broadcast on July 27. In addition to serving the large Caribbean community in the U.K., host Dave Prince has a worldwide Internet audience.

Southwest Asia News Digest

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Attack on Iran Being Stoked in U.S., Israel

July 27 (EIRNS)—As the danger of a British-directed coup inside the United States rises, so does the threat of a war against Iran, which would be part and parcel of that coup operation. Three recent developments highlight that danger.

First, answering war-mongering questions at Senate confirmation hearings on July 26, on his appointment to head the Joint Chiefs of Staff, U.S. Army Gen. Martin Dempsey replied, based on communications he's had with Iraqis since his last tour there: "It's their observation, in some cases supported by intelligence ... that Iran's activities in southern Iraq are intended to produce some kind of Beirut-like moment and then, in so doing, to send a message that they have expelled us from Iraq." The reference to Beirut is to the October 1983 bombing of the U.S. Marine barracks at the Beirut airport, which killed more than 250 Marines and led to President Reagan ending the U.S. military mission in Lebanon. One expert pointed out to *EIR*, that the greatest point of vulnerability of the remaining U.S. troops in Iraq will come as the drawdown leads to outright withdrawal, which complicates force protection.

Secondly, a report in the July 27 *Jerusalem Post* plays up a joint U.S.-Israeli missile-defense exercise, "Juniper Cobra," scheduled to take place in early 2012. While these maneuvers have taken place each of the last five years, this year they are going to be far more developed, testing interoperability of U.S. and Israeli defenses in the event of a war with Iran—explicitly. Last week, Gen. Mark Welsh, commander of U.S. Air Forces in Europe, part of U.S. European Command (of which Israel is a part) was in Israel planning the maneuvers. The U.S. is deploying a second Aegis missile-defense ship into the Mediterranean soon, and will deploy another X-Band radar system into southern Europe, which is identical to a system given to Israel by the U.S. in 2008.

The *Washington Post* fanned the flames, July 27, with a report playing up the conflict between Iranian President Mahmoud Ahmadinejad and Supreme Leader Ali Khamenei. Analysis from an undisclosed Middle Eastern country, said to usually have good intelligence on Iran, suggests that the fight between the two has spilled over into the nuclear area, where Ahmadinejad has recently stated that Iran could go public with plans for nuclear weapons, while Khamenei is far more cautious, fearing international reprisals. The *Post* claims that Khamenei has transferred parts of the nuclear program from Ministry of Defense officials close to Ahmadinejad to units more loyal to the Supreme Leader.

Mass-Strike Protests in Israel vs. Netanyahu

Aug. 1 (EIRNS)—Less than two weeks after protests against housing costs began with tent cities on the streets of Tel Aviv, more than 150,000 Israelis protested July 30 against the economic breakdown, with the participation of the Histadrut labor federation. There were 50,000 protesters in Tel Aviv; more than 10,000 gathered outside the residence of Netanyahu, with banners that read, "A whole generation wants a future." Another 10,000 rallied in Haifa.

The protests have been growing since tens of thousands of demonstrators marched in central Tel Aviv on July 23, in a protest against the housing shortage and high rents. This is clearly part of the mass strike hitting Israel, and a direct reaction to the corruption of the government of Prime Minister Benjamin Netanyahu, which clings to its right-wing anti-peace agenda on the one hand, and the corruption of its financial base which are the real estate interests. Netanyahu's real

estate speculators build expensive condos which are sold to rich Diaspora Jews, and remain empty for most of the year. More deeply felt is the fact that income among the lower 80% of the population continues to collapse, while the government continues to build houses in the highly subsidized settlements in the Occupied Territories.

Protesters include a full cross-section of society from young to middle-aged, including Holocaust survivors, many of whom are among the poorest Israelis. It also includes the Arab sector. The demo is part of a Facebook movement that began with the erecting of tent cities through Israel.

Daphni Leef, initiator of the protest, in her speech called upon the government to find solutions to increasing housing prices. "We're constantly being asked what we want and we say, 'Affordable housing for all.' They tell us, 'Suggest solutions,' and we say, 'Why? That is what we have elected representatives for.'" Leef added, "Under these conditions we will soon have no dreams. There is no time to dream when you're constantly looking to cover your rent. There's no time to dream when you're constantly looking to cover a mortgage. We are the power, we, the nation, we are not suckers." She added, "You, Bibi, with your wild policy and your irresponsibility, you pushed us into a nadir. You, Mr. Netanyahu, caused us—the Facebook generation—to head to the streets and protest."

On July 24 protesters marched to the Knesset, where they erected their tents. By July 26, demonstrations had spread to Haifa and other cities, and in response, Netanyahu canceled an official visit to Poland.

Comparing the mass demonstrations to those of Spain and Egypt, the lead editorial in *Ha'aretz* July 25 asserted: "As with their counterparts in Spain, Portugal and Greece, and the courageous revolutionaries who overthrew the Tunisian and Egyptian regimes, these young, educated professionals also expressed significant discontent with the distorted priorities of their government. They too demanded a more just distribution of resources, a commitment by the state to the well-being of its citizens and even restoration of the welfare state."

On July 28, Histadrut chairman Ofer Eini met with leaders of the housing protests in Tel Aviv to say that Histadrut will be joining their struggle starting July 30 and will take part in their talks with the government.

Ben Eliezer: Restore Rabin's Policy: Stop Settlements, Develop Israel

Aug. 2 (EIRNS)—In an interview today with the YNet Israeli news agency, Labor Party Knesset member Benyamin Fuad Ben Eliezer warned that the mass-strike protest and Netanyahu's lack of response to the economic misery is the worst crisis that Israel has faced since the War of Independence. A former Cabinet minister who has served both in Defense, and in Industry, Trade and Labor, Ben Eliezer demanded that Netanyahu restore the development policy of slain pro-peace Prime Minister Yitzak Rabin.

"The major thing Rabin did was give an order to freeze construction in settlements and transfer all the funds from the [Palestinian] territories to within Israel. Then he put everything into construction for young couples and infrastructure," said Ben Eliezer.

"Billions go into settlements. Billions have gone. If we don't stop this a disaster is imminent. These people [the protesters] have had enough. They have learned that there is no longer an option of a leader saying something and the people following blindly."

China May Use Barter System To Trade with Iran

July 25 (EIRNS)—China and India together buy about one-third of Iran's oil, but are experiencing payment difficulties

because of the anti-Iran sanctions, the *Financial Times* reports. China may owe as much as \$30 billion, and India \$5 billion, to Iran. The U.S.-imposed sanctions against Iran make it extremely difficult to conduct dollar-denominated business. The unpaid oil bills have built up over the past two years, and the governments are looking at how to "offset" the debt.

Tehran and Beijing are in talks about using a barter system to exchange Iranian oil for Chinese goods and services. China is dominant in Iranian business, involved in everything from building tunnels to exporting toys. China has been expanding into Iran's oil sector, as European companies such as Shell and Total have been deterred by the difficulties of operating because of the sanctions. Another possibility is for Iran is to accept payments in Chinese yuan and the Indian rupees.

MeK Pays Millions to U.S. Politicians To Get Off Terror List

July 30 (EIRNS)—The Mujahedin-e-Khalq, or People's Mujaheddin, which has been conducting terror operations against Iran for decades, and is on the official U.S. terrorism list, is paying U.S. politicians and policy officials millions of dollars in an effort to itself removed from the U.S. terrorism list, according to the July 29 *Financial Times*. These political operatives are paid between \$20,000 and \$100,000 to give one public speech for the group. Those on this payola list include more than 40 former officials, including former Justice Department official and ex-New York City Mayor Rudy Giuliani; Jim Jones, President Barack Obama's first National Security Adviser; Wesley Clark, the retired army general; and former Homeland Security Secretary Tom Ridge. Lee Hamilton, a former Democratic chairman of the House Foreign Relations committee; Michael Mukasey, Attorney-General in the George W. Bush Administration; former U.S. Representative to the UN John Bolton; and former Democratic Party chairman Howard Dean, are also among recipients of MeK's largesse.

The group has also hired the law firm of Akin Gump Strauss Hauer & Feld to lobby on Capitol Hill.

Ahmad Moein, executive director of the Iranian American Community of Northern California, one of the groups behind the lobbying effort, claimed the figures are exaggerated.

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Japanese Scientists See Ionospheric Precursors to March 11 Quake

July 25 (EIRNS)—Japan's *Yomiuri Shimbun* reports today on apparent precursors for the March 11 Tohoku earthquake, including possible precursors about 50 miles up in the ionosphere. Prof. Kosuke Heki of Hokkaido University, a researcher of geophysics, checked changes in the density of electrons in the ionosphere, using electric waves from GPS satellites. He found the density over the epicenter rose by up to 10%, compared with other areas, 40 minutes before the magnitude 9 quake.

Masashi Hayakawa, professor emeritus of the University of Electro-Communications, believes the changes in the ionosphere started "about five days before the quake." Hayakawa, who researches the relationship between earthquakes and electromagnetic phenomena, said distortions in the ionosphere were detected by analyzing the transmission of radio waves in the air.

Seismic phenomena were not as useful as a precursor for this quake, they said. A "precursor slide," upon which Japan's warning system against a Tokyo quake is based, did not occur before the Great East Japan Earthquake, even though it has the same kind of plate boundary as in the Tokyo region.

Animal behavior precursors were noted but are not understood. About 50 small whales became stranded on the Ibaraki Prefecture coastline a week before the temblor, and other strange animal behavior was noted, but could not be definitively tied to the earthquake.

Japan PM Turns to 'Creative Accounting' in Place of Nuclear Energy

July 30 (EIRNS)—As sane forces in Japan mobilize to turn back Prime Minister Naoto Kan's rush to denuclearize the country—partly powered by the mistaken perception that he can "buy" popularity by catering to media-whipped anti-nuclear hysteria—Kan is forced to turn to "creative accounting," to justify his plans.

Here is the *Asahi Shimbun's* description of a key aspect of Kan's revised energy program:

"According to the current method of calculation, nuclear power generation costs 5 to 6 yen per kilowatt-hour, compared with 37 to 46 yen for solar power generation.

"But the government plans to set up a committee within the energy and environment conference to rewrite the way it calculates the costs. Nuclear power plant decommissioning costs and the compensation bill from the accident at the Fukushima No. 1 nuclear power plant are to be added to the estimates for nuclear power, while cheaper technology and the economies of scale from volume production will be factored into solar and wind energy estimates.

"The revised calculations are expected to lead to a shift away from nuclear power and toward renewable energy."

They may call this an engineering study, or even a "scientific" study, but all that it really is, is an accounting exercise to make the numbers come out as certain people wish them to, to justify their genocidal policies.

Clinton Arranges U.S.-North Korean Talks To Avert New Korean War

July 24 (EIRNS)—The British-run effort to revive the Korean War over the past several years has been set back, through cooperation between Secretary of State Hillary Clinton and the South Korean government in renewing a dialogue with North Korea. Following meetings between the North and South Korean delegates to the ASEAN Regional Forum (ARF) meeting in Bali, Indonesia, Clinton announced today that Kim Kae-gwan, the long-standing North Korean negotiator with the West, will come to New York for talks, at Washington's request. This follows more than two years of tense relations on the Peninsula, with little contact between Pyongyang and either Seoul or Washington.

Clinton said that the six-party talks could be renewed if Pyongyang stands behind its 2005 agreement to abandon its nuclear efforts.

A two-hour meeting between South Korean chief nuclear negotiator Wi Sung-lac and his North Korean counterpart, Ri Yong-ho, was held on the sidelines of the ARF July 22. They agreed to make joint efforts to resume the stalled six-party talks on ending the North's nuclear program "as soon as possible," and reaffirmed their "willingness to implement" the 2005 statement in which the North agreed to give up its nuclear program in exchange for certain support from the South, Ri said.

The Foreign Ministers of the North and South, Kim Sung-hwan and Pak Ui-chun, respectively, also met on the sidelines for the first substantive meeting at this level since 2008.

Mullen Nixes China-Bashing; Calls for Cooperation

July 26 (EIRNS)—Discussing his recent trip to China, Adm. Mike Mullen, chairman of the U.S. Joint Chiefs of Staff, wrote an op-ed for the *New York Times* today, rejecting the campaign to vilify and demonize China.

"I'm not naive," Mullen wrote. "I understand the concerns of those who feel that any cooperation benefits China more than the United States. I just don't agree. This relationship is too important to manage through blind suspicion and mistrust. We've tried that. It doesn't work. I'm not suggesting we look the other way on serious issues, that we abandon healthy skepticism, or that we change our military's focus on the region. But we need to keep communication open and work hard to improve each interaction."

Referencing joint concerns about freedom of navigation, drugs, piracy, instability in Korea, and Pakistan, Mullen stated: "These are challenges we can tackle together, and missions we can plan and train for, and perhaps someday execute side by side. Our staffs signed a few initiatives in that regard, including a commitment to conduct joint counter-piracy exercises in the Gulf of Aden this year."

He warned against U.S. policy swinging "between engagement and over-reaction," and being "subject to shifting political winds," announcing that there would be "more frequent discussions, more exercises, more personnel exchanges," and that both sides believe "that the younger generation of military officers is ready for closer contact, and that upon their shoulders rests the best hope for deeper, more meaningful trust."

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