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**Learn from Nawapa:**  
**Mind or Body?**  
**by Lyndon H. LaRouche, Jr.**

July 27, 2010—*What is now the urgently needed launching of the NAWAPA project, demands an essential, implicit rejection of what has been the customary, ignorant but popular misconception of the functional meaning of the term ``infrastructure," that in respect to the mandatory principles of ``physical economy." We have reached the point in the history of a physical, rather than monetarist science of economy, at which, the mere survival of civilization on this planet, demands a sweeping correction of the very definition of ``economy," on this specific point. Therefore, I say the following to you, here and now:*

With the rise of the corrupting influence of the evil Aristotle, Mediterranean-centered maritime culture of that time, lost its connection to a competent notion of the meaning of the term, ``science," and, therefore, also, to any competent notion of the meaning of the term, ``economy." Aristotle, for example, had decreed that an end be brought to the practice of human creativity, and did so, by declaring, that, in effect, the universe had been fixed, forever, by the completion of the ``Seventh Day" of *Genesis* 1.

For similar reasons, no efficiently truthful meaning can be attached to that commonly taught, but incompetent notion of Euclidean geometry, a notion rooted in a ridiculous, Aristotelean misconception....

**In-Depth articles from EIR, Vol. 37, No. 32**

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## **This Week's Cover**

- **Learn from NAWAPA:**  
**Mind or Body?**  
**by Lyndon H. LaRouche, Jr.**

While the NAWAPA project, developed in the 1960s by the Ralph M. Parsons Company, will be the greatest infrastructure project in history, it is no mere construction program, but the basis for a general recovery of our planet. 'To this end, we have combined what we have adopted as that goal for the NAWAPA project with the implications of a mission-orientation of creating the pre-conditions of man's ability to fly to, and return from a landing on Mars, that, hopefully, within this presently ongoing century, that on the condition that we can oust a far worse than merely useless President Obama from office now.'

## **Economics**

- **Wall Street Is Not Dying; It Is Dead!**

## **Please Don't Be Silly!**

The Federal Reserve System has reached a state of monetarist desperation, and declared its intention to exactly copy the hyperinflation that brought Weimar Germany to a breakdown crisis in 1923, writes LaRouche.

- **Federal Reserve Sparks Hyperinflation:**

## **Implement Glass-Steagall in September!**

It is high time to stop the 'irrational exuberance' and irresponsible gambling, writes **Helga Zepp-LaRouche**, and instead, to allocate productive credit for large infrastructure projects, to rebuild the world economy.

- **Obama's Auto-Eroticism Disastrous for Economy**

# International

- **Sykes-Picot Redux:**

## **Will London's Puppet Israel Soon Launch Attack on Iran?**

Intelligence sources report that Netanyahu's Israel is planning a near-term strike on Iran, but there is still time for a serious diplomatic effort to resolve the outstanding issues.

- **NAWAPA:**

## **Bridging the Darien Gap**

The Darien Gap project, along with the Bering Strait tunnel, will allow the full link-up of the Americas, North and South, with the World Land-Bridge. Such an achievement, in combination with NAWAPA, would lead to an unprecedented explosion of physical-economic productivity worldwide.

# National

- **Like Nero and Hitler:**

## **Obama Is a Failed Personality**

The trajectory of Obama's patterns of behavior, is exactly identical, from a clinical standpoint, to that of Nero and Adolf Hitler!, LaRouche declared on the LPAC-TV Weekly Report Aug. 11.

- **Racist Charges Challenged:**

## **Rangel, Waters Stun Their Accusers**

Representatives Maxine Waters and Charles Rangel have made it clear that they intend to fight and defeat the false, racist charges brought against them by Obama's unconstitutional Ethics Committee.

- **Porter Goss's Cover-Up:**  
**Waters Exposed Contra Drug Trafficking**
- **Rangel Mounts Strong Defense in Congress**
- **Maxine Waters:**  
**'No Benefit, No Case'**

- **Norman Eisen:**

## **Obama's 'Ethics Czar'**

- **The U.S. Army Still Can't Figure Out Its Suicide Problem**

An interview with **Steve Robinson**.

# Culture

- **Romorantin:**

- **Leonardo da Vinci Imagines the First Modern City**

In Autumn 1516, Leonardo accepted the proposal of King François I to travel to France, to design and build an entirely new city in Romorantin, to become the capital of the French kingdom.

- **The Leonardo-Machiavelli Plan To Divert the Arno**

## Interviews

- **Steve Robinson**

Robinson retired from the Army in 2001, having served in Ranger and Special Operations units. He then went into veterans advocacy, and is now a sought-after expert on veterans' physical and mental-health issues that arise from exposure to combat; he has testified before Congress, and advised the White House and the Defense Department.

## Editorial

- **Political Reality Is About To Strike**

## This Week's News

### U.S. Economic/Financial News

**Homeless in Las Vegas: Just Call It 'Harryville'**

**Teenagers Hit the Hardest by Job Losses**

**Fed Admits It Has Lost Control of the Crisis**

**AIG Bailout Aided Foreign Banks**

#### Homeless in Las Vegas: Just Call It 'Harryville'

Aug. 13 (EIRNS)—Senate Majority Leader Harry Reid's (D-Nev.) election campaign slogan is "Driving Nevada Forward." Forward to where, is not said, but perhaps it's underground, where CBS News reporter Seth Doane found hundreds of people living in Las Vegas. In a report aired on Aug. 10, Doane ventured into the flood-control tunnels under the Las Vegas Strip, where as many as 1,000 homeless people live. One person interviewed by Doane was a drug addict who has lived in the tunnels for eight years; others are much more recent victims of the economic collapse. Las Vegas is estimated to have 14,000 homeless people, up from nearly 12,000 two years ago, yet has fewer than 1,000 shelter beds.

RealtyTrac reported on Aug. 12, that Nevada has led the nation in home foreclosures for the 43rd month in a row, with 13,727 foreclosure filings in July, a 30% increase from the same time a year ago, and 7% more than in June. This is almost certainly a factor in the growth of homelessness in Las Vegas.

## Teenagers Hit the Hardest by Job Losses

Aug. 14 (EIRNS)—A report issued last month by the Center for Labor Market Studies of Northeastern University, documents how hard the 16-19 age group has been hit by unemployment over the past ten years. Only 28.6% of teenagers were employed in June 2010, the first time that figure has fallen below 30% in the postwar period. In June 2007, it was 39.6%. The ratio of employed teenagers (out of the entire population of that age group) has been falling steadily since June 2000, when it was 51.4%.

Even more dramatic, is the degree to which teens have to compete against older workers for jobs, especially those over 55, who are staying in the workforce longer because their retirement options have disappeared. Employment ratios for workers over 55 have actually gone up over the last decade. In 2000, the report states, teens were more than twice as likely to have jobs as those 65-69 years old. Today, the older group is slightly *more* likely to be working than 16-19-year-olds, "an age reversal in employment outcomes never before seen in American history."

## Fed Admits It Has Lost Control of the Crisis

Aug. 10 (EIRNS)—In the Federal Reserve's meeting today, where it escalated the hyperinflationary bailout, the bank basically admitted that it has lost control of the financial crisis. With Kansas City Fed President Thomas Hoenig dissenting, the Fed vowed to continue buying securities—reportedly, U.S. government debt—and reneged on its pledge to reduce its \$1.4 trillion securities holdings—much of it mortgage-related toxic waste. The Fed will pour up to \$200 billion into buying new assets, because "the pace of recovery in output and employment has slowed."

Hoenig, who had been the first of the Fed regional presidents to support reinstating Glass-Steagall, opposed the Fed's reversal of its stated policy that it would bring down the \$1.4 trillion in assets holdings by \$200 billion.

Another big bailout—with no need to ask the Congress or the American people—and another massive jump in hyperinflation.

## AIG Bailout Aided Foreign Banks

Aug. 12 (EIRNS)—The Congressional Oversight Panel issued a report on Aug. 11, showing that billions of dollars in U.S. bailout funds wound up in big banks in Britain, Canada, Switzerland, France, Germany, and other nations. French and German banks were among the biggest beneficiaries of the U.S. rescue of American International Group, Inc. (AIG), yet the American government shouldered the entire \$70 billion risk of pumping capital into AIG.

The report compares that with the \$35 billion that France spent on its overall financial rescue program and the \$133 billion that Germany spent. Much of the \$182 billion in Federal aid to AIG—the biggest of the government bailouts—went to meet the company's obligations to its Wall Street trading partners on credit default swaps. The partners included French banks Société Générale, which received \$11.9 billion in AIG money, BNP Paribas, which got \$4.9 billion, and Germany's Deutsche Bank, \$11.8 billion. Of the 87 banks and financial entities that indirectly benefitted from the U.S. aid to AIG, 43 are foreign, according to the report.

In addition to AIG, many of the U.S. banks and automakers that received billions in bailout aid derive a large proportion of their revenue from operations outside the U.S., the report noted.

# Global Economic News

## Privatization Is Running Amok in Sweden

## China, Vietnam Reject Ethanol and Garbage Power

## French Farm Crisis Entering Hot Phase

## China Accelerates Transition to Fast Breeder Technology

### Privatization Is Running Amok in Sweden

Aug. 10 (EIRNS)—The hasty privatization of Swedish public institutions, motivated by the ideology of the current neo-liberal government alliance, are again being attacked by the Opposition and even in the non-Socialist press. The leader of the left party, Lars Ohly, in an op-ed in *Dagens Nyheter* on Aug. 8, blasts the privatization of Swedish schools; big private school companies, some multinational, are reaping hundreds of millions of crowns in profit from public money.

The Swedish schools are now a prime item for private equity hedge funds, where the American fund Providence Equity Partners was in a bidding contest with the Swedish Wallenberg-controlled hedge fund EQT to buy the biggest school company in Sweden, called Academedia. Now, 14% of Swedish primary schools, including junior high schools, are private, and 44% of the high schools.

Under the late Social Democratic Prime Minister Olof Palme, there were no more than ten private schools; but with the long struggle to open schools to religious stewardship, the private markets were unlocked. The profits in the private schools are in the range of \$420 per pupil per year, but profits as high as \$4,000 per year have been reported. Even the leader of the Teachers Association, Metta Fjellkner, was quoted in the daily *Svenska Dagbladet* on Aug. 7, that she has changed her mind, since the privatizations are not leading to higher salaries, instead, more profits which are taken out of the school system.

The state-owned railway company is currently under pressure to also behave like the privateers, with demands that it deliver a profit of 15% on its capital.

### China, Vietnam Reject Ethanol and Garbage Power

Aug. 10 (EIRNS)—Zhao Youshan, president of the China General Chamber of Commerce petroleum division, has repeated his demand that China end government-subsidized corn-ethanol production, the *Beijing Times* reports. Zhao first made this demand a month ago. He said that ethanol production has led to the rise of corn prices in China, turning the corn-exporting country into a corn-importer this year. Even so, the output of corn ethanol appears tiny when compared with the domestic demand for gasoline, he says. Zhao heads China's biggest membership association of private petroleum enterprises.

In Vietnam, they are asking, why would anyone invest in green electricity production to suffer losses? Ho Chi Minh City (HCM) solid waste management chairman Nguyen Trung Viet estimates that to produce 1 kWh of electricity from garbage costs 20 cents (without subsidies), but costs only 4 cents with traditional power plants.

One landfill in HCM that he operates has a \$13 million plant, mostly built with a large grant from the Netherlands, to produce electricity from garbage. That plant produced just enough electricity to run the garbage-burning plant itself!

## **French Farm Crisis Entering Hot Phase**

Aug. 11 (EIRNS)—For several days, dairy farmers all over France have been raiding supermarkets, targetting Lactalis, Bongrain, Sodial, and Bongrain products, on which the farmers put a label reading: "Sold at the expense of farmers," to encourage consumers to boycott these products.

According to the deal the unions signed onto last year, dairy farmers thought they would get a better price "if the market price of milk went up again." Today, the market price is higher, but the industry refuses to pay the farmers the proportional increase (a mere EU3.1 cents per liter) that they were promised.

Many farmers now feel betrayed by President Nicolas Sarkozy and Agriculture Minister Bruno Le Maire, both obsessed by the idea that "private" regulation and corporatism can replace national or European regulations (the milk quota system).

Moreover, financial speculation is driving up the production costs for both meat and milk. Wheat for fodder increased by 70% in July alone, pulling maize and barley to follow the trend. Soy prices also are rising, while the U.S. soy harvest did well. To speculate, inventory was bought in advance by private speculators.

As of Aug. 6, forty-six out of the 100 French departments had been hit by drought. In Ille-et-Vilaine (in Brittany), the major milk-producing department of France, the harvest of animal fodder is expected to be one-third below average.

## **China Accelerates Transition to Fast Breeder Technology**

Aug. 10 (EIRNS)—In addition to its ambitious conventional nuclear program, including the import of Westinghouse AP-1000 reactors, and its own indigenous design, China is also pursuing a program of fast breeder development. The first of the fast reactors in China, known as the Chinese Experimental Fast Reactor (CEFR), achieved sustained fission for the first time on July 25, nine years after construction began. Located at the China Institute of Atomic Energy, some 40 kilometers outside of Beijing, the CEFR was built with Russian assistance, and the fuel is supplied by Russia. The Chinese plan for breeders, until about a year ago, was to commission at first a 600-MWe commercial prototype fast reactor (CPFR) of indigenous design in 2020. That was to be followed by a commercial demonstration fast reactor (CDFR) in 2025, eventually leading to full-fledged commercialization of the design in 2030.

This plan has now been abandoned in favor of a much-accelerated program utilizing Russian technology. Later this year, Russia and China are to conclude a final agreement on construction of two Russian-designed BN 800 reactors in Fujian province. This plant will have a capacity of treating about 100 tons of spent fuel annually. One unit is expected to be in production before 2019 and the other a year later. A pilot plant for producing MOX fuel (depleted uranium and plutonium oxides) is also under construction, that can produce 500 kg of fuel per year. Larger commercial plants for reprocessing and fuel fabrication are planned to be built by 2020. Russia and China are to sign an agreement on this program before the end of the year.

Nikolai Ponomarev-Stepnoi, the vice president of the Russian Kurchatovsky Research Center, explained the importance of the project: "We should develop a fast breeder reactor in 20 to 30 years and introduce it in industrial production; it is one of the technological tasks that must be fulfilled. When we talk about providing energy for the ever growing population of the world, we ought to think in the long-term prospect. Breeder atomic energy development will meet the requirements of man for a long period of time. Russia and China will sign an inter-governmental agreement after coordinating all the

details, thus opening the way for all-round development of breeder atomic energy technology." The Chinese nuclear program does not stop with the breeder, however, but sees this technology as a transition to the next stage, the development of thermonuclear fusion power, in which it is already engaged.

## United States News Digest

### Using Test Scores To Rate Presidents

### 'A Total Vote of No Confidence in the Obama Presidency'

### Progressive Caucus Acts To Defend Social Security, While Obama Lies

### Obama's 'Recovery' Means You Can Sell Your Fire Station

### Medicare/Medicaid Administrator Robert Berwick Funded by Insurance Companies

## Using Test Scores To Rate Presidents

Aug. 15 (EIRNS)—A coalition of civil rights groups, the American Federation of Teachers, community organizing groups, and education experts has denounced Obama's new school reform, "Race to the Top," some calling it worse than Bush's "No Child Left Behind."

"The curriculum will be narrowed even more than under George W. Bush's No Child Left Behind," wrote New York University Prof. Diane Ravitch, an education official in the first Bush Administration. "There will be even less time available for the arts, science, history, civics, foreign language, even physical education. Teachers will teach to the test. There will be more cheating, more gaming the system."

Harvard Prof. Daniel Koretz noted that high-stakes testing causes "substantial distortions of practice" in the classroom "and inflation of test scores.... The seriousness of this problem is hard to overstate."

Civil rights groups, including the NAACP and the National Urban League, in a July 26 statement, blasted the program and called for an end to "federally prescribed methodologies that have little or no evidentiary support" and that use minority communities as "testing grounds."

The next day, the American Federation of Teachers accused the administration of encouraging "bad teacher evaluation systems." The day after, a coalition of community organizing groups denounced "rigid, top-down solutions that are not supported by research."

*Washington Post* columnist Dana Milbank, who assembled the list of opponents, characterized the Administration's cavalier attitude: "Obama's response to his supporters: Buzz off. On July 29, he gave a speech to the Urban League and said his critics are 'comfortable with the status quo' and have 'a general resistance to change.'"

Milbank suggested that the Education Department's recent emphasis on schoolyard bullying failed to mention the worst bully in American schools, Obama—giving a new meaning to the term "the bully pulpit."

## **'A Total Vote of No Confidence in the Obama Presidency'**

Aug. 15 (EIRNS)—A high-ranking former U.S. government official, who is now on the board of a number of Fortune 500 companies and has close ties to the Federal Reserve, reported that, at a recent gathering of top corporate officials from around the United States, there was a "total vote of no confidence in President Obama," over his administration's wrecking of the entire U.S. economy.

Speaking on condition of anonymity, the ex-official described a climate of "profound uncertainty" over the future of the United States, calling Obama the "worst American President in my lifetime," when it comes to the real economy. He described a total freeze in any capital investment or job creation, because "no one knows what this Administration is going to do." He described the consensus of the people with whom he met last month: "We are already in a deep, prolonged Great Depression."

While he chastised the former Bush-Cheney Administration, he emphasized that the Obama team has gone way beyond the disasters of the Bush-Cheney era. "Valerie Jarrett is the designated liaison of the Obama White House to the business community, and all she does is shake them down for campaign money. It is a total disconnect, and there is no way out." He acknowledged that Lyndon LaRouche had been "way ahead" of everyone else, in clinically diagnosing the Obama disease.

## **Progressive Caucus Acts To Defend Social Security, While Obama Lies**

Aug. 14 (EIRNS)—Representatives Raul Grijalva (D-Ariz.) and Lynn Woolsey (D-Calif.), the co-chairs of the Congressional Progressive Caucus, wrote a letter on Aug. 12 to the heads of Obama's National Commission on Fiscal Responsibility and Reform (known to some as the "Catfood Commission"), Erskine Bowles and former Sen. Alan Simpson, demanding that they not touch Social Security in any way that would reduce benefits, increase the retirement age, or privatize elements of the program.

"We will not allow the commission to reduce Social Security payments, especially during an economic downturn that has wiped out trillions of dollars in net worth around the country," they wrote, adding, "Because Social Security is not the cause of the deficit, attempts to reduce it by cutting benefits would be misguided." They also reminded Bowles and Simpson, "Any recommendations from your commission must be enacted by both Houses of Congress," and any recommendations to change Social Security will be firmly opposed by the Caucus.

Meanwhile, President Obama used his Saturday radio address to posture as a *defender* of Social Security against the Republican Party's wish to privatize it. Never once did he mention his Reform Commission, which has put everything, including Social Security, "on the table" as it develops plans to slash Federal spending.

## **Obama's 'Recovery' Means You Can Sell Your Fire Station**

Aug. 14 (EIRNS)—If you have \$980,000 you don't otherwise need, perhaps you would like to buy a fire station in Omaha, Nebraska. The city has put one of its stations up for sale, in a desperate effort to reduce operating expenses. But the real point, according to the *Omaha World Herald*, is not to save the \$50,000 a year that a station costs to operate, but rather to get a foot in the door to lay off firefighters, which the city can't do at present without re-opening the union contract, which Mayor Jim Suttle is attempting to do. Only by reducing the number of firefighters and fire trucks in service can the city save "real money." Omaha's finance director has hired an accountant to figure out ways to do exactly that.

Instead of saving money, the city is more likely to get what Lawrence, Mass. and many other cities have already gotten: greater threats to lives and property from fires.



In Philadelphia, last weekend, the death of a 12-year-old boy in a fire was attributed by many to Mayor Michael Nutter's decision that three fire stations a day needed to be closed on a rotating basis, to help close a \$47 million deficit in the city budget. Yesterday, more than 100 people, including civic activists and members of the firefighters union, protested in front of a closed fire station in South Philadelphia. "We need our fire station. And we are willing to stand up and fight for it," one activist told the *Philadelphia Inquirer*. Leaders of the protest vowed that they would continue. "It's not going to be the last rally, that's for sure."

## **Medicare/Medicaid Administrator Robert Berwick Funded by Insurance Companies**

Aug. 12 (EIRNS)—Robert Berwick, who, as administrator of the Centers for Medicare & Medicaid Services, will be implementing many of the "health reform" mandates, has connections to the major health insurance companies, by way of the non-profit foundation he cofounded and until recently headed, the *Washington Times* reported. None of those entities appear, the *Times* says, on Berwick's financial disclosure statement or his ethics agreement.

BlueCross BlueShield Association of America, Cardinal Health Foundation, Aetna Foundation, RX Foundation, and Baxter International are among the donors disclosed by Berwick's Institute for Healthcare Improvement. They have donated from \$50,000 to \$5 million to one of the Institute's programs, a campaign for hospital safety. It's unclear, the *Times* says, "whether they figured into the government's standard ethics review."

The White House has gone legalistic on the matter, stating that Berwick has met ethics requirements, and that the financial disclosure form instructs nominees to list only former clients of a business or nonprofit in which the nominee was directly involved in providing a service for a fee for more than \$5000. Whether they see the relevant loophole in the Institute's relationships being non-commercial, or Berwick's level of personal involvement or monetary compensation, remains to be seen. Sen. Charles Grassley (R-Iowa), of the Senate Finance Committee, is demanding information about who funds Berwick's Institute, and whether any of those organizations were considered when ethics officials vetted Berwick.

## **Western European News Digest**

### **Euro Crisis Comes Back Onstage**

### **Germans Fight EU Commission Plan for Direct Tax**

### **Spanish Financial Crisis on 'Again'**

### **Farm Fields in Italy Burned Over London's 'GMO Issue'**

### **Labor-Industry Alliance Formed in Germany**

### **Experts Demand New Inquest into Kelly Death**

## **Euro Crisis Comes Back Onstage**

Aug. 13 (EIRNS)—The EU "junta" thought that the euro-crisis could disappear if they hid it. Thus, they faked an idiotic "stress-test" to claim that the banking system is sound, only to rush a EU10 billion emergency bailout loan for Anglo-Irish

bank, on Aug. 11. Anglo-Irish, which has so far received EU24.3 billion (over 10% of the entire Irish GDP!) in bailout money, was not even included in the stress-tests!

This, and yesterday's figures on the Greek economy, showing a shrinking by 3.5% in the second quarter, ending June 30, compared with the second quarter 2009, have brought reality back onstage. Thus, the euro financial crisis is back—it had never left—and the costs of debt refinancing for Greece, Ireland, Portugal, and Spain are on the rise again.

Faced with the explosion of the crisis, EU junta leaders will, despite their statements, turn to the printing press again. Alfonso Tuor, the deputy editor of Switzerland's *Corriere del Ticino*, warned, today, against such a policy, writing that the solution lies in a "real reform of the financial system to transform it again into an instrument of collecting savings, aimed at financing investments in the real economy, banning or controlling those responsible for the crisis, meaning the investment banks, hedge funds, private equity funds. And restructuring the debt must be considered."

## **Germans Fight EU Commission Plan for Direct Tax**

Aug. 10 (EIRNS)—Germany is against plans to give the European Union the power to levy taxes across the bloc, the Finance Ministry said Aug. 9. "Calls to introduce an EU tax are in opposition to the position the government established in its coalition treaty, in which it says that we will deny an EU tax or EU involvement in national taxes," Finance Ministry spokesman Tobias Romeis told the press in Berlin. He added that, whereas Berlin is not, in principle, against taxes of this kind, it is against a direct taxation by Brussels, as a "matter of principle." Indeed, taxation is one of the few sovereignty rights remaining under the control of national governments in Europe.

The German government responded to a report in the *Financial Times Deutschland* on Aug. 9, saying that EU Budget Commissioner Janusz Lewandowski plans to introduce new tax recommendations in September—like "eurotaxes" on banks, financial transactions, air travel and carbon permits. Lewandowski claims that that would fund the Commission's annual budget of EU130 billion directly, thereby ending its dependence on the 27 EU member states' payments. He told the paper that the "present structure of the revenue of the EU does not reflect the spirit of [EU] treaties."

## **Spanish Financial Crisis on 'Again'**

Aug. 12 (EIRNS)—The Spanish crisis is up-front again, in the form of the financial crisis in Catalonia and other regions. Due to Spain's autonomist structure, its regions control twice as much spending as the state, and employ more than half of all public workers.

Catalonia accounts for one-fifth of Spanish GDP and, according to Bloomberg, "has been shut out of public bond markets since March." Catalonia now pays a spread of 300 basis points over Euribor; not as much as Greece paid in the hot phase of the debt crisis in April, but more than the yields on the national debt. The yield on Catalonia's 10-year bond is at 5.5%, like Peru's.

Spanish law forbids the central government to bail out provinces, but Catalonia is "systemically relevant" for the Spanish financial system: It has 10 of the 46 saving banks and, most importantly, the largest one: Caixa.

## **Farm Fields in Italy Burned Over London's 'GMO Issue'**

Aug. 10 (EIRNS)—A group of uniformed anti-globalist radicals invaded and destroyed an alleged GMO [genetically modified—ed.] cornfield in Pordenone, northern Italy Aug. 9. The most outrageous aspect of the action was that the Mussolini-style "squadristi" were protected by the police, and politically backed by the newly elected governor of the

Veneto region, Luca Zaia. Immediately after the fact, Zaia blessed the illegal use of violence by declaring that "legality has been re-established."

The targeted farmer, Giorgio Fidenato, is member of an organization called Futuragra, whose observers think that the national head of the Green Party, Angelo Bonelli, was pulling the strings. The campaign is led by a "task force" of a couple of dozen organizations, including Greenpeace, but also the largest national farmers organization, Coldiretti. Futuragra exposes Coldiretti's ambiguity: while opposing GMO crops, Coldiretti supplies its members with GMO feed-corn.

Agriculture Minister Giancarlo Galan has criticized the action.

## **Labor-Industry Alliance Formed in Germany**

Aug. 11 (EIRNS)—In a joint declaration, the labor union of chemical workers, the associations of the chemical, steel, aluminum, glass, construction materials, and paper industries denounced plans by the German Finance Ministry to abolish exemptions from the ecology tax—exemptions once granted to the most energy-intensive industries. The ministry wants to abolish these, as phase one of a strategy to increase the ecology tax as such.

The joint declaration says that the effect of the ministry's planned measures, tax increases of 100%-300% by 2012, will be ruinous for many industries, which will then have no other choice, than to emigrate from Germany, thus killing tens of thousands of additional jobs. This is the second major labor-industry initiative in Germany, after a declaration of the steel industry and the steel workers in March, against raw-materials speculation.

## **Experts Demand New Inquest into Kelly Death**

Aug. 14 (EIRNS)—In an open letter appearing in the *Times* of London today, a group of prominent British medical experts has demanded a full inquest into the death of British government weapons inspector David Kelly. This could add to the pressure on the new British Conservative-Liberal Democratic-led government to officially reopen the case, as some Conservative MPs had promised during the election campaign, they would do once they came into power.

The letter was signed by eight senior figures, including former coroner Michael Powers, former deputy coroner Margaret Bloom, and Dr. Julian Bion, a professor of intensive care medicine. This new initiative now joins an ongoing legal action by a separate group of doctors to secure an inquest, according to a report in today's online *Herald Scotland*.

## **Russia and the CIS News Digest**

### **Climate Change Not the Cause of Drought and Fires in Russia**

### **Russian Demographic Report Should Be Wake-up Call**

## **Climate Change Not the Cause of Drought and Fires in Russia**

Aug. 11 (EIRNS)—While Greenpeace, the WWF, and other environmentalists are claiming that the wildfire disaster in Russia shows the extent of climate change, such fires have occurred repeatedly over the centuries, *Russia Today* documents today.

Meanwhile, despite the greenies' frenzy, the international climate change process is disintegrating—the just-ended Climate Talks in Bonn, Germany, set the climate freaks' agenda back to the situation even before the useless Copenhagen summit in December 2009. Bonn was supposed to be preparing for the Cancun climate summit later this year, and reports from India indicate that that summit might not even take place. Today, UN Secretary General Ban Ki-moon said that Cancun may not produce any binding agreements or climate change treaty. Five days of talks in Bonn only brought out more the conflicts between rich and poorer nations. China refused U.S. demands to monitor its domestic policies; African nations said that promised climate aid is totally insufficient; and the Russians refused to change policy, despite the severe Summer weather.

*Russia Today* chronicled the long history of hot Summers, droughts, and wildfires in Russia, starting in 1298. In 1371, fire and smoke was so bad that "black spots like nails came upon the Sun, and, for almost two months, a great pitch-black darkness covered the Earth," neither man, nor bird nor beast could see where they were going, as one chronicler wrote. A similar disaster happened 60 years later, and in July 1735, Empress Anna Ivanovna complained of the smoky air, writing: "We are surprised to see that nobody seems to hold off these fires, even though they have happened for a number of years in a row. Give an order to find out why this happens and send people to extinguish the fire as soon as possible." However, by the mid 19th Century, the army was being mobilized to combat burning forests and peat bogs, in the severe drought years of 1868 and 1875. The most recent such disaster was in 1972.

Yesterday, Russian Prime Minister Vladimir Putin proposed that the Federal Forestry Agency be put under control of the national Cabinet. The extensive and highly skilled Russian national forestry service was dismantled in the post-Soviet period, and in 2007, Putin himself had taken the final reform which eliminated government responsibility for forest fire prevention.

Putin also met with Moscow Mayor Yuri Luzhkov, who stated that the orders to flood the dried-out peat bogs have not been carried out, but they would now be flooded.

## **Russian Demographic Report Should Be Wake-up Call**

Aug. 14 (EIRNS)—The (U.S.) National Bureau of Asian Research presented a report on Aug. 12 entitled, "Russia's Peacetime Demographic Crisis: Decisions, Causes, Implications." The author of the report, Nicholas Eberstadt, is associated with the American Enterprise Institute, which will have its own reasons for utilizing some of the conclusions of the report to indicate that Russia is becoming a "failed state," but Eberstadt himself appeared genuinely concerned over his findings, which were based on a variety of sources, including Russia's own Goskomstat, the WHO, as well as the U.S. Census Bureau. The report was dedicated to veteran demographer Murray Feshbach on the occasion of his 80th birthday. Some of the more dramatic data in the report corroborate many of the findings of the earlier Feshbach research on Russia's demography.

While the decrease of the birth rate in Russia is similar to most other European countries, the fall was particularly dramatic from around 1988-89 and through the 1990s, the period of the Yeltsin-era "shock therapy," with a slight rise after 1999, with the emergence of the Putin government. More serious, was the dramatic rise in mortality with the beginning of the "shock therapy" regime. Overall, the figures began to skyrocket between 1992 and 1994, recovering somewhat until 1998, when the ruble crisis then sent the figures skyward.

In Russia, for every birth, there are three deaths, twice the rate of the rest of Europe. The primary cause of death is cardiovascular disease (CVD). The second major cause is death by "external causes," e.g., injuries, poisons, homicides, suicides. These two account for over 90% of the rate differential distinguishing Russia from Western Europe.

Violent deaths are 5-6 times higher than in Western Europe, and, higher among women than among men. WHO estimates

that for 2006, life expectancy at age 15 (excluding infant mortality) in the Russian Federation is lower than for some of the least-developed countries, such as Bangladesh, Cambodia, and Yemen. While average life expectancy for men in the Soviet Union in 1964 was slightly under 70 years (on a par then with Austria), now the average is 60 years. If Russia had maintained the average mortality rate that France or Austria had in 1992, we can see that from 1992 to 2006, Russia had an "excess mortality" of 18 million additional deaths.

While the figures encompassed in the study don't include the last three years in which efforts have been made by the Russian government to reverse this trend, the dire picture presented indicates that without a sharp change in the present policy of bailing out the failed British financial system, Russia—and the world—is condemned to ultimate extinction. While neoconservative ideologues will argue, as one did at the presentation of the report, that an increasingly desperate, failing Russia is an ever greater risk to peace, the more rational conclusion is that only through a decisive shift in global policy toward the Nawapa-style development projects, proposed by Lyndon LaRouche, combined with nuclear energy and high-speed rail, can Russia and other nations step back from that dangerous path.

## Southwest Asia News Digest

### Propaganda for Israeli or American Attack on Iran

### Sarkozy on a 'Sykes-Picot' Rampage

#### Propaganda for Israeli or American Attack on Iran

Aug. 12 (EIRNS)—The *Atlantic Monthly* magazine's September 2010 issue has a cover story by Israeli Defense Force reservist Jeffrey Goldberg, aggressively peddling the need for Israeli or American military action against Iran (see InDepth). Goldberg sees a deadline of March 2011 for a massive Israeli air assault against Iran's nuclear sites—unless the United States either convinces Iran to give up its nuclear weapons quest through diplomacy, or President Obama orders an American military strike first.

The Goldberg propaganda tract is the most widely promoted "bomb Iran" piece to appear yet. Goldberg interviewed Israeli Prime Minister Benjamin Netanyahu, top Israeli generals, Obama chief of staff Rahm Emanuel, and a number of top White House Middle East policymakers, including Dennis Ross. The Obama crew attempted to present the President as fully committed to using military force to prevent an Iranian bomb, but Goldberg presented a skeptical picture, insisting that, ultimately, Israel will likely have to bomb Iran with no U.S. military backing by no later than Spring 2011.

In direct contrast to the "bomb Iran" propagandists, the Veteran Intelligence Professionals for Sanity (VIPS) issued an open memorandum "for the President" on "War With Iran," warning that Israel could launch an air attack on Iran "as early as this month." The memorandum was dated Aug. 3, and was signed by the group's steering committee members: Ray Close, Phil Giraldi, Larry Johnson, Patrick Lang, Ray McGovern, Coleen Rowley, and Ann Wright.

The VIPS memorandum harshly criticized the President for propitiating Netanyahu at the pair's July 7 White House meeting, accusing Obama of being "distinctly out of tune with decades of unfortunate history with Israeli leaders." Netanyahu "reads your reluctance even to mention controversial bilateral issues publicly during his recent visit as affirmation that he is in the catbird seat in the relationship." After reviewing Netanyahu's recently exposed contempt for the United States, VIPS warned that Iran is pledged to resume talks on their nuclear enrichment program in September in Vienna, and this is why an Israeli attack during August cannot be totally dismissed.

## Sarkozy on a 'Sykes-Picot' Rampage

Aug. 14 (EIRNS)—*The following report is excerpted from an Aug. 9 article in Nouvelle Solidarité, the newspaper of the LaRouche movement in France.*

The violence of the flairup which occurred on Aug. 3 at the blue line dividing Lebanon from Israel since the last Israeli-Lebanese war in 2006, reflects intense manipulation, in the Sykes-Picot tradition of imperial skullduggery, of the entire region, and of Lebanon in particular, in the context of the confrontation against Iran that the City of London and Wall Street oligarchy is orchestrating.

In recent months, the attitude of the French government towards Iran has shown that France is acting as one of the leading elements pushing for confrontation, and that it is fully collaborating with the Israeli war party in this objective.

The Sykes-Picot method is once again on the verge of provoking ethnic strife in a Lebanon which had managed to establish a precarious unity since May 2008. At that time, Egypt and Qatar, as well as Saudi Arabia and Syria, had helped broker a national peace agreement which had held up to this day. The crisis erupted when the Saudi-backed Saad Hariri, then the head of the Current of the Future political bloc, had attempted a putsch which failed when Hezbollah, backed by patriotic Lebanese factions, used military force to stop it.

A full compromise evolved out of the Qatari deal and out of national elections held thereafter, which lead to a pacified situation accepted by all, whereby Hariri became Prime Minister, and Hezbollah and the Christians of Gen. Michel Aoun (ret.) saw their institutional position in the government and the parliament solidified. In the meantime, unimaginable for Lebanon, Hariri, the Sunni, established regular relations to Hassan Nasrallah, the Shi'ite, to Aoun, the Christian, and to Walid Jumblatt, the Druze.

It is precisely this fragile national unity which is threatened by news that the Lebanon Special Tribunal in charge of investigating the murder of former Prime Minister Rafik Hariri will publish an indictment accusing asteroid elements of the Hezbollah of having murdered him.

This is the same Tribunal which claimed for several years, using corrupt sources, that Syria had murdered Hariri. Detlev Mehliis, the first head of the International investigation commission on the murder, was discharged when it appeared that his sources were totally corrupt. And, on May 2009, Germany's *Der Spiegel* magazine was the first to announce that the Commission, now led by Daniel Bellemare, a Canadian, was reorienting its investigations against elements of Hezbollah.

The Special Tribunal is expected to issue its accusation between September and October, something which has brought tensions in Beirut once again to a head, particularly pitting the Sunni faction, which now has Rafik's son Saad Hariri in the Prime Ministership, against the Shi'ite Hezbollah.

According to Hassan Nasrallah, it was Saad Hariri himself, who, in a recent discussion with him, informed Nasrallah of the coming indictment by the Special Tribunal. Hariri noted, however, that he could not hold Hezbollah—which occupies several Cabinet posts—responsible for the murder, but only extraneous elements of it. However, the fear is that the Sunni population does not see it this way, and could instigate violence.

While initially French President Nicolas Sarkozy contributed to the calming of the situation in Lebanon, this has changed since Sarkozy moved into a campaign targeting Iran's alleged nuclear weapons program, and many sources are reporting that in Lebanon, France is using its participation in UNIFIL, the UN peacekeeping force, to try to weaken Hezbollah, in the context of the buildup of the confrontation against Iran.

First, violent incidents involving UNIFIL provoked Shi'ite populations in southern Lebanon on June 29 and July 3-4, when, in the context of maneuvers aimed at testing attack capabilities against the Israelis in Southern Lebanon, French UNIFIL troops deployed with tanks into villages of southern Lebanon and into the houses of local inhabitants, searching for weapons, passports, and taking pictures.

This was the first time UNIFIL had deployed tanks in those areas, and the deployment was not coordinated with the Lebanese Army, as the UN mandate requires. Complaints about the incident went all the way up to the UN Security Council, with Lebanese President Michel Suleiman criticizing the UNIFIL deployment and insisting that UNIFIL is there to protect the borders.

According to *al-Manar* of July 10, General Kahwagi, chief of staff of the Lebanese Army, denounced a secret mission run by the UN forces in Southern Lebanon to the benefit of Israel. He said that Israel is often turning lists over to the Lebanese army, with houses and people in southern Lebanon suspected of acting against Israel, but that the Lebanese army does not pursue them, since its role is not to protect Israel. General Kahwagi was reportedly irritated at the numerous deployments of elements of the UNIFIL to Israel, according to French specialist George Malbrunot, in a July 19 article in *Le Figaro*.

Malbrunot also highlights visits by top Israeli Defense Forces commanders to their French counterparts, asserting that such visits, which did not exist during the 40 years that preceded Sarkozy's election in France in 2007, have become current, and some are now wondering why a bureau for the Israeli army has not been set up at the Defense Ministry, as in the Fourth Republic—the time of the joint Franco-British seizure of Suez.

In general, there is talk in Lebanon that the French are trying to use their role in UNIFIL to weaken Hezbollah, in the context of their campaign against nuclear power in Iran. Following the incursion of the French UNIFIL soldiers into southern Lebanon, Hezbollah put out posters in French in the area, warning of retaliations if the French were caught engaging in operations against the resistance.

## Asia News Digest

### Regional Powers Getting Active in Afghan Solution

### Cambodia Compares Thai Government to Nazis, Calls for Action To Stop War

### Challenges Facing China's Great Water-Transfer Project

### Don't Accept a Bribe Until You've Checked the Envelope

## Regional Powers Getting Active in Afghan Solution

Aug. 10 (EIRNS)—Iran, India, and Russia have begun parleying on how to stabilize Afghanistan once the U.S. and NATO call it quits in the war in that country. These three, along with some others in the region, are trying to work out a regional plan for post-war Afghanistan.

Indian Foreign Secretary Nirupama Rao held talks with Russian First Deputy Foreign Minister Andrei Denisov in Moscow on Aug. 4, sources told Indo-Asian news Service (IANS). The Russian side reportedly briefed Rao about President Dmitri Medvedev's plan to hold a trilateral summit later this month with Pakistani President Asif Ali Zardari and Afghan leader

Hamid Karzai.

"Both India and Russia are inching closer to a regional approach and have shared interests in preventing a Taliban takeover after the U.S. troops leave," Arun Mohanty, an expert on India-Russia relations, told IANS.

Meanwhile, U.S. Sen. John Kerry (D-Mass.) chairman of the Senate Foreign Relations Committee, in an interview with Fareed Zakaria, posted on the Real Clear Politics website on Aug. 1, said he is against deployment of more troops, and he believes "the answer is a political resolution and that political resolution has to come about by engaging to a greater degree with India, with Pakistan itself. But I think we should also engage China, Russia, and I would say to you that the possibility could exist even of Iran playing a role in helping to change the equation on the ground." He insisted that he would talk to Iran, since "they don't like the Taliban. They don't like narcotics being transited. There are reasons that they would want a stable government there."

Iran too has stepped up diplomatic efforts. Deputy Foreign Minister Mohammad Ali Fathollahi, who was in India Aug. 5-7, had talks at the Indian Foreign Office and claimed that New Delhi and Tehran "enjoy a close viewpoint on Afghanistan." But Iran does not share India's concern that Pakistan's army and the ISI intelligence services might foist themselves on Afghanistan once the international security forces by 2014. Unlike New Delhi, Tehran wants the forces to leave Afghanistan as soon as possible. Fathollahi said Tehran was also deepening "trilateral dialogue" with Afghanistan's partners and was pursuing talks with Tajikistan, Pakistan and India.

## **Cambodia Compares Thai Government to Nazis, Calls for Action To Stop War**

Aug. 14 (EIRNS)—The Cambodian government today warned that the government in Thailand is preparing to launch a war on Cambodia, and compared Thailand's methods to those of the Nazis. The Cambodian Council of Ministers' statement accuses Thai Prime Minister Abhisit Vijjajiva of attempting to "intoxicate" the population to win their support "to take the Cambodian territory by force." It points to Abhisit's statements at a Yellow Shirt rally of his supporters (which Abhisit attended even though the rally was illegal under his emergency rule!), where he called for abdicating the long-standing agreement between Thailand and Cambodia that acknowledges Cambodian sovereignty over a contested area on the border, and said that military means will be used when deemed necessary. The Cambodian statement ridicules Abhisit's claim that he was misquoted, asking why he had not corrected the entire Thai press corps for reporting exactly those words.

Further, it points to the Thai use of a map which has long been rejected by international tribunals as "the same methods as the Nazis under Hitler and the Fascists under Mussolini had perpetrated during World War II when they wanted to invade and occupy foreign lands."

## **Challenges Facing China's Great Water-Transfer Project**

Aug. 8 (EIRNS)—China's "Move South Water North" project, the greatest such project being constructed in the world, is facing the challenges of building infrastructure on this scale in a densely populated and economically underdeveloped nation. China being China, however, and despite a recent spurt of nasty criticism in the western press, this work, planned over the past 50 years, is making real progress. The same western critics are still violently attacking the Three Gorges Dam, which is helping control some of the worst floods in China in many decades.

Preparatory work for the South-North project included climate studies by the Chinese Academy of Sciences, which showed that northern China was a much greener region 5,000 years ago. The goal of the project is to reverse millennia of expanding desertification in that region.



The Move South Water North project is being built to bring water from China's biggest river system, the Yangtze and its tributaries, to the much more arid northern plain, one of three large population areas, and China's wheat belt. Lack of water is hindering development in this region, not only in agriculture, but also the development of cities and industry.

China, which has a population five times the size of the United States in a similar-sized territory, is planning to become more than 50% urbanized within the coming 10 years, which will mean that some 200-300 million *more* people will be moving to China's cities. This will greatly increase water consumption overall.

The easternmost route of the project has been under construction since 2002. It is one of what will be three planned, 1,000-km man-made rivers, including dams, locks, and tunnels to move the water. When the first two man-made rivers are completed by 2014, they will carry 8 trillion gallons of water a year. The easternmost river follows the same route of China's ancient Grand Canal, including a huge tunnel *under* the Yellow River in Shandong province, to take water to the area of Beijing and Tianjin.

Second is the serious issue of water pollution. On July 6, *China Daily* reported that the poor quality of the water along the eastern route is causing real problems. Much lower energy and industrial efficiency are big issues for developing nations such as China, exacerbated by the huge scale of population size and density—issues which can only be resolved by rapid development of nuclear energy and other advanced technologies.

The national director of the South-North water project, Zhang Jiayao, announced that "there is still a long way to go before local authorities transform the eastern route into a clean-water corridor," meeting the minimal requirement of Grade 3, drinkable, treated water. Thousands of highly polluting small plants have been shut down along the route, and hundreds of pollution-control facilities, including water treatment plants, man made wetlands, and upgraded urban and rural sewage systems, have been built or are under construction. But water quality met the Grade 3 standard only in two-thirds of the existing truck canals, demonstrating the need for rapid advance of technology in China and the rest of the world.

## **Don't Accept a Bribe Until You've Checked the Envelope**

Aug. 14 (EIRNS)—In May of this year, Indonesian President Susilo Bambang Yudhoyono signed a letter of intent with the Norwegian government to suspend any new development in the country's natural forests and peat lands for two years. "With the agreement, Indonesia will receive \$1 billion in grants in phases from Norway to reduce emissions," according to the *Jakarta Post* at the time.

The official Indonesian press agency Antara reported yesterday that the bribe money will be slightly delayed.

After a meeting with Norwegian Ambassador Elvind S. Homme on Aug. 12, Indonesian Economic Coordinating Minister Hatta Rajasa reported, "The first-phase withdrawal was supposed to be \$200 million [in 2011], but it was finally agreed at \$30 million [to be realized in 2014], and we will make gradual withdrawals up to \$1 billion."

So the grant becomes a loan; \$200 million becomes \$30 million, and 2011 becomes 2014. Remember, get your money up front when you sell your country out to the Greenies.

## **Africa News Digest**

- [China To Build Hydroelectric Dam in Zambia](#)

## China To Build Hydroelectric Dam in Zambia

Aug. 17 (EIRNS)—Zambia signed an agreement Aug. 13 with two Chinese companies to build the Kafue Gorge Lower Power hydroelectric plant, according to Zambian Finance Minister Situmbeko Musokotwane. The project will cost \$1.5 billion.

Construction of the new power plant, Musokotwane said, would start in April 2011. The initial \$1 billion will come from the Chinese. Zambia is joining with the China Africa Development Fund and Sino-Hydro to carry out the project, he added.

The Kafue Gorge project is to add 600 megawatts of power to the national grid in Zambia. Zambia recently also inked a contract with China to refurbish generation capacity in the Karibe dam. Zambia has been forced to import power, because there has been no investment in power generation for years.

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