

# EIR

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Top Israelis Push To Stop Bibi's Imminent Hit on Iran  
Only Glass-Steagall Can Stop Disintegration of Europe  
LaRouchePAC Gives Congress Agenda To Save the Nation

**LaRouche Presents War Plan  
To Stop World War III**



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# EIR

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## From the Managing Editor

Does Barack Obama want to be re-elected President badly enough to start a thermonuclear war to “win votes”? With the two putative Presidential candidates running neck-and-neck; high Israeli military and intelligence officials saying Tel Aviv could launch war against Iran within weeks; and the collapse of Kofi Annan’s peacemaking mission in Syria, that is the question one has to ask.

Lyndon LaRouche shocked a private international gathering in Washington on Aug. 2, with the remarks that we publish as our *Feature*. “We’ve come to a point,” he said, “that the conflict centers on the question of, will thermonuclear weapons be used?” He made sure that the audience understood that there are solutions, and that they require urgent financial reforms; but he didn’t let them forget for a moment just how much is at stake.

The rest of our issue fills out that picture:

The *International* section elaborates the picture from Israel, and also presents an analysis of the mess into which Turkish Prime Minister Erdogan has gotten his country with his lunatic aspirations for a “new Ottoman Empire”; and a perspective from Lebanese analyst Bassam el-Hachem on why the “civil war” in Syria is not a civil war at all, but the result of foreign manipulation.

In *Economics*, we report on the rapid demise of the Eurozone, even as U.S. Senators were stunned to learn from expert testimony on Aug. 1 that the situation there is *not* under control, despite what Treasury Secretary Tim Geithner had assured them. Meanwhile, pressure grows to jail the “banksters” from HSBC and their cohorts at the Treasury Department, including from Neil Barofsky’s new book, *Bailout* (reviewed by John Hoeffle). We conclude with a case study of the collapse of the physical economy: the disintegration of Mexico’s agricultural capabilities, and what can be done to reverse it.

In *National*, the focal point is the LaRouchePAC mobilization in Washington to get Congressional action on the war threat and the restoration of Glass-Steagall. A guest article compares current propaganda about Iran’s nuclear threat to the “sexed up” dossier of lies that led to the 2003 invasion of Iraq.

Finally, we contrast the Green fascist assault on Italy’s industry (the huge Taranto steel plant, which was forced to close) with the inspiring Chinese progress on the vast Three Gorges Dam project.

*Susan Welsh*

## Cover This Week

*A Syrian soldier, wearing a Soviet-made nuclear-biological-chemical warfare masks, aims an AK47 assault rifle during a demonstration, as part of Operation Desert Shield.*



Creative Commons/H.H. Deffner

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Lyndon LaRouche's address to a private gathering in Washington, D.C., on Aug. 2. Against the backdrop of the very real threat of thermonuclear war erupting between the United States and Russia, as a result of the insane provocations of the Obama Administration over Syria and Iran, LaRouche noted that there is the possibility of something good emerging: Recently, a group in the U.K., associated with international finance, have had a kind of "Damascus Road conversion," and are calling for a revival of Glass-Steagall, at the same time that top military-intelligence figures in the U.S, as well as Russia, have taken a strong war-avoidance stance, which has, so far, kept things from going out of control.

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## Editorial

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## LaRouche Presents War Plan To Stop World War III

*Lyndon LaRouche gave this address to a private gathering in Washington, D.C., on Aug. 2, 2012.*

We are presently, as most of you already know, in probably one of the greatest crises in human history. Because we've come to a point that the conflict centers on the question of, will thermonuclear weapons be used?

This problem has been on our minds, and threatening us, since, probably the middle of the 1960s, at which point there was the possibility of a Russian super-bomb—one case from that period—but there's been an increasing importance of thermonuclear capabilities. And even back then, during the middle of the 1960s, it was known and fairly estimated by most officials in this business, that thermonuclear warfare is extinction warfare. That does not mean that there would be an immediate extinction of humanity, but there would be a process of eruption which would probably, we would have to say it's estimated, could eliminate the human species.

We are now at a point where that is brought back to us, because we have, between Russia and China, on the one side, who are struggling for peace in the world, and avoidance of this process; on the other side, you have certain forces which are pushing *for* warfare, using the Middle East cockpit for such warfare, which could be such a threat to mankind. And that threat to mankind is foremost in my attention, and in the attention of people

of rank whom I know inside the United States and other countries.

You have some people, such as the Joint Chiefs of Staff in the United States, and certain leadership forces in Russia and China, which are working to try to prevent this thing from happening. And it's our concern that this prevention occur. But the danger is going to exist for some time.

Now, the other side of the thing, is the fact that we're in the worst financial crash in world history. The crash is centered in the trans-Atlantic region, and affects, of course, Africa, but Africa doesn't know that, because Africa has been under so much, for so long, that this is not great news. But for the rest of the world, for the trans-Atlantic world, we're now in the point of a breakdown crisis. And what we're looking at is an economic breakdown, which is now threatened, unless certain measures are taken, to occur during this year. If the present President of the United States were by some mischance re-elected, then we would have a terrible situation.

But the current President, of course, is in difficulty for violations of this or that, things which could result in his being removed from office. We've already seen that process: If you look back to the Nixon Administration, and how Nixon was hoisted out of government back in the early 1970s, you know how these things are done. And what is happening now, in the United States, has a

certain resemblance to what happened to Richard Nixon back in a comparable period; it's close to that now. The charges are actually there, they're floating outside; the indications are there, and we have generally a mess.

### The Possibility of Something Good

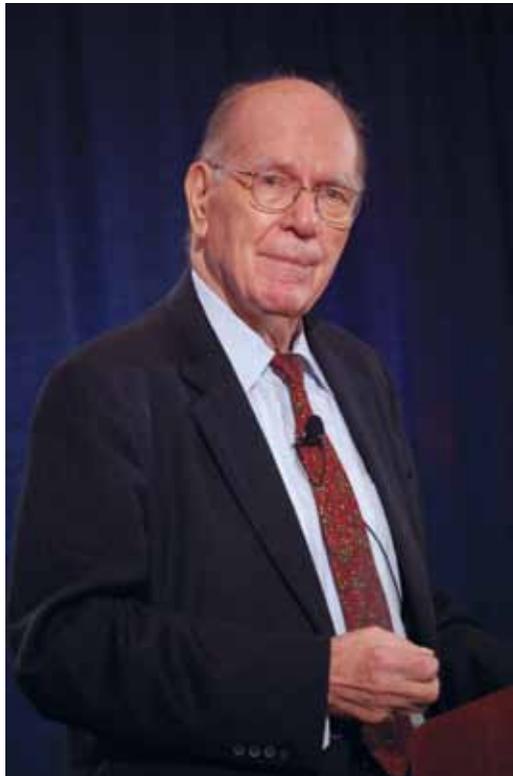
We have one piece of good news in this whole process. My old adversary, the British Empire, has undergone a certain degree of improvement. The following is extremely interesting, because there is *truth* in the situation; it is also the possibility of something good, and we just have to take both of these contingencies in mind, and see which one is going to be forthcoming.

Recently, a group of people associated with finance, international finance, inside the British system, have called for a Glass-Steagall adoption by Britain, and also, in collaboration with the United States. Now, this certainly is not coming from Mr. Obama. But a Glass-Steagall introduction now, between certain forces in Britain—if it happens—and certain forces in the United States, which I can say, we are committed to. We're committed to Glass-Steagall, because without Glass-Steagall as a reform, the United States economy will crumble, and will crumble this year. Only Glass-Steagall's installation will save the situation.

So, therefore, the hopeful side is that, first of all, Russia and China succeed, together with the Joint Chiefs of Staff of the United States, in preventing the current situation in the Mediterranean from becoming general warfare. That's number one.

Number two, we must have a reform of the economic system, especially in the trans-Atlantic region. Now, of course, a reform in the trans-Atlantic region would be a reform that would affect the world economy, and for most of the world, that reform would not be too difficult.

For Europe, it's a crisis. All of Western and Central Europe is in the process of disintegration right now,



EIRNS/Stuart Lewis

*The shift among top financial circles in London to support for Glass-Steagall represents a sign of hope that the current economic/political crisis can be overcome, LaRouche declared.*

economic disintegration. It's being held together with wires and cheese, and whatnot, and whatever else they use to pull things together. But we're on the verge of a general disintegration throughout Central and Western Europe. Economic disintegration. Not crisis, not depression, *disintegration*.

And the question is, can we stop it?

Because the collapse of the European system, the trans-Atlantic system, would mean a disaster for the relatively better off, momentarily, China and other parts of the world. So therefore, we have a Pacific region, which is more stable, but with many difficulties, and we have the trans-Atlantic system. The trans-Atlantic system is now in the threat of a breakdown crisis, and the whole system is being held together by wire, and whatever, and toothpaste, and whatever

else you use to pull things together.

By this order, under the present trends, if what present trends seem to be, were to continue, by the end of this year, we will have a disintegration of the trans-Atlantic system.

That can be prevented.

### A Recovery Depends on Glass-Steagall

Now, what I want to emphasize with this talk about calamities, I want to emphasize what's important: what are the remedies. What are the possibilities of escaping this crisis?

Now, what you hear from various quarters, is that Glass-Steagall is, for the trans-Atlantic region in particular, the one measure which can prevent a general economic breakdown crisis of the trans-Atlantic system. There would be no great technical difficulties for Asia in participating in such a system. There are measures that have to be taken, but they could be taken. And they're not really controversial. They may be controversial to some people, but they're perfectly reason-



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*There has been a disintegration of the economies of the trans-Atlantic region, LaRouche said. Spain and Greece are on the verge of collapse, with Italy not far behind. "And in that process, how much will be left? Nothing." Shown: A demonstration in Barcelona against EU-mandated cuts in social services, July 19, 2012.*

able. All the interests of nations, variously, can be represented fairly by this kind of reform. And it is my particular hope that this be realized, and realized this year, so we can bring together, around what we have now, a group of nations who will initiate a kind of reform which means an economic recovery *process* among nations.

It's going to be difficult, because, as you know, most nations of the world have been undergoing a deterioration, especially in the trans-Atlantic region. There's been a disintegration of the economies of the Americas, and Europe, and so forth. Africa, of course, is continuing to suffer—it's hard to say they're going through a crisis, because they've been in crisis for so long, it doesn't make much difference.

But, the possibility of a recovery does exist. It exists and depends upon a Glass-Steagall agreement. Why?

If you look at the accounts in the trans-Atlantic regions, among nations, you will find that there's not much value in any of it. The physical productive capabilities throughout Europe, throughout the United States, are actually zero. All the so-called wealth of the United States, in terms of money wealth, is fake. There's no value in it.

There are no industries in the United States of any

significance left—they're gone. The skills of the people are gone. The deterioration of our population, of our young population, under 25 years of age, is a criminal state of affairs. We are at the breakdown point, and the danger is that the continuation of the process which is behind this breakdown, if it continues, can bring down civilization, by chain-reaction effects. And can actually lead in the process, to the unleashing of thermonuclear war. And a thermonuclear war, if it's stacked up now, and the way the system is stacked up now, is a quasi-extinction event, which can lead to a complete extermination process.

Therefore, we *must*, we *must* take certain drastic measures of reform, and take them

now, based on agreements among nations for an economic reform, as well as economic-cooperation reforms among nations.

In the trans-Atlantic region, it's very easy to do so, in principle. Whether politically it's feasible or not, that's another question. But in physical terms, solutions do exist. They're not going to be comfortable solutions, because we have lost, in the United States; we have lost in Europe; we have lost the greatest part, since the assassination of John F. Kennedy—we've gone through a process in the United States, and into Europe, which has resulted in a general *erosion* of productive capabilities in the trans-Atlantic region.

There are very few exceptions, and very small ones.

### **The Threat of Thermonuclear War**

So, now we've reached the point that, if we're going to rebuild, if we're going to avoid this great crisis which now threatens us, we're going to have to start modestly, but with great ambition. What we will be able to achieve—we have a labor force that no longer has skills. The majority of our U.S. labor force no longer has productive skills. What they're doing is not production—it's make-work. It's fill-in work.

You have a similar trend in Western and Central

Europe. The euro system has been an absolute disaster for all of Western and Central Europe. And the result is, now you have China and India, both of which—China more notably—depend to a significant degree on a European and a U.S. market. And therefore, the threat of the collapse of the trans-Atlantic region is a threat to all nations, to one degree or another.

My view is that we can solve that problem, if the will is there to do it.

And the thing we're starting on, really, is, you have Russia standing in the way, directly, in near-Asia, of thermonuclear war. The danger was, last Summer, after the destruction of one nation [Libya] by Obama—and it was the U.S. forces under Obama which destroyed that nation—and they wanted to extend it *immediately* into the Near East, into Syria and to Iran. That intention still exists. Russia is blocking the way against the continuation of that war. And implicitly, China is involved in that.

The Joint Chiefs of Staff of the United States military, have been at the other end of blocking against that war. Because any general officer, especially of this grade, knows exactly what thermonuclear war is. The world knows what the naval capabilities are of the United States in the Pacific region. We have the ability, on a first launch, to virtually exterminate part of civilization. That must not occur. We must prevent that.

So, the Joint Chiefs of Staff of the United States understand that, and do what they can to prevent this thing from being launched. And without their interference, and without Russian interference, that would have happened. You cannot have a war in Syria, and a war in Iran, that does not become a world war. And if it becomes a world war, at that point, it becomes a *thermonuclear* world war.

European nations generally have very little reserve for military operations, as I think many of you know. They have drained their capabilities. You have two major powers in the world which have, combined, major capabilities. One is the United States. The United States is the only nation that has, on the Western side, an in-depth thermonuclear capability, largely in the naval capabilities. The U.S. naval capabilities can virtually destroy much of the planet. And that's what's being threatened.

What Russia has been doing, in the Middle East, in collaboration of a certain type with the Joint Chiefs of Staff of the United States, has been blocking the steps that would lead to a thermonuclear war throughout the planet. And, if you go back to the middle of the 1960s,

when the first idea of thermonuclear war was possible, we began to recognize at that point that thermonuclear war would be extinction warfare, or would become extinction war, if it kept going on. We've now reached the point that the British have very poor depth, in terms of thermonuclear capability. They don't have reserves. The one nation on that side is the United States, that has in the naval forces, the reserves necessary to virtually destroy much of the planet.

And it's not just the detonation of those weapons. It's the after-effect of the detonation of those weapons, which is what concerns us the most. Because you've got to think about what the weather is after a full-blast shock of thermonuclear warfare, on a strategic level. Not local weapons, not special cases, but strategic. And that's what a few people—a few governments and a few people around this world—have been blocking.

Now, what's the other side?

Well, as I said before, we have a world economy that does not really function as a world economy. You have some parts of Asia, some parts of other locations, where there's still some kind of productivity; there's some growth going. But that growth is largely dependent on the continuation of world trade levels. So, therefore, we're looking at the whole concern of all mankind. If it doesn't affect one nation directly, it affects it indirectly, with the same force as if it were directly.

And we can change that.

## A Sudden Change

Now, let's suppose this. The group in Britain, which proposed the adoption of a Glass-Steagall law—some of you may not understand the Glass-Steagall law, but it's crucial in this case—recognized, people who had been part of the British system on everything, on the imperialist side, all this stuff, suddenly changed their view. And one bright day, they announced their change of view, and said that Britain must adopt a change in economic policy, from its previous economic policy to a U.S.-style Glass-Steagall policy.

This came from a number of people who are typical British oligarchs, financial oligarchs. And they were very firm. They proposed, publicly—this was a few weeks ago—the establishment of a Glass-Steagall agreement with the United States. Now, of course, Glass-Steagall was originally a U.S. creation under President Franklin Roosevelt. It was destroyed by the current and recent administrations—by the Bush Administration and the current President's Administra-

tion. They've done everything possible to destroy Glass-Steagall.

The destruction of Glass-Steagall, from the United States, is the *cause* of the general breakdown crisis going on in the United States today. You see in London, in other parts of Europe, the European nations, generally, you see this madness, this gambling system—the so-called Libor system—has destroyed the economies, or what remained of the economies, in the trans-Atlantic region. We are, in this year, in this month, we are on the verge of the disintegration of the European system, the economic disintegration of the European system. And we can stop it—with Glass-Steagall.

Because what Glass-Steagall is dealing with, is a gambling system, and it's pure gambling. The trans-Atlantic region is based on pure financial gambling. There is no substance to what's going on. It's a complete fraud.

Now, the solution is, under what's called Glass-Steagall, which was invented by President Franklin Roosevelt, and continued since that time until recently: Glass-Steagall was the means by which we dumped the speculative banking system. We just told them, you're bankrupt. We shut down the worst speculators in the world, in London and the United States. We shut them down, then. And that's how we saved the United States, in particular, back during the 1930s, under Franklin Roosevelt.

The impact of the Roosevelt Glass-Steagall reform was so strong, that they were never quite able to destroy it until the end of the 1990s—not until that time. Then they got the thing through. And since that time, the United States, and also Europe, have gone into a hyperinflationary spiral, which has brought the European system to a breakdown point. So, obviously, on the first account—and there are several accounts, I just indicate to you which are crucial here—if we do not put back Glass-Steagall, as a U.S. law, immediately, and if we do not engage Europe in agreements to the same effect—which is what the British group I referred to has said—then the whole system, the whole economic system, of the trans-Atlantic system, is going to disintegrate, *this year*.



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YouTube/RT

*Among the list of financial oligarchs who have "seen the light" on Glass-Steagall, are Lord Nigel Lawson, former Chancellor of the Exchequer (left); and Peter Hambro, chairman of Peter Hambro Mining.*

So, it's not a usual situation. But Glass-Steagall will work.

Now, the problem is, it is not difficult for most of you, in your own countries, to recognize what the benefits of Glass-Steagall are. The obvious benefits. And most nations do know this. But they know that certain financial interests don't like the idea. But the point has come, when the financial interests in the Western Hemisphere, the western part of the world, have created a hyperinflation beyond belief. This is worse than any hyperinflation in recent European history. And if we don't get rid of that hyperinflation, the United States will go down, and Europe will crash immediately. The entirety of Western and Central European nations is presently on the brink of disintegrating.

This is not a question of a depression, an economic depression. It's a matter of disintegration.

For example: Spain is on the verge of disintegrating. Greece is ready to disintegrate. Italy will disintegrate. And in that process, how much will be left? Nothing.

## **We Are Going To Survive**

So therefore, we're on the edge of the situation, where these reforms must occur, or we'll have a chain-reaction collapse throughout the planet, of economies. And therefore you have this phenomenon, of suddenly, the British Empire, which has been the world empire

ever since 1763, when the British East India Company took over—and that situation has dominated the world, as British imperialism, up to the present day. And what you've always had, is that the complicity of certain U.S. forces with the British in that policy, has been the cause of most of the problems this world has gone through.

Now we've come to a time that the monster has threatened to eat itself. The monster of hyperinflation, the monster of the British system, has come to its end, and leading British thinkers have understood that, and led in the charge.

More recently, in the past week, we've had also the same thing happen inside the United States. A number of leading bankers, who are among the biggest robbers of nations you ever saw—just like the British ones—these robbers of nations have suddenly come to say, "Oh, we must reform. We must have Glass-Steagall."

Now, Glass-Steagall is not difficult for most governments to understand, at least on the surface, on the outside. We simply take those categories of financial speculation, which are not worthy of trust, and we tell these gentlemen, they can continue their banking processes, but we don't have anything to do with them. And we will not bail them out if they get into difficulties. If they cannot survive, they will go bankrupt, and we will help them go bankrupt. But we are going to limit the liabilities of the United States, and these gentlemen in England and so forth, will have a similar intention. We're going to survive.

What are we going to do? We're going to say, the inflation, the hyperinflation, belongs to you. It belongs to you who are in this hyperinflation. Other nations should have no obligation to pay any of the debts of these wild speculators. And if we can do that, we can regrow. But it will be a painful regrowing, a difficult regrowing.

Because, as you know, throughout the world, there are great shortages of productive capability. We're going to have to take people who are unskilled, or poorly skilled; we're going to have employ them, and build up their skills, with great projects, which includes space projects. Space technology is a very important part of the future economy of the world today. And our mastery of Mars as a base of operation, as well as the Moon, is one of the key prospects which we have to use in order to organize things on Earth. It does not mean we're going to suddenly get into a space ship and travel to Mars. It means that Mars is one of the areas in which the people of the world, our world, are going to have to participate, in order to promote the development and

security of Earth. And all intelligent governments are thinking in that direction.

The Moon is necessary. The Moon is necessary, because if you try to go from the Earth to the Mars directly, it takes a lot of power to take people up there. So if you can just get up there, and build industry on the Moon, then the building of the industry on the Moon now becomes a vehicle by which you can begin to move, and we can do it within this generation.

We can actually have the establishment of a Mars control station on the Moon within a generation. It would mean using thermonuclear fusion as an impulse power. And with the mononuclear fusion, you can get from the Moon to Mars in a week, and the ability to get from the Moon to Mars in a week, is man's triumph in moving outward in our Solar System.

And what we have to do is take the kind of technology which building that system means, and use that technology to drive the industrial and general development of all nations of Earth into some degree of necessary progress. There has to be a change: We have to think of ourselves in terms of, yes, we have this planet Mars; there are many reasons why we have to put things up there, which we will use to satisfy needs on Earth, by way of development of the Moon. We will then have a basis for seeing what the true unity of mankind must be. What we must share in common, as sovereign nations, respectively, in order to bring about what has to be done.

### **Physical Credit: The True Nature of Wealth**

Now, the problem is this:

Most people still believe, including in the United States, of course, that money is the basis for economy, and that is not true. Economy is based on the productive skills, productive powers of labor, of people. And it's the improvement of the ability of people to produce, physically, things that are needed, to change the environment, and that sort of thing. These are the things on which humanity depends.

Therefore, we're going to have to change, in the sense of, instead of looking at money as the nature of wealth, we're going to have to look at credit, *physical credit*, as the true nature of wealth. And what I have to do, with others, is to make clear what that means.

Nearly every nation has leadership in it on economic policy, which understands the first part: understands what Glass-Steagall reform represents; can understand why it works; can understand why it's an international issue, not a national issue. Because the key thing here is

cooperation, *physical* cooperation among nations, in *physical* production, *physical* advancement: conditions for life.

Therefore, my major problem, my, shall we say, assignment, is, with my associates and others, to make clear how that system works: how *the change from money as value, to money as an instrument of investment*—that change has to become understood. And that is *not* well understood. There are many people in the world who understand aspects of this, and prefer this to what they're getting now. But the one empty spot in the whole thing is, there is not a clear understanding of what a credit system is.

We in the United States have a tradition of a credit system, off and on. The first settlement, in Massachusetts, was based on a credit system, and it worked. But the British Empire at the time didn't like it, so they crushed it. Our Constitution in the United States was based on a credit system, not a monetarist system. We were then pushed by the British into going to a monetarist system, as an imperial force. Then, with Abraham Lincoln, we used a credit system to defeat the British from destroying us in a Civil War, under Lincoln's leadership.

This was reintroduced as a concept by President Franklin Roosevelt.

So, it is a part of our system, and some of our economists have a better grasp of it. The other people who have a better grasp of that particular question are in Britain. Because, after all, the British were our masters, most of time. We've pretended to be our own masters, but we didn't run the world. The British *used* us to run errands for them, but they ran the world.

But we in the United States, and some in Britain, understand history, the history of economy, well enough to understand what a credit system is.

### **NAWAPA: The Greatest Water Project Ever**

Now, we had one project in particular which I have been pushing, and my associates have been pushing. We had, during the time of the 1960s, a policy of building water systems in the United States, and beyond, water systems which would beautify the deserts, and also make them more productive. One of these systems was called [NAWAPA](#) (the North American Water and Power Alliance). And NAWAPA is a project which would take about 20 to 25 years to complete. It's the greatest water project that mankind has ever designed, and it's been sitting there ever since the death of President Kennedy. It's the water system which is being

looked at in Russia from a different standpoint, and looked at by China, of course: The great water projects in China are part of the same process. They came out of the same process.

So these great water projects and other engineering projects of this type, which are the foundation for changing the terrain, and expanding economy, these are the kinds of things that are needed.

We need a space program. That's a longish question, but we urgently need it. Humanity needs it.

And Africa—Africa has never had justice. Never. And if we develop, as we can, that justice can be delivered. It's largely technological. It's a lack of skills, it's poverty, things of that nature. But we can cure those kinds of problems. We have done it in the past, and then we stopped doing it. Africa has been destroyed, again and again. It's one of the most important areas for development, if we're going to have a global development system, and we need it.

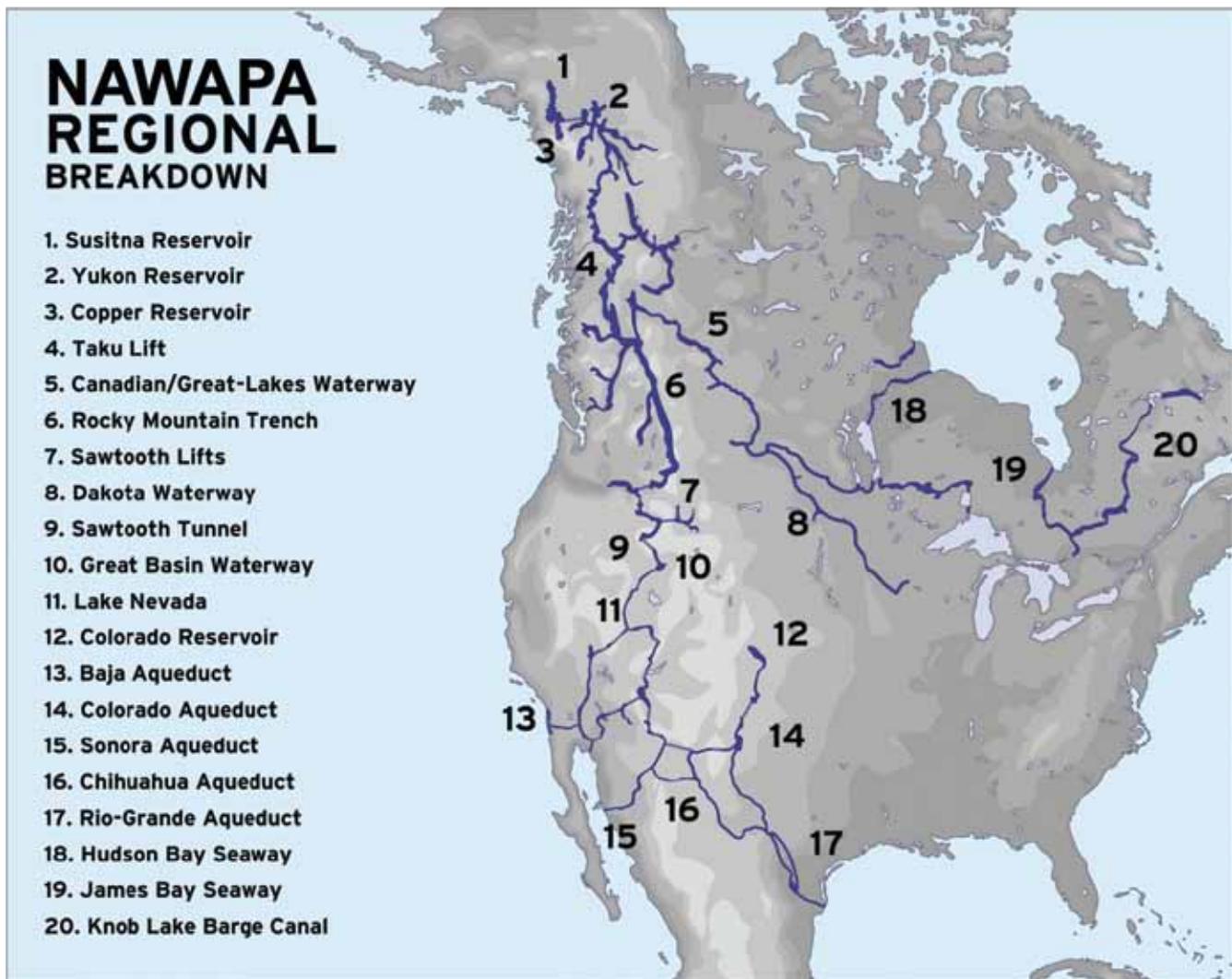
Because the key thing here: If we're going to create a change in the monetary, the money systems, and so forth, among nations, we're going to have to earn trust among nations. And that's what we have to do. And Africa is the test of whether we can be trusted, or not. We're going to have to *earn* that trust. China has done a certain amount of work in that area, in Africa. It's very good work, and there are jokes made about it, and so forth, but it's important. But it's the only place from which much is being done for Africa.

### **Cooperation Based on National Sovereignty**

So, therefore, the issue here is, we have to get from a system of bitter controversies, to recognizing the common interests of mankind, without forgetting the fact that nations are based on sovereignty. We cannot dispense with the concept of sovereignty of nations. But we must *solve* problems, including problems of cooperation, with cooperation among nations.

We will come to a time, and you have to realize it now, where war as we have known it, among nations, is no longer possible. When great war is based on thermonuclear fusion, and matter/antimatter reactions coming up now, you cannot have warfare in the sense we've understood it before. There was never any good reason for mankind to think that warfare was necessary to mankind, if we could reach the kind of agreement and cooperation, which would enable us to eliminate that factor in our history.

We must have sovereignty of nations, because that



LPAC

*In the 1960s, the U.S. had a policy of building great water systems. NAWAPA would have been the greatest of these; the plan has now been revived and updated by LaRouchePAC, as seen in this map.*

involves the question of the human mind, and you cannot have nations blindly operating without their own opinion, their own development of their own minds. Sovereignty is necessary, but sovereignty with cooperation among sovereign states is not impossible, in theory; it's urgently necessary now. And we will not have trust, for the purposes of the kind of projects I've indicated, unless we can bring people to trust each other on the basis of the protection of their sovereignty. And sovereignty means the things that are necessary for nations to *be* sovereign, not to be slaves sitting in poverty.

And that's where we are right now. Right now, everything is being held in suspension. We don't know when, in this month of August, a great crash might occur. We don't know. We can only fight to try to pre-

vent that from happening. And there is chance, but it's going to be a tough fight.

And this is essentially the core of my message here. We are in a situation in which the fate of humanity as a whole is actually in jeopardy. But at the same time, you have powerful forces, powerful nations, and other things, which, if they cooperate together, and can find cooperation, can solve these problems right now. But first we must be *aware* of the problems. We must be *aware* of the solutions. We must be *aware* of some of the questions which most nations will have difficulty in understanding. And since we need cooperation, we have to get busy in developing the necessary understanding, of doing the things that we have to do.

Thank you.

# Top Israelis Push To Stop Bibi's Imminent Hit on Iran

by Nancy Spannaus

Aug. 7—In the face of what they know to be the intention of Israeli Prime Minister Benjamin “Bibi” Netanyahu and Defense Minister Ehud Barak, for an imminent Israeli attack on Iran—an Obama scheme which would quickly trigger world thermonuclear war—virtually every high-level active and retired Israeli defense and security official is fighting all-out to stop them. Those who are retired are doing it with high-profile public warnings, among other means.

*EIR's* own sources within the U.S. military-intelligence establishment confirm the evaluation of these Israelis, that Netanyahu and Barak are serious about carrying out a strike on Iran within the next 8 to 12 weeks. At the same time, the Obama Administration, along with British intelligence, is escalating its support for the overthrow of the Bashar Al-Assad government in Syria, which is seen as, among other things, a stepping-stone to the hit against Iran. The warmongers believe they have removed a major obstacle to that violent overthrow, by subverting the Kofi Annan plan for resolving the Syrian situation, to the point that the widely respected UN diplomat felt compelled to resign his position as special envoy.

Outside Israel, it is the top levels of the U.S. military, and the governments of Russia and China, who are working non-stop to prevent an action against Syria or Iran, which would lead almost immediately to a thermonuclear confrontation between the U.S. and Russia.

Both Damascus and Tehran have made it clear that they see the alliance of Saudi Arabia, Qatar, and the United States as responsible for sabotaging the Annan mission, and have blasted the threats by Obama's UN Ambassador Susan Rice, backed by the British, to act outside the Security Council.

Such a violation of the principle of national sovereignty would, the Russian government has emphasized, lead directly in the direction of nuclear war.<sup>1</sup>

## An Imminent Attack?

On Aug. 4, the *Jerusalem Post* published an interview with ex-Mossad head Ephraim Halevy on the threat of such an attack, which he expects within “the next few weeks.” The daily put the interview at the very top of its Internet edition, after placing a similar warning by ex-military intelligence head Gen. Aharon Ze'evi Farkash at the top of the previous day's edition—and the *Jerusalem Post* is by no means a peacenik paper.

The story is headlined, “Halevy: Israel Should Not Strike Iran Without U.S. Approval,” and the kicker says, “While Israel might ‘act alone,’ former Mossad chief says, it should not do so without the consent of its

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1. At the International Legal Forum in St. Petersburg on May 17, 2012, Prime Minister Dmitri Medvedev warned: “Such actions, which undermine state sovereignty, can easily lead to full-scale regional wars even—I am not trying to scare anyone here—with the use of nuclear weapons.”

closest ally, adding that Iranian threat is grave, but not existential.”

Halevy says that there is no telling how far back a military strike will set the Iranian enrichment program program. Within ten years of Israel’s attack on Iraq’s Osirak reactor, Saddam Hussein rebooted the program in triplicate, he said. If there were a guarantee of stopping Iran’s nuclear pursuit altogether, a military strike would be more attractive.

Halevy has warned against such an attack repeatedly since November 2011, when he said that it “could affect not only Israel, but the entire region for 100 years.” On Aug. 2, the *New York Times* quoted him saying, “If I were Iranian, I would be afraid, very afraid.”

Halevy was the director of the Mossad 1998-2002, preceding Meir Dagan, another of the highly respected leaders who are now trying to prevent a disastrous war. After leaving the Mossad, he became the fourth head of the Israeli National Security Council. Born in London in 1934, Halevy is especially remembered for his role in bringing about Israel’s peace treaty with Jordan.

While Halevy has consistently warned against a flight-forward strike on Iran, General Farkash is speaking up for the first time. Farkash emphasized that an attack could take place in the immediate weeks ahead, because Netanyahu would not wish to be so flagrant as to launch an attack in October, on the eve of the U.S. elections. He urged a delay on a decision until the late Spring of 2013. President Obama, however, is likely to want an “October surprise,” which he would expect to contribute to his re-election bid, now in serious trouble against the equally pandering Mitt Romney.

What should be kept in mind is that the statements by these former Israeli military-intelligence officials are coming from a circle of former government officials who are, as in the United States, kept briefed on the ongoing security threats and policy debates within the current government. When they speak of a potentially imminent attack, they know whereof they speak. *Ha’aretz* journalist Amos Harel emphasized that point in an article Aug. 5.

Nor should anyone get the idea that it is only former officials who oppose a strike on Iran. Leaks to the Israeli press have reported that a majority of Netanyahu’s security cabinet opposes a strike, but the prime minister has stridently insisted that it’s *his* responsibility to make the decision—he even said he will testify to that, if forced to appear before a commission of inquiry.

## Impressive Opposition

The list of Israeli military-intelligence figures opposing the war which Netanyahu is virtually shouting that he is about to launch, is impressive indeed. In addition to Farkash and Halevy, they are Maj. Gen. (res.) Amos Yadlin, who succeeded Farkash as Israeli Defense Forces (IDF) intelligence chief, former Mossad chief Dagan, former Chief of Staff Gabi Ashkenazy, former Shin Bet chief Avi Dichter, and former Defense Minister and IDF Chief of Staff Shaul Mofaz, who now heads the opposition (actually majority party by one seat) Kadima Party.

In addition, the newspaper *Ha’aretz* is waging an anti-war campaign. Particularly striking was a commentary by David Grossman published on Aug. 3, under the title, “As Netanyahu Pushes Israel Closer to War with Iran, Israelis Cannot Keep Silent.” Grossman extends his challenge beyond the military to the Israeli public at large, asking why aren’t there demonstrations at the prime minister’s residence opposing another war launched by Israel? “How will we face ourselves and our children when we are asked why we kept silent?”

Even more pointed was a demonstration held Aug. 6, the anniversary of the bombing of Hiroshima, in Tel Aviv, under the auspices of the Israeli peace organization Gush Shalom, which is headed by veteran peace spokesman and writer Uri Avnery; the explicit theme of the demonstration was “No to War with Iran!” The timing and tenor of the rally make clear that its organizers are well aware that the implications of an Israeli strike could lead directly to nuclear war.

## The Obama Role

*EIR*’s sources report that the intervention by the U.S. military leadership, with the sometime support of Defense Secretary Leon Panetta, in opposition to an Israeli strike, has been virtually non-stop. This is to be contrasted with the role of the White House, which is bending over backwards to provide Israel with all the equipment it needs for its ongoing “covert” war with Iran, and perhaps more.

But the Administration’s blatant support for the terrorist offensive in Syria (see articles below), and refusal to collaborate with the peace efforts of China and Russia, are creating conditions where war tensions are spreading throughout the region, and could well get out of control. The solution, as LaRouche has emphasized, starts with getting the crazed Obama out of power, and that immediately.

# Will Erdogan's Dream for a New Ottoman Empire Become a Nightmare?

by Ramtanu Maitra

Aug. 3—Turkish Prime Minister Recep Tayyip Erdogan's role in the Syrian crisis has endangered stability within Turkey and threatened its integrity and sovereignty. Driven by his not-so-hidden desire to re-establish the legacy of the Ottoman Empire, Prime Minister Erdogan and President Abdullah Gul, the two Islamists at the helm, aided by Foreign Minister Ahmet Davutoglu, a geopolitician, have set the stage for wide-ranging chaos in the region and potentially within Turkey.

There are media reports citing unnamed government officials in Ankara who said that Erdogan had sought "permission" to send Turkish troops to intervene in the ensuing battle in Aleppo, during his 36-minute telephone talk last week with U.S. President Barack Obama. Subsequently, on Aug. 2, U.S. State Department spokesman Patrick Ventrell said that Washington did not think that Turkey's further military buildup on the border with Syria was the right way to go.

What those who dream of a neo-Ottoman Empire in Turkey have not comprehended, is the effect of the forces that will be unleashed within Turkey and outside it, if Ankara chooses to make such a military intervention. To begin with, the support lent by Erdogan to the Muslim Brotherhood, to dethrone Syrian President Bashar al-Assad, has paved the way for a civil war in Syria, and that has made Moscow terribly uneasy. But to antagonize Russia further could bring Moscow's wrath down on Turkey.

## External and Internal Threats

In a July 6 article, "Turkish Prime Minister Recep Yayıp Erdogan Never Saw It Coming," in *Asia Times*, Pepe Escobar pointed out that Erdogan simply cannot afford to antagonize Russia. "There are at least 100,000 Russians in Syria—doing everything from building dams to advising on the operation of ... defense systems. And then there's the inescapable Pipelineistan

angle. Turkey happens to be Gazprom's second-largest customer. Erdogan can't afford to antagonize Gazprom. The whole Turkish energy security architecture depends on gas from Russia—and Iran.

Crucially, one year ago, a \$10 billion Pipelineistan deal was clinched between Iran, Iraq, and Syria for a natural gas pipeline from Iran's giant South Pars field to Iraq, Syria, and further on towards Turkey, eventually connecting to Europe." In other words, a military intervention by Erdogan in Syria could prompt a serious military threat from Russia, bringing the world to the brink of thermonuclear war.

Yigal Schleifer, in his article "Turkey: Syria Crisis Causes Russian Relations To Suffer," at Eurasianet.org on July 19, noted that Ankara and Moscow have adopted dramatically divergent positions on how to deal with the Syrian crisis, with Turkish leaders publicly calling for al-Assad to step down, and Turkey serving as a staging ground for the Syrian opposition. Russia, on the other hand, has emerged as the Assad regime's most significant international backer.

Schleifer quoted Stephen Blank, a professor of National Security Studies at the U.S. Army War College in Pennsylvania, saying, "I think that the Syria crisis—in conjunction with other issues such as Cyprus, NATO missile defense and pipeline politics, all of which pit Turkey against Russia—is going to erode substantially the amity between the two countries."

Within Turkey, it is widely recognized that the majority of Turks and the political opposition to the Erdogan/Gul-led ruling Islamist Justice and Development party (AKP), strongly oppose Erdogan's support for the Muslim Brotherhood and all varieties of jihadi terrorists who have assembled and are working as the foot soldiers for the Persian Gulf's Sunni Arab states, notably Saudi Arabia and Qatar; for the old colonials, such as Britain and France; and for Turkey's most powerful protector, the United States.

Internally, the Erdogan-Gul-Davutoglu trio has

begun to feel the heat. The Kurds, an ethnic group that comprises 20% of Turkish population, are aligning with the Kurds of Syria and Iraq. At the top of the Kurdish heap sits the Kurdistan Workers' Party (PKK), the terrorist group that has been fighting for autonomy in southeast Turkey since the 1980s. Taming the PKK rebellion has already cost the lives of over 40,000 Turkish citizens, including 5,000 soldiers.



Euronews

*Prime Minister Erdogan's fanatical pursuit of his dream of a new Ottoman Empire puts him at odds with Turkey's military, known as the "Pashas," who are steeped in the secular tradition of Turkey's founder, Mustafa Kemal Atatürk.*

The Turkish military, known as the "Pashas" in Turkey, has no love lost for Erdogan's AKP and its Islamist tenor. The Pashas have been deeply concerned, since the electoral victory of the AKP in 2009, that Erdogan and his neo-Ottoman backers are trying to dismantle Kemalist secular Turkey, the state established by Mustafa Kemal Atatürk in 1923, to which they owe their allegiance. One of the primary concerns of the Turkish military is that in dealing with the PKK, Erdogan is also indirectly dealing with various jihadi terrorist group. It could be the straw that breaks the AKP-camel's back.

In a recent article, "Why Turkey Cannot Go to War with Syria," K. Gajendra Singh, former Indian Ambassador to Turkey and chairman of the Foundation for Indo-Turkic Studies, pointed out that under the AKP, Turkey's secular armed forces, a stakeholder in the nation's emergence out of the ashes of the Ottoman Empire and its modernization and secularization, have been insulted and humiliated:

"The autonomous military establishment has been fiddled with and weakened, perhaps even as a war machine, in the wake of arrest of many serving and retired senior officers, including respected generals, on not too believable charges, by special courts, the kind which Atatürk used in the 1930s against London conspiracies against the new republic, after the British forces moved into Iraqi Kurdistan oil areas of Kirkuk after the ceasefire. Turkey still has hopes of recovering that area. So, a colonels' coup cannot be ruled out sometime in the future."

### **Erdogan's Neo-Ottoman Yearnings**

One may ask whether Erdogan and two of his main advisors—President Gul, who worked in a bank in Jeddah, Saudi Arabia, for seven years before returning to Ankara to enter politics in 1992; and Foreign Minister Davutoglu—who were lured by generous donations by the House of Saud and driven by their own dream of a neo-Ottoman Empire, which would extend to the East, South, and North, reaching the Caucasus, have fallen into this dangerous trap.

Directing Turkey to adopt a neo-Ottoman Empire policy is in direct confrontation with the fundamental policies of Atatürk, which were the integrity of Turkey's borders and the abandonment of its mental association with the moribund Ottoman Empire. Sean Foley, a professor at Middle Tennessee State University, wrote an article, "Turkey's New Foreign Policy," in *Global Politician*, Oct. 7, 2010, reminding the Turks that in October 1927, Atatürk delivered an historic speech in which he explained why Turks had to abandon the Ottoman Empire and embrace his new state.

"Atatürk pointed out the high cost and futility of seeking an empire extending beyond Turkish-populated lands: 'Do you know,' he asked, 'how many sons of Anatolia have perished in the scorching sands of Yemen?' In the future, Atatürk promised, Turks would no longer die in wars in Yemen or the Arabian Peninsula, a region of the world that had become synony-

FIGURE 1  
**Kurdish-Inhabited Areas (2002)**



CIA

*The map shows the area, overlapping Syria, Turkey, Iran, and Iraq, that some would like to fashion as an independent Kurdistan.*

mous with the plight of the Ottoman soldier in Turkish folklore and popular songs.

Atatürk’s successors closely adhered to his warnings and put a priority on Turkey’s relations with the United States and Western Europe, over its ties to Arab states during the Cold War.”

However, that foreign policy is now being subverted, with the help of the Gulf Arabs. The Erdogan-Gul-Davutoglu trio is moving forward with its distorted dreams. But history shows that for the Gulf Arabs, this is merely a marriage of convenience, aimed at the ouster of Assad. For instance, during a banquet in Mecca in 1931, the King of Saudi Arabia, Ibn Saud, pointed a finger at an Ottoman prince and described how his ancestors had fought those of the prince, rather than call themselves servants of the Ottoman Caliphate. Decades later, Saudi schoolbooks hailed their kingdom as the great “torch” that had lit the “path of liberation” of the Arab world from the yoke of Ottoman rule and European imperialism.

Erdogan, following a convincing victory in Turkey’s parliamentary election in June 2011, wasted no time projecting a decidedly Ottoman-sounding theme in his victory speech. According to foreign media, Er-

dogan alluded to Turkey’s aspiration to be a voice in the West for the Middle Eastern region and Muslims, saying that Bosnians, Lebanese, Syrians, and Palestinians also benefitted from his victory. “Believe me,” he said, “Sarajevo won today as much as Istanbul, Beirut won as much as Izmir, Damascus won as much as Ankara, Ramallah, Nablus, Jenin, the West Bank; Jerusalem won as much as Diyarbakir.”

What did all that mean? J.E. Dyer, at TheOptimistic-Conservative’s Blog, pointed out that “perhaps most interesting of all is Erdogan’s list itself. Sarajevo, Damascus, Beirut, Ramallah, Jerusalem. In four of these former Ottoman holdings, there is, or has been, an acknowledged modern dispute over sovereignty. But what about Damascus? Should the Assads—or Iran—be alarmed that it was on Erdogan’s list? Does Damascus need the healing hand of Erdogan and the AKP? Or is Syria—but not Jordan, Egypt, or Iraq—considered by Erdogan to be properly in modern Turkey’s ‘sphere’?”

Erdogan has also begun to put in place policies which directly undermine Atatürk. For instance, the education reform bill introduced by Erdogan’s AKP has been characterized by opposition parties as aiming to halve the length of compulsory schooling. This would promote the rise of Islamic schools, like the one in which Erdogan was educated. Even the country’s confederation of industry, the TUSIAD, has joined in the chorus of protest against this. Following its third electoral victory in succession, with nearly 50% of votes cast, analysts point out that Erdogan’s single-party pro-Islamist government has already abolished the minimum age requirement for attendance at religious schools, and that this encourages families to have their children give up attending secular schools, in favor of religious institutions which are now taking over some of the functions of the grammar schools.

Why did Erdogan choose to embrace this neo-Ottoman dream? It is likely that he was looking broadly at the post-Cold-War breakdown of nations. The collapse of Yugoslavia drew Turkey into a region where it had traditional interests, while the collapse of the Soviet Union and the resurrection of Russian power made Turkey look northward to the Caucasus. Finally, the chaos orchestrated by the colonial forces in the Arab world has drawn Turkey southward. Maybe Erdogan believes Turkey needs to bring order to regions where



PKK

*A sentry from the terrorist Kurdistan Workers Party (PKK) stands guard in a border region of Turkey and Iraq. Turkish President Erdogan's arming of the anti-Assad forces in Syria—among whom are Kurdish separatists—will boomerang: Turkey itself has been battling the PKK since the 1980s.*

the United States and Europe have proven either ineffective or hostile to Turkish interests.

### **The 'Zero Problems' Foreign Policy**

In 2003, Ahmet Davutoglu, who has served as Erdogan's chief foreign policy advisor since 2002, and is considered the most important architect of contemporary Turkish foreign policy, came up with the "zero problems" theory, which is supposed to ensure that Turkey will have zero problems with its neighbors. It was based on pragmatic diplomatic engagement with all parties, and economic integration.

Davutoglu is perhaps the most important cog in Erdogan's foreign-policy machine. He does not want to be identified as a neo-Ottoman dreamer, but his 2001 book, *Stratejik Derinlik: Turkiye'nin Uluslararası Konumu* (*Strategic Depth: Turkey's International Position*), indicates otherwise, according to Joshua W. Walker, a postdoctoral fellow at the Transatlantic Academy of the German Marshall Fund. Walker wrote in an article, "A Turkish concept of strategic depth," in the Indian journal *Pragati* on July 4, 2010, that Davutoglu's book argues that a nation's value in world politics is predicated on its geostrategic location and historical depth. Following this logic, Davutoglu explains that Turkey is uniquely endowed with both, because of its

geographic location, particularly its control of the Bosphorus, as well as its historical legacy as heir to the Ottoman Empire. While traditional measures of Turkey's national power tend to overlook the cultural links fostered by a shared common history, Davutoglu emphasizes Turkey's connections to the Balkans, the Middle East, and even Central Asia. In the same vein, Davutoglu argues that Turkey is the natural heir to the Ottoman Empire, which once unified the Muslim world and therefore has the potential to become a "Muslim superpower."

Accordingly, Turkey is not an "ordinary nation-state" which emerged at a certain point due to political circumstances or the designs of the outside powers—like, for example, many new states in Central Europe in the aftermath of the World War I. Rather, Turkey is a regional power in its own right, having strong traditions of statehood and broad strategic outreach. Thus, Davutoglu concludes, "It has no chance to be peripheral, it is not a sideline country of the EU, NATO or Asia."

However, the "zero problems" foreign policy now lies in tatters. In fact, Turkey has serious problems with *all* its neighbors, more so now than when the Erdogan-Gul-Davutoglu trio took control of Turkey. Who would Davutoglu, often referred in the media as "Mr. Zero

Problems,” blame for this failure? Is it that Turkey got caught up in its neo-Ottoman dream of embracing the Britain-France-United States-Saudi Arabia-Qatar coalition to build an anti-Iranian alliance? Does Turkey’s hostility toward Syria stem from going along with that coalition, ostensibly to achieve that end? There are reasons to believe such was the case.

Regan Doherty and Amena Bakr of Reuters wrote in their July 27, 2012 article, “Exclusive: Secret Turkish nerve center leads aid to Syria rebels,” that Turkey has set up a secret base, with its allies Saudi Arabia and Qatar, to direct vital military and communications aid to Syria’s rebels from a city near the border. There is enough evidence that shows that Turkey, at least since last Summer, has become a nest of anti-Assad Islamist terrorists and Muslim Brotherhood members. “It’s the Turks who are militarily controlling it. Turkey is the main co-ordinator/facilitator. Think of a triangle, with Turkey at the top and Saudi Arabia and Qatar at the bottom,” a Doha-based source told Reuters.

Adana, a city in southern Turkey about 100 km from the Syrian border, was set up as the main arms-conduit center after Saudi Deputy Foreign Minister Prince Abdulaziz bin Abdullah al-Saud visited Turkey and requested it, a source in the Gulf told Doherty and Bakr. The Turks liked the idea of having the base there so that they could supervise its operations, Reuters’ source added. Adana is home to Incirlik, a large Turkish/U.S. air force base, which Washington has used in the past for reconnaissance and military-logistical operations.

In addition to Turkey’s role on behalf of the Britain-France-United States-Saudi Arabia-Qatar coalition to dethrone Bashar al-Assad, and, in essence, throw the region into tumult by ushering in terrorists and jihadis of all sorts, Davutoglu’s “zero problems” foreign policy has got stuck in the sand in Iraq as well.

In April, Erdogan went on the defensive, rejecting Iraqi Prime Minister Nuri al-Maliki’s claim that Turkey is inflaming the sectarian Shi’a-Sunni divide, a dangerous policy pursued by the colonials and the Wahhabi and Salafi (Sunni) doctrinaires of the Gulf countries, that has brought untold violence in Iraq. Al-Maliki called Turkey a “hostile state” and said that Erdogan is involved in “flagrant interference in Iraq’s internal affairs.” The bitter exchange between Maliki and Erdogan came after the Turkish leader met Masoud Barzani, president of Iraq’s Kurdish region,

who has cultivated close relations with Turkey’s government.

### **The Treacherous Kurdish Minefield**

The arming of anti-Assad terrorists and the weakening of the Assad regime has aggravated the Kurdish problem massively, hitting Ankara square in the face. It is evident that the Turkish actions against Syria have reignited the Kurdish desire to seek autonomous regions inside Syria and Turkey as well. It is likely that these two autonomous regions, if formed, will make efforts, violent if necessary, to create an independent Kurdistan. What is evident to Erdogan is that this is no longer a distant possibility, but a problem at hand. How the Pashas will react if the Kurdish problems set fire to certain parts of Turkey is not difficult to imagine.

Writing in the Israeli news daily *Haaretz* on Aug. 3, Prof. Ofra Bengio, head of the Kurdish Studies Program at the Moshe Dayan Center at Tel Aviv University, in an article titled “Kurdistan reaches toward the sea,” claimed that the landlocked Kurdish Regional Government (KRG) of Iraq, the official ruling body of the predominantly Kurdish-populated Kurdistan Region in Northern Iraq, formed in 1992 with American help after the 1991 Gulf War, is now “in a position to create a corridor reaching the Mediterranean Sea. Clearly, if the KRG manages to secure such an outlet, its aspirations for independence will have received a significant boost.”

What caused this development? According to Adam Michalski (“Turkey’s Blindfold Paves a Path to the Old PKK Dilemma,” *Journal of Turkish Weekly*, Aug. 2, 2012), the Kurdish-populated regions on the Syrian/Turkish border, mainly in the northern Syrian province of Al-Hasakah and, to a lesser extent, Northern Aleppo, is now in the control of the Syrian Kurds. Michalski ponders whether al-Assad’s decision to allow the Kurds to seize some of the northern border areas from the Syrian troops was intended “to shift away Turkey’s attention from the revolution by bringing back the Kurdistan Workers’ Party (PKK) dilemma? Up till now Turkey has been a strong supporter of the revolution, but the prospect of an autonomous Kurdish zone in Northern Syria raises fears in the eyes of Ankara, which already has been fighting a 30-year-old separatist insurgency with its vast Kurdish population in South-Eastern Turkey,” Michalski noted.

Whatever the case, the Kurds of Syria have managed to kill several birds with one stone: to attain a better bargaining position with Damascus; to improve

their hand vis-à-vis the Syrian opposition, which has so far been unwilling to accommodate its national demands; to send a message to Turkey regarding its own Kurds; and finally, to move closer to the KRG. “We have established Kurdistan and we will not give it to anyone,” is a typical line reported recently from Syria in the Turkish press.

This development has no doubt has sent a chill along the spines of Turkey’s leaders. Foreign Minister Davutoglu, who had earlier refused to have any dialogue with Iraqi Kurdish leader Barzani, labeling him a “tribal chieftain,” is now in close consultation with the same Barzani ostensibly seeking some relief. Davutoglu was recently in Erbil, the KRG headquarters in Iraq, trying desperately to prevent the inevitable.

Professor Bengio points out that “reaction in the Turkish media to the move has reflected an anxiety bordering on hysteria, the essence of which is that, whereas formerly Turkey had 800 km of border with Kurdistan, they now share 1,200 km. Others warned of a ‘mega’ or ‘second’ Kurdistan, that would threaten to embrace the Kurds of Turkey and Syria as well.” Meanwhile, Osman Baydemir, mayor of Turkey’s Kurdish-dominated city, Diyarbakir, has announced that the Kurds are going to establish an autonomous Kurdistan, with a common currency and four capitals: his city in Turkey, Erbil in Iraq, Qamishli in Syria, and Mahabad in Iran.

“Turkey’s concerns are threefold,” Bengio wrote. “It fears that the Democratic Union Party, Syria’s main Kurdish organization, which took control of that country’s Kurdish region and which has close connections with the PKK, the armed Kurdish revolutionary group in Turkey, will turn the region into a springboard for attacks against Turkey; that its own Kurds will attempt to imitate the move of their brethren in Syria; and that the KRG will try to exploit the opportunity to draw closer to the sea, via the adjacent Kurdish regions in Turkey and Syria. Faced with this multiple threat, Turkish officials and analysts suggested two solutions: forming a buffer zone along the border with Syrian Kurdistan and accommodating Turkey’s own Kurds.”

Whether a Kurdistan will come into existence only the future will tell, and that too depends largely on the roles the local players play. But what is evident is that the collapse of Turkey’s “zero problems” foreign policy, and the neo-Ottoman Empire dream of its current leaders, are bound to pose major security problems within Turkey in the coming days. That could lead to the rearrangement of Turkey’s political system once again.

Bengio says that the Kurdish national movement is now crystallized in almost all parts of “Kurdistan.” However, this is not due to the new initiatives by the Kurds alone, but more because of the follies of the United States and Turkey. The establishment of the KRG in Iraq was the first salvo. That, perhaps, may not have crystallized the Kurdish aspiration by itself. But, Turkey, under Erdogan, playing the Britain-France-United States-Saudi Arabia-Qatar card of dismantling the al-Assad regime and, perhaps, tackling Iran, committed the ultimate folly, endangering Turkey’s integrity. “Forged by the Great Powers after World War I, the borders separating the Kurds of Iraq, Turkey, Syria, and Iran no longer appear as sacred or secure as they once did. It is therefore no longer inconceivable that the Kurds, who number more than 30 million, will take the opportunity of the fluid situation to erase the colonial borders of the 20th century and improve their political situation in the 21st century, including reaching out to the sea,” Bengio wrote.

As of this writing, full-scale battles are going on between the Turkish Army and the Kurds, involving as many as 10,000 Turkish soldiers.

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# Syria: It's Not a 'Civil War' This Is a Foreign Aggression

*On July 29, Christine Bierre, of the French newspaper Nouvelle Solidarité, interviewed Dr. Bassam El-Hachem, professor at the Lebanese University in Beirut, and a leading figure in Gen. Michel Aoun's Free Patriotic Tendency (Courant Patriotique Libre/CPL). The interview was translated from French.*

**Nouvelle Solidarité:** After the battles in Damascus and Aleppo, in Europe we have the impression that since then, the Syria situation is sliding toward civil war. Isn't that the case?

**El-Hachem:** This so-called civil war in Syria resembles what people are familiar with from Lebanon, as of 1975. Then, too, they said that what was happening in Lebanon was a civil war, to make believe that only the Lebanese were involved, when, with few exceptions, essentially, it was a multinational war which took place within the confines of the territory of Lebanon.

Today in Syria, the game strangely resembles the Lebanese situation back then, but with one major difference: In Syria, the regime has stayed in place, whereas in Lebanon at the time, the army was neutralized from the beginning, leading to the State's becoming marginalized, which in turn, left the various factions to face off in conflict. Whether the Western powers want to acknowledge it or not, there is, on one side, a State: a regime of legitimate authorities, a regular armed forces, regular security services, all supported by the majority of the Syrian population, all the communities, all mixed up together—Alawites, Christians, Druze, and above all, a large part of the Sunnis.

Opposite them, there is a peaceful civilian opposition, which has always expressed itself, and which has aimed at change from the beginning, but which today is becoming marginalized by the conflict which has been transformed into armed confrontation; there are, first of all, the militarized forces, armed, financed, and trained by foreign powers, notably Saudi Arabia, Qatar, and the United Arab Emirates, and with support and military



*Dr. Bassam El-Hachem*

staff from the United States, Israel, and Turkey.

So, it's illegitimate to qualify what's happening in Syria as a civil war. *This is a foreign aggression led by proxies, interposed between the State and the Syrian people.* The regime, with all the military and political means at its disposal, is reacting to the

best of its ability in order to safeguard the stability and unity of the State.

**NS:** How does the situation stand in Damascus, since the recent battles?

**El-Hachem:** That's over! This aggression is completely contained. There may still be some small pockets of resistance here or there, in the villages, in the hills and valleys of the Province of Damascus, but they are extremely marginal phenomena, which the security forces and Syrian Army will finish eliminating, with the least possible injury to the civilian population.

## Popular Support for the Government

**NS:** Thierry Meyssan [a French journalist] described, since [the battle in] Damascus, the failure of the Western strategy, which counted on the assassination of four high-level Syrian figures, to create a division in the government, and the fall of Bashar al-Assad. Nothing of the sort came about, with the population supporting the government; 4,000 mercenaries were killed, and 3,700 apprehended....

**El-Hachem:** It's difficult to confirm the numbers, since it could be more or less than the figures cited. What's for sure, is that the population there supported the Syrian armed forces. That's what happened in Da-

mascus and the same thing is happening in Aleppo.

That is especially important, since Damascus and Aleppo are the major rallying centers for the Sunni community, particularly the Sunni bourgeoisie in Syria. Up to now, these two cities haven't budged. Why? Because the Sunni bourgeoisie supports the government, contrary to what the country's enemies unduly claim. To the extent that hostilities escalate, people end up understanding that this is a foreign war against Syria, decked out in the finery of a resistance movement against a dictatorial, authoritarian regime. They understood that this is no more than a deception, and that the warlords served the interests of all the powers, except those of Syria itself.

**NS:** Everyone knows that in Syria, there was a peaceful opposition in the past, both under the reign of Bashar al-Assad, and in the time of his father Hafez al-Assad, and a number of the historic figures of this opposition paid a heavy price for their courage in the face of the regime, in prison terms and persecutions. Do you think these people have ceased to exist?

**El-Hachem:** No. I'm just saying that with the unleashing of the armed conflict, until further notice, these folk no longer have anywhere to exercise their abilities. Because the true opposition knows that eventual change in Syria will never stem from violence, which instead, puts the unity of the Syrian people, the country, and the Syrian State at risk; but even though negotiation and dialogue between the government and the opposition is what all those who truly love Syria hope and pray for, in the prevailing conditions today, naturally, the only thing that they can do is keep a low profile, awaiting better days when dialogue will resume its rightful place.

**NS:** [Former Lebanese Prime Minister] General Aoun stated in *L'Orient le Jour* some days back, in a somewhat provocative manner, that the end of the Assad regime would be the downfall of democracy, and he particularly lashed out at the Salafist movement, Hezb el-Tahrir, whose charter affirms that Sharia is against democracy. Why this line?

**El-Hachem:** General Aoun did not say that the Syrian regime was a democratic regime.<sup>1</sup> He said that between this regime and the others in the region, this one is a whole lot closer to democracy than the others.

1. General Aoun fought the Syrian occupation of Lebanon from March 1989 until he was exiled to France in 1990. He returned to his country in May 2005. Dr. El-Hachem's 1990 report on the Lebanon war to the Schiller Institute in Leesburg, Va., appeared in *EIR*, Nov. 16, 1990.

Do human beings have more rights in Saudi Arabia, in the United Arab Emirates, or in Qatar, than in Syria? We recently saw a young Tunisian get his throat slit. For having had the "presumptuousness" of converting to Christianity, he was publicly dismembered, in a ritual manner, by a Salafist group which arrogated to itself the right to execute men in the name of Allah.

What did we see in Libya? We were promised democracy and what do we witness now? The destruction of Libyan unity, on behalf of an ensemble of gangs, clans, armed tribes, and a latent state of war among them, which the dictatorial Qaddafi regime had previously succeeded in containing. It's true: Qaddafi in his time was a horror, but what has replaced him is terror.

### **The Consequences for Lebanon**

**NS:** What are the consequences for Lebanon of this intensifying war in Syria? It's said here that 30,000 Syrians have sought refuge in Lebanon?

**El-Hachem:** It's not the 30,000 Syrians in question that we fear. What we fear are the Salafists, Lebanese jihadis, who, supported financially, logistically, and equipped by Qatar and Saudi Prince Bandar bin Sultan, and naively believing in the imminent downfall of the regime in Syria before the Islamist jihadis on all sides that confront it, have unrelentingly these last days multiplied all of their provocations to involve Lebanon in the Syrian quagmire.

**NS:** But are these the Salafists? Don't they have support from Lebanese political forces? The Saad Hariri [former Lebanese Prime Minister] camp?

**El-Hachem:** Saad Hariri has played an insidious role in this entire affair. Also his party has long acted, even up to now, as a brood hen for adventurist fundamentalist movements. From the beginning, in effect, he had continually supported the Salafists on the sly, and encouraged them to intervene, making use of them as a bogeyman for others, whether Shi'ites or Christians, so that he could pass himself off—the party of Hariri—as the reassuring symbol of moderation to everyone.

About two years ago, Mr. Hariri sought refuge overseas—no one knows why. His political movement fell into desuetude, and the Salafists got out, like the genie from the magic lamp in the tales of Aladdin. And today, he can't get them back into the lamp, because they have financing and support from foreign powers, and have since had the ability to fly on their own, or rather, act and react on their own behalf.

**NS:** And outside the Lebanese political system. . .

**El-Hachem:** And outside the Lebanese political system. There are groups of this type which are already carrying weapons in the north of the country. But in Sidon in the south, there is a Salafist movement which so far flaunts itself as being peaceful, which gathers under the leadership of Sheikh Ahmad al-Assir. His ostensible pacificism doesn't make him any less dangerous, because every time he opens up to a religious provocation against the Shi'ites, he unleashes a ferment of resentment, whose danger to inter-religious relations, in particular, Sunni-Shi'ite, no one should underestimate. He is organizing a sit-in in Sidon against arming the Islamic resistance in Lebanon.

But who are his enemies? Not only us and Hezbollah, but also the Future tendency, and the Sunni parties as a whole. In Sidon, Saad Hariri's sister was seen leading the resistance to these groups. In Tripoli [Lebanon], six weeks ago, it was the Sunnis who set up a barrage against the Islamist track. Also, in Beirut: Mr. Chaker Boujawi was attacked in the region west of Beirut. This was a Sunni, attacked by Sunnis close to Saad Hariri and his party. So, it is the Sunnis who are, among others,

in the process of countering the Salafists. That's why I say that it's a minority who is running into adventure and attempting to demoralize the Army and exclude it from the north of the country.

### The Role of Bandar bin Sultan

**NS:** How do you perceive Prince Bandar bin Sultan being named to head Saudi intelligence on July 22?

**El-Hachem:** The nomination of Bandar seems to be the last attempt of the Western clan to finally ensure its stranglehold over Syria. So far, the overlord powers haven't achieved a single one of their objectives. This nomination is thus a last-ditch strategy. Considering that he is so close to the Anglo-American oligarchy, giving him command over operations in that region is like installing the United States directly in command of operations. The people regard his ascent as head of Saudi intelligence with quite some apprehension.

Further, what is also a threat is that, following an eventual failure in Syria, the strategy of Prince Bandar could be behind a sort of flight-forward, whose objective would be to plunge the entire region into war. This is the perspective which weighs in as the most serious threat to Lebanon, but also to all the countries bordering Syria as a whole (in addition to Lebanon: Turkey, Iraq and Jordan). Because we think we've learned, based on all of the intelligence divulged as of yesterday, that Bandar is behind the attempts against Lebanon, aiming at destabilizing it, and eventually overthrowing the incumbent government, and replacing it with a government headed by a certain Mohammed Chatah, who is, on a small scale, agent number one for the American intelligence services in Lebanon. He would be in Lebanon what Bandar bin Sultan represents in Saudi Arabia.

The ultimate end would be an attempt to impose a Pax Israeli in the region: the end of [any prospects for] an independent Palestinian State, its utter replacement with a kind of autonomy installed over an even more cramped territory than that controlled now by the Palestinian Authority; with all that that threatens to entail, such as religious war in the region: in Iraq, in Saudi Arabia, in Turkey.

**NS:** Could Prince Bandar have been at the origin of the attack against the four close collaborators of Bashar al-Assad?

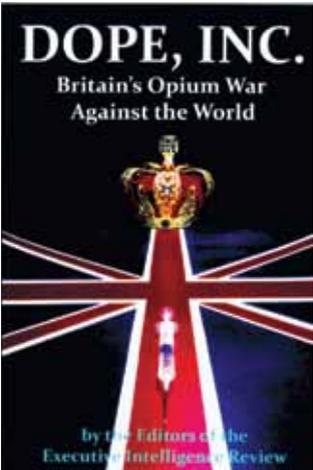
**El-Hachem:** All informed sources point their finger in the direction of Bandar bin Sultan. Because this presupposes training, staffing, financing, deep pockets, etc. And who has the capabilities for that? He does! This is the money from petrodollars, drugs, HSBC, etc.

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# Only Glass-Steagall Can Stop The Disintegration of Europe

by Our Wiesbaden Bureau

Aug. 6—“While prominent voices in the British and American establishments have publicly admitted that the policy adopted so far has been a giant mistake, those who insist in bailing out the euro and the banks are fanatically sticking to their failed idea, and making use of tools from European history in the 1930s: brutal cuts in the Brüning<sup>1</sup> tradition, mass unemployment, and geopolitically motivated wars of aggression,” wrote Helga Zepp-LaRouche Aug. 5 in an article published in the weekly *Neue Solidarität*.

Zepp-LaRouche referred in particular to the hysterical exhibition of European Central Bank president Mario Draghi at the Aug. 2 ECB press conference, where Draghi repeatedly shouted that “the euro is irreversible”—i.e., that Euroland would last forever. When the communist leader of East Germany, Erich Honecker, “expressed a similar optimism on the future of socialism on Aug. 14, 1989, it was only two months to his fall, and three months to the fall of the Wall,” Zepp-LaRouche commented.

Draghi was offered the chance to join his more intelligent colleagues of the Anglo-American establishment, when *EIR*'s Claudio Celani asked him whether, in view of the “outcry for banking separation” provoked by the Libor scandal, and since he, Draghi, had been the

architect of the abolition of banking separation in Italy, he does not want “to join Sandy Weill, the architect of the repeal of Glass-Steagall in the U.S., in saying: ‘We made a mistake, and we should go back to a full separation between commercial banks and investment banks’?”

Draghi, visibly upset, lied that there had been no banking separation in Italy, and therefore there was no need to apologize.

Expect no “conversion on the road to Damascus” from such blockheads. There is not only Draghi, but a large “Honecker fan club” in Europe: Hollande, Monti, Rajoy, Juncker, Merkel, and many others. As Lyndon LaRouche recently stressed, “Europe is about to go, unless something is done to change the situation, and Glass-Steagall pushed now, ruthlessly, is the only thing that can lead to the avoidance of a general disintegration of Europe.”

## Financial Disintegration...

There are two aspects to the disintegration of the European continent now in process—financial and socio-economic—which need to concern any thinking person, including in the United States. Former IMF official Simon Johnson presented a shocking picture of the financial side to U.S. Senators at a hearing of the Foreign Relations Subcommittee on European Affairs on Aug. 1, called to discuss “The Future of the Eurozone: Outlook and Lessons.”

1. Heinrich Brüning, Chancellor of Germany (1930-32), whose extra-constitutional emergency decrees, imposing vicious economic austerity, paved the way to the seizure of power, in 1933, by Adolf Hitler.



YouTube/RenegadeEconomist

*Former IMF official Simon Johnson presented a shocking picture of the Euro-crisis to a Senate hearing on Aug. 1: We are “sitting on a powderkeg of opaque, over-the-counter derivatives transactions,” running in the hundreds of trillions of euros, he warned.*

Johnson insisted repeatedly in his testimony that the euro will not last in its current form, and that no one knows how this will set off the derivatives “powderkeg” tied to the currency.

Johnson told the hearing that Draghi et al. were kidding themselves: The ECB cannot possibly issue enough credit to bail everyone out, and the more credit it issues, the more it undermines the credibility of that debt. The euro is moving into its most dangerous phase now, where “dissolution risk” is dominating, and, Johnson asked, how can anyone sign a contract, if they do not know if the euro will exist in a year? We are “sitting on a powderkeg of opaque, over-the-counter derivatives transactions” linked to the Euribor, running in the hundreds of trillions of euros, Johnson said. He added that no one is able to tell what U.S. bank exposure is to these derivatives, or what the effect will be of Greece leaving the euro—which Johnson put as 90% probable before the end of the year.

Subcommittee chair Sen. Jeanne Shaheen (D-N.H.) was clearly stunned. She questioned Johnson on how it was that Treasury Secretary Tim Geithner “consistently assures” us that U.S. bank exposure to Europe is “limited.” Johnson reiterated what he had said at three different points in the hearing: The complexity of deriva-

tives is such, that not even the institutions that hold them know what their actual exposure is, so neither Geithner nor any other officials can be fully aware of the situation. He repeatedly cited the case of JPMorgan as exemplary. In JPMorgan’s own “living will”—which they published before their recent more than \$6 billion loss—they estimated that a \$30 billion loss would bankrupt them. The bankruptcy of JPMorgan would be a systemic event, while the stress tests done by Federal regulators did not even model the events that today we are all taking as our basic premise, he said. He told the Senators to read that Morgan “living will,” which is public.

### ...And the Destruction of Lives

The financial side of the crisis can, of course, be easily dealt with (although not painlessly), if there is the political will to cut off support for the gambling debts with a Glass-Steagall reorganization of the banking system. The more serious side of the disintegration is what it’s doing to the people of nations such as Greece and Spain.

The European Union’s brutal austerity policies have led to population reduction in Greece. According to the National Statistical Service of Greece, the country’s population decreased by 1 million people, close to 10%, within one year! The reason is clearly the financial crisis, which has forced many Greeks, especially the young, to flee the country in search of a livelihood.

Nevertheless, the current coalition government headed by New Democracy leader Prime Minister Antonis Samaras, Pasok leader Evangelos Venizelos, and Democratic Left leader Fotis-Fanourios Kouvelis, just agreed to another EU11.5 billion in cuts. After talking to European Commission President José Manuel Barroso and European Council President Herman van Rompuy, Samaras was convinced to make the additional cuts, on penalty of Greece being thrown out of the Eurozone.

On Aug. 1, the government rammed a bill through Parliament allowing the government to close universities by fiat, if it serves “the national interest.” In this case, the “interest” is that of Greece’s creditors. The government is moving full-speed ahead with the privatization of state assets, including the power and energy companies. Meanwhile, living standards and production are plummeting, while suicide rates and unemployment zoom up. This is the *death of a nation*—with the concomitant exacerbation of social tensions, and even



UN/Evan Schneider

*Argentine President Cristina Fernández noted sharply that “the dead can’t pay their debts.” Look at Spain: “How can you have growth if people lose their jobs, their wages are cut, their houses are auctioned off, and their benefits are taken away?”*

the threat of civil war.

The Spanish situation is not far behind, as Prime Minister Mariano Rajoy attempts to placate the ECB with draconian budget cuts, in return for bank bailouts. Spain’s official unemployment rate is the highest in Europe, at over 24%, and the new cuts are threatening to shut hospitals and schools.

For example, the president of the Andalucía region, Antón Antonio Griñán, charged on Aug. 1 that to meet the deficit target being set by the central government, he would have to close 19 public hospitals and half the schools, and lay off 60,000 public employees. The region’s budget would be EU2.7 billion, and “it is impossible” to draw up a budget under those circumstances. Griñán, a member of the Social Democratic PSOE opposition party, accused the central government of preferring to help the banks, at the expense of public health and education. He ordered staff to prepare a legal suit against the government.

### **Kirchner to Europe: ‘The Dead Can’t Pay’**

Argentine President Cristina Fernández de Kirchner, speaking Aug. 2 at the Buenos Aires Board of Trade, celebrating the 158th anniversary of its founding, directly addressed the dilemma that European gov-

ernments are facing, with demands that they kill their citizens through brutal austerity. She recalled her late husband Nestor Kirchner’s 2003 warning to the UN General Assembly that “the dead can’t pay their debts.” He explained there why austerity would never bring about a recovery in devastated Argentina, and emphasized that he would not place the bankers’ interests before those of his own citizens.

“I have the feeling that Europe doesn’t understand this,” Fernández said. Look at Spain: “How can you have growth if people lose their jobs, their wages are cut, their houses are auctioned off, and their benefits are taken away?” She reported that she had read that 10% of Spain’s public sector jobs were being cut, along with 50,000 public hospital beds. “*You can’t sustain an economy or a society under these conditions,*” she warned.

In Europe today, “what you have is an incredible speculative crisis ... something we know very well.” Argentina was “strangled” by foreign debt, she said, debunking the idea that there has been an “excessive amount of public spending” in Europe. What there has been, she said, is a bailout of the banks, such as Spain’s Bankia, run by former IMF director Rodrigo Rato, “who used to lecture us” on economic policy, yet his bank had to be bailed out to the tune of EU230 billion. “There has been an incredible bailout of the banks, so they can pull out of their difficult positions” in the southern European nations, yet these “are the same banks that lent” to those countries!

This, she said, is exactly “like Argentina in 2001,” when foreign financial predators imposed “mega-swaps” and bailouts with usurious conditions, and promised this would defend the country with protective “armor” against crisis. Right up to the moment the nation imploded, financiers proclaimed that the economy was really “solid.” It was a fraud, Fernández said, and Argentines were the victims.

### **The Glass-Steagall Solution**

While a significant faction has emerged in Great Britain to push for Glass-Steagall, the crucial step that needs to be taken to open the door for continental Europe to do the same, is action in the United States. Thus, Zepp-LaRouche points out, European patriots are looking to the political forces around LaRouchePAC in the U.S. to ram through the reinstatement immediately, before further disaster takes over—which could happen any day.

# Clamor To Jail Banksters Grows

by EIR Staff

Aug. 6—In the wake of the explosive exposés of drug-money laundering and criminal interest-rate rigging by some of the world’s major banks, the clamor is growing for finally prosecuting and jailing that class, which Ferdinand Pecora<sup>1</sup> called the “banksters.” At the top of many people’s lists is HSBC, formerly known as the (dope-running) Hongkong and Shanghai Bank, which has admitted to massive money-laundering, and whose case has been forwarded for criminal action to the U.S. Justice Department by the Senate Permanent Subcommittee on Special Investigations. But the banks caught manipulating the Libor rate (London Interbank Offered Rate) are also being targeted, especially as many have already been prosecuted for financial crimes—and let off with a slap on the wrist.

Weighing in for the prosecution of HSBC, and shutting down its U.S. operations, is the authoritative investigator of drug-money laundering, Jack Blum. Blum, who spent 14 years as a Senate investigator with the Antitrust Subcommittee and the Foreign Relations Committee investigating financial crimes, published his case in an op-ed that appeared in *Politico* Aug. 1. His voice is added to those of former



zocalopublicsquare.org

*Journalist James B. Stewart, in a July 20 op-ed, wrote about UBS “it’s hard to imagine a better corporate candidate for a criminal indictment....”*

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1. For more on Ferdinand Pecora, see: “In the Wake of Libor: Its Past Time for a New Pecora Commission,” *EIR*, Aug. 3, 2012.

anti-drug prosecutor Neil Barofsky and former New York Governor and Attorney General Eliot Spitzer, who have been waging very public campaigns for submitting the big banks, and their protectors, to law enforcement.

Additional voices have also been raised in Congress in favor of prosecutions. One of the most cogent calls came from Rep. Peter Welch (D-Vt.), who was quoted in a July 20 *New York Times* op-ed by James B. Stewart, an author and journalist noted for exposing financial criminals like Michael Milken, and who presented a strong case on one major offender, the Union Bank of Switzerland (UBS).

The question of whether Obama protector Attorney General Eric Holder would actually carry out prosecutions—and why he hasn’t done so yet—is also being raised within liberal Democratic circles, who are finding it increasingly difficult to defend Wall Street sycophant Obama. There is a solution to that, of course: Get Obama out of office on Constitutional grounds now.

## Blum: Prosecute HSBC

The following excerpts give the core of Blum’s argument in his Aug. 1 op-ed.

“After reading the Senate Permanent Investigations Subcommittee report, I am convinced that HSBC should be criminally prosecuted. So should its responsible officers and board members. The report and follow-up hearings have shown that the bank has knowingly violated many criminal laws. Individuals convicted of similar violations are now in jail—with sentences of up to 40 years. The only case that comes close to matching the range of crimes that HSBC committed is the Bank of Credit and Commerce International—the bank of crooks and criminals, which I investigated back in the late 1980s. It was closed and its leadership was prosecuted. HSBC deserves the same treatment.

“The Justice Department is now reportedly negotiating a deferred prosecution agreement with the bank. HSBC might have to pay a \$1 billion fine, according to some news reports, and promise not to violate the law again.

“For HSBC, given the size of its profits, the length of time over which it broke the law and the seriousness of the offenses, a billion-dollar settlement is like a parking ticket. One 20th of one year’s profits as a fine for 10 years of flagrant criminal behavior makes no sense.

“The bankers who went along with the crimes

should also be charged. They were clear in their directions to underlings—get a 15 percent return on equity and disregard the law if you have to. They fired compliance officers who tried to do their job. They fired employees who raised questions and who complained about lack of resources.

“The corporate leadership must be charged—if only to protect the integrity of the compliance function. If compliance officers can be fired with impunity for doing their jobs, why have them? Regulators and prosecutors have ignored the problem of mistreated compliance officers in past cases. Martin Woods, the Wachovia Bank compliance officer in London, was fired for bringing bulk money laundering for the Mexican cartels to management’s attention. When they failed to listen, he spoke to regulators.

“No one at Wachovia was even reprimanded for firing him. HSBC must have been encouraged by that Wachovia outcome. . . .

“Congress included a provision in the laws against money laundering that requires the government to revoke the banking license of firms that violate the law. Prosecutors have, in the past, danced away from prosecution because the Justice and Treasury departments have thought that law too draconian. Banks now expect that, no matter how bad their behavior, paying a fine and promising to be good will cover any misdeed.

“We now have a long list of banks that have entered into deferred prosecution agreements. These clearly don’t provide the necessary deterrence. . . .

“In addition, there is the outrageous issue of the Treasury revolving door. HSBC hired Stuart Levey as a group managing director and chief legal officer. He had been Treasury undersecretary for terrorism and financial intelligence. He was a senior official at the Justice Department just before this. Though there was a one-year gap between his leaving Treasury and his HSBC start date, the investigation was already under way when he was at Treasury. Levey should be barred from meeting with or discussing the case with anyone in the administration.



wordpress.com

*Financial crimes investigator Jack Blum wrote in an Aug. 1 op-ed: “After reading the Senate Permanent Investigations Subcommittee report, I am convinced that HSBC should be criminally prosecuted.”*

“Americans have been asking why there have been virtually no prosecutions of banks or bankers in the wake of the financial crisis. We have all heard complaints about the difficulty of making the case and identifying responsible individuals. Here is a case that cries out for real prosecutorial action.”

### **And Then There’s UBS**

In his op-ed, James B. Stewart goes after UBS to make his case that the days of non-prosecution of bankers must end. He leads with a quote from Representative Welch saying: “The Justice Department has to decide: Is the day of consent decrees and settlements, where you pay a fine, one passed on to shareholders, are those days over? Are the days of jail time here?”

While citing HSBC and Barclays as well, Stewart points out that “in many ways UBS is in a league of its own given its track record for scandals. Should UBS be implicated in the Libor rate-fixing conspiracy, it’s hard to imagine a better corporate candidate for a criminal indictment. . . .

“As the Justice Department points out in its guidelines for charging a corporation with a crime: ‘A corporation, like a natural person, is expected to learn from its mistakes,’ and ‘a history of similar misconduct may be probative of a corporate culture that encouraged, or at least condoned, such misdeeds, regardless of any compliance programs. Criminal prosecution of a corpo-

ration may be particularly appropriate where the corporation previously had been subject to noncriminal guidance, warnings or sanctions.

“The bank’s recidivism seems rivaled only by its ability to escape prosecution:

“UBS obtained a deferred prosecution agreement in 2009 for conspiring to defraud the United States of tax revenue by creating more than 17,000 secret Swiss accounts for United States taxpayers who failed to declare income and committed tax fraud. . . . In return for the deferred prosecution agreement, UBS agreed to pay \$780 million in fines and penalties and disclose the identities of many of its United States clients. At the same time it settled Securities and Exchange Commission charges that it acted as an unregistered broker-dealer and investment adviser to American clients and paid a \$200 million fine. In October 2010 the government dropped the charges, saying UBS had fully complied with its obligations under the agreement.



welch.house.gov

*Rep. Peter Welch (D-Vt.) is quoted on the non-prosecution of bankers: “The Justice Department has to decide: . . . Are the days of jail time here?”*

“In May 2011, UBS admitted that its employees had repeatedly conspired to rig bids in the municipal bond derivatives market over a five-year period, defrauding more than 100 municipalities and nonprofit organizations, and agreed to pay \$160 million in fines and restitution. An S.E.C. official called UBS’s conduct a how-to primer for bid-rigging and securities fraud. UBS landed a nonprosecution agreement for that behavior, and the Justice Department lauded the bank’s remedial efforts to curb anticompetitive practices.

“In what the S.E.C. called at the time the largest settlement in its history, in 2008 UBS agreed to reimburse clients \$22.7 billion to resolve charges that it defrauded customers who purchased auction-rate securities, which were sold by UBS as ultrasafe cash equivalents

even though top UBS executives knew the market for the securities was collapsing. . . . Besides reimbursing clients and settling with the S.E.C., UBS paid a \$150 million fine to settle consumer and securities fraud charges filed by New York and other states. It again escaped prosecution.

“There’s more—including UBS’s prominent role and big losses in the mortgage-backed securities debacle that helped bring on the financial crisis. The federal agency overseeing Fannie Mae and Freddie Mac sued UBS for securities law violations, accusing it of materially false statements and omissions. The agency is seeking \$1 billion in damages. . . .

“In the continuing global interest rates investigations, UBS last summer revealed that it had received conditional immunity from the Justice Department and other authorities. It was shown this leniency even though the Justice Department has pointedly said that Barclays, not UBS, was the first bank to cooperate.

“A corporation can avoid criminal conviction and fines for antitrust crimes by being the first to confess participation in a criminal antitrust violation, fully cooperating with the division, and meeting other specified conditions, according to the Justice Department.

“The department’s antitrust division stresses that it makes only one grant of immunity per conspiracy, so it isn’t clear how both Barclays and UBS managed to get it. . . .

“UBS said its antitrust immunity was tied only to yen-related rates. That means it could still be prosecuted for antitrust crimes related to other currencies. Barclays obtained antitrust immunity only for a conspiracy involving the euro interbank offered rate, suggesting that the Justice Department is treating the cases as separate conspiracies.

“In the Libor scandal, UBS’s conditional immunity applies only to the company, not to individuals. . . .

“Last week the *New York Times* reporters Ben Protess and Mark Scott wrote that the Justice Department was building criminal cases against several individuals and institutions implicated in the Libor scandal, even as rumors swirled that more generous settlements with major banks were in the works.

“If prosecutions are forthcoming, it will be a welcome sign that banks and their employees will be held accountable for their misdeeds. As the recent wave of scandals suggests, years of leniency have failed to bring the hoped-for results or respect for the law. . . .”

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## Book Review

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# Barofsky Indicts the Bailout, Underscores Need for Glass-Steagall

by John Hoefle

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### **Bailout: An Inside Account of How Washington Abandoned Main Street While Rescuing Wall Street**

by Neil Barofsky

New York: Simon and Shuster, 2012

288 pages, hardcover, \$26

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Aug. 4—As the Special Inspector General of the Troubled Asset Relief Program (SIGTARP), Neil Barofsky was in a unique position to view the attitudes and operations of top-ranking U.S. Treasury officials during a particular part of the bailout. What Barofsky found made him angry, and that anger permeates his book.

In the Afterword, where he reflects back on his time in Washington, Barofsky says the American people are right to be “enraged by the broken promises to Main Street and the unending protection of Wall Street. Because only with this appropriate and justified rage can we sow the seeds for the types of reform that will one day break our system free from the corrupting grasp of the megabanks.”

In numerous interviews on the book promotion circuit, Barofsky has expounded on the need for not only stronger regulations, but also prosecutions of financial crimes. He has called for breaking up the big banks, and for an “up-to-date” version of Glass-Steagall. He also has described Treasury Secretary Tim Geithner as being “the poster boy for a corrupt administration.”

### **(Not) Welcome to Washington**

Prior to his appointment as SIGTARP, Barofsky was a Federal prosecutor for the Southern District of New York, where he spent much of his time going after drug-runners and drug-money launderers. He put enough heat on the Colombian FARC drug cartel that it targeted him for assassination, but his prosecution of the FARC was ultimately thwarted by the Justice and State De-

partments in Washington. Barofsky also prosecuted mortgage fraud, and the fraud at failed commodity and futures broker Refco. But even after those experiences, he was surprised at the level of corruption, and the systematic betrayal of the public trust, that he found in Washington.

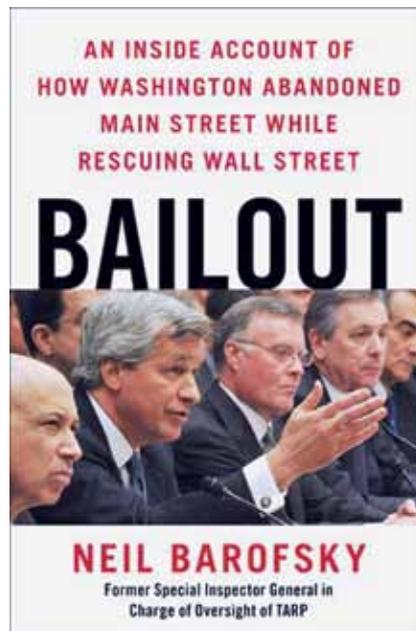
By the time Barofsky took office in December 2008, the TARP had been in effect for two months, and many billions of dollars had already gone to the big banks. Virtually no protections against fraud had been put into place. And, as quickly became clear, none were wanted.

However, the law creating SIGTARP, while making it part of Treasury, had given it both substantial

independence and status as a Federal law-enforcement agency. As an independent outfit with a direct window into the inner workings of the bailout, SIGTARP was viewed with alarm by many within Treasury and on Wall Street. From his arrival on the scene, efforts were made to neutralize Barofsky and his team.

### **Go Along To Get Along**

One of the first things Barofsky did in Washington was to canvass other inspectors general for insights into



how to do his job, and it quickly became apparent that the prevailing view was that one should appear to do one's job, without actually doing it. Essentially, the IGs saw their role as creating only the illusion of oversight. Doing too good a job, it was widely understood, was career suicide.

Other Treasury officials displayed the same attitude, and tried to dissuade Barofsky from doing his job. To the extent they could do so, they obstructed SIGTARP's efforts to put strong anti-fraud provisions into TARP's contracts with the banks and other recipients. Tracking how the bailout money was used by these recipients was impossible, Barofsky was told repeatedly, so there's no point in trying. He was also repeatedly told that imposing strict rules would scare the banks away, and they would not take the money!

Such arguments are obviously preposterous, and designed to keep SIGTARP from discovering just how bankrupt the banks were, and how corrupt was the process by which trillions of dollars of taxpayer money was being shoveled at them to keep them afloat. The big banks not only needed the money, but the bailout was the only thing keeping them from collapse. The banks may have claimed they didn't need the money, but they took every dime they could get. At one point, Barofsky's team calculated that the total amount of aid to the banks from the Federal Reserve and the Federal government, counting funds spent, lent, guaranteed, and otherwise promised, was a staggering \$23.7 trillion. For many of the banks, for significant periods, their loans outstanding from the Fed alone were far greater than their market capitalization. Without the bailout, the entire system would have collapsed.

### **Worse Under Obama and Geithner**

Barofsky took office in the last weeks of the George W. Bush Administration, and Treasury Secretary Hank Paulson's tenure. Paulson was a former co-chairman at Goldman Sachs, and tapped another former Goldman man, Neel Kashkari, to set up the TARP. Barofsky immediately ran into problems with Paulson's team, and hoped that the situation would improve with the incoming Obama Administration.

His hopes were quickly dashed. Whereas Paulson had been willing to discuss matters somewhat openly and his team had been rather straightforward in their obstruction, the Treasury under Geithner was much more arrogant, duplicitous, and petty.

Geithner came to Treasury from the Federal Reserve Bank of New York, where he had been president, and an integral part of the bailout. Prior to that, he had worked at Kissinger Associates, the Council on Foreign Relations, and the IMF. During the course of his career, he had also worked at Treasury for several periods, including as Under Secretary for International Affairs under Clinton Treasury Secretaries Robert Rubin and Larry Summers. He became President of the New York Fed in 2003, which position also made him vice-chairman of the Federal Open Market Committee, and, in 2006, he became a member of the Group of Thirty, a body of international bankers. At the New York Fed, Geithner played a major role in the rescue of Bear Stearns and its taxpayer-assisted sale to JP Morgan Chase, and in the decision to bail out AIG, effectively turning the bankrupt insurance company into a backdoor bailout facility for the big banks.

Despite moving in and out of the regulatory apparatus multiple times in his career, Geithner brazenly testified during his confirmation hearings for Treasury Secretary that "I've never been a regulator... I'm not a regulator." While that statement is not factually true, given his high positions in regulatory bodies, it does seem to accurately characterize his subservient relationship to the financial system. Geithner is, and always has been, a whore for the banks, a co-conspirator in regulatory clothing.

During his confirmation hearings, Geithner's failure to pay Federal income tax during his years working for the IMF, and his handling of that issue when caught during an IRS audit, bespoke a lack of honesty and character. After he was caught, Geithner agreed to pay his taxes for 2003 and 2004, but declined to pay for 2001 and 2002, years for which the statute of limitations had run out. Geithner claimed that, since the IRS only demanded payment for the latter two years, "it did not occur to me to file amended returns for 2001 and 2002." He ultimately did file amended returns, but only to clean up his record prior to the announcement of his nomination.

Geithner's "careful and potentially misleading parsing of the truth," Barofsky wrote, "would soon characterize many of Treasury's public statements about TARP."

### **'Foaming the Runway'**

Because the Geithner Treasury did not view Barofsky as part of its bank-friendly team, SIGTARP was ex-

cluded from deliberations as much as possible. But sometimes the truth leaked out anyway.

One telling indication of Geithner's view of his role in the bailout came in a meeting with Barofsky, Congressional Oversight Panel head Elizabeth Warren, and a representative of the Government Accountability office (GAO). Warren grilled Geithner about the Home Affordable Modification Plan, or HAMP, a program nominally set up to help struggling homeowners avoid foreclosure by lowering their mortgage payments. Warren wanted to know when the program was going to start doing that job.

According to Barofsky: "Geithner finally blurted out, 'We estimate that they can handle ten million foreclosures, over time,' referring to the banks. 'This program will help foam the runway for them.' A lightbulb went on for me. Elizabeth had been challenging Geithner on how the program was going to help homeowners, and he responded by citing how it would help the banks. Geithner apparently looked at HAMP as an aid to the banks, keeping the full flush of foreclosures from hitting the financial system all at the same time."

Foaming the runway is what airports do to prepare for plane crashes, and the term is also used in business to describe a last-minute infusion of cash into a business about to go bankrupt. Use of the term is an admission that a crash is virtually inevitable.

The so-called "mortgage crisis" has, from the beginning, been a derivatives crisis. Beginning with the creation of mortgage-backed securities, and then through varieties of CDOs (collateralized debt obligations), and other types of derivatives and synthetic derivatives, the leverage piled atop each dollar of mortgage-debt is huge. Were the HAMP program to be used to accomplish its nominal goal of helping large numbers of people to restructure their mortgages, it would wipe out huge swaths of these leveraged derivatives. Since the bailout was in large part devoted to protecting the fictitious values of these mortgage-related derivatives, that could not be allowed.

So instead, a duplicitous Treasury used the HAMP to pretend to help, and in doing so, actually made the problem much worse. Its real function is not to stop foreclosures, but to stretch them out over time for the benefit of the banks. It is thus a clear example of how "Washington abandoned Main Street while rescuing Wall Street."

Geithner himself proved to be remarkably thin-skinned about his duplicity. At one point, when Barofsky warned him that his failure to level with the American people, his failure to be transparent only made the public's distrust of TARP worse, Geithner profanely exploded: "Neil, I have been the most *fucking* transparent secretary of the Treasury in this country's entire *fucking* history! No one has ever made the banks disclose the type of shit that I made them disclose after the stress tests. No one! And now you're saying I haven't been fucking transparent!"

In another case, a SIGTARP official asked Geithner if, upon reflection, the Secretary had made any mistakes administering the TARP. To which Geithner snidely replied: "The only real mistake that I can think of was that there were times when we were unnecessarily unsure of ourselves. We should have realized at the time just how right each of our decisions were."

This exchange caused Barofsky to conclude that his wife Karen had been right about Geithner when she described him as a narcissist who was psychologically incapable of admitting he had made a mistake.

## The Larger Picture

Barofsky's book is a valuable contribution, and well worth reading, as long as the reader keeps in mind that it describes a narrow slice of the problem. It accurately conveys the immorality of Treasury, and the way it has been completely captured by the banking system it nominally regulates. It is a solid indictment of both the Geithner Treasury and the Obama Administration, and the way they have sold out the population to protect the big money.

To solve the problems Barofsky describes, as well as the problems outside the scope of his book, requires understanding that the bailout itself was a mistake. It should never have happened in the first place. Instead, the Federal government should have admitted that the banking system was bankrupt, and reorganized it under the Glass-Steagall principle of separating commercial banking from investment banking, while banning all derivatives and freezing all the speculative claims. We should have cleaned up the banking system, reinstated Glass-Steagall in its original form, and established a credit system in the Alexander Hamilton tradition to restart the economy.

We did not do that, so we must do it now.

*johnhoeft@laroucheub.com*

# Drought, Hunger, and Now Water Wars, Break Out in Mexico

by Dennis Small

Aug. 6—The southwestern United States and northern Mexico are being ravaged by the worst drought and heat wave in 70 years. Up to 85% of all U.S. agricultural production is experiencing drought conditions, while in Mexico, two out of three hectares are affected. Mexico's all-important corn crop has been especially hard hit, forcing the country to try to import vast amounts from the United States, where there is also a shortage, and where financial speculation has driven up its price by 50% in July alone. In Mexico, 10 million head of cattle have died from the drought since it began more than a year ago, according to Congressman Gerardo Sánchez Garcí, a leader of the National Peasant Confederation (CNC). And in the impoverished north-central region of the country, the drought is driving the population to hunger, despair ... and beyond.

Farmers and citizens in different parts of Mexico are fighting each other over diminishing water supplies, drilling illegal wells, and even taking up arms. The first reported death from this descent into the Dark Ages occurred on June 7 in the state of **Durango**, where an 8-year-old girl was shot when her family was trying to take water from a disputed well. Others in the state are defending their water rights with machetes. Neither corn nor beans for domestic consumption are available in the state. Infant malnutrition is up 50%, with Indian communities hit hardest. There are 1,200 municipalities in Durango entirely without water. In some, residents have to walk two hours a day in the sweltering heat to get two buckets of water from the nearest stream to carry home—which lasts them a day. The cow cemetery in one municipality is one kilometer wide.

In the state of **Nuevo León**, 50,000 head of cattle have died, 10% of the state's herd. Some crops are at 35% of their normal levels.

In **Zacatecas**, cattle-growers say they have lost

150,000 head. Bean production, a staple in the diet, is down to a mere 25% of normal. The reservoirs of dams are at 17% of capacity.

In neighboring **Chihuahua**, only 64,000 hectares of beans have been planted, barely more than half the usual 117,000 hectares. Warfare has broken out between a 50,000-strong Mennonite farming community, and producers from the leftist El Barzón and the Democratic Peasant Front, who are accusing the Mennonites of illegally drilling wells and building dams. Barzón activists, with support from the official government water agency Conagua—which is run by radical environmentalist and Worldwide Fund for Nature (WWF) errand boy José Luis Luege Tamargo—have so far destroyed four Mennonite dams; and they are threatening to destroy between 23 and 53 more, as well as to forcibly close 200 of their wells. Mennonite elders report that their youth are arming, and that “the situation is getting out of control.” The elders, true to their religion, say they don't want bloodshed, but they report that their younger leaders are preparing for violence.

Now take a step back—both geographically, and in time.

## The López Portillo Legacy

It's hard not to notice that the latest U.S. government “North American Drought Monitor” map (**Figure 1**) corresponds closely to the area of the Great American Desert singled out decades ago by Lyndon LaRouche for major water and other infrastructure projects (**Figure 2**). Had those great projects—NAWAPA (North American Water and Power Alliance), PLHINO (Northwest Hydraulic Plan), and PLHIGON (Northern Gulf Hydraulic Plan)—been implemented in the U.S. and Mexico, *none* of what we describe above would be occurring today. During a

FIGURE 1

# North American Drought Monitor

June 30, 2012

Released: Thursday July 19, 2012

<http://www.ncdc.noaa.gov/nadm.html>

Analysts:  
 Canada - Trevor Hadwen  
 Dwayne Chobani  
 Richard Rieger  
 Mexico - Reynaldo Pascual  
 A delina Abamil  
 Mark Svoboda\*  
 U.S.A. - Rich Tanker

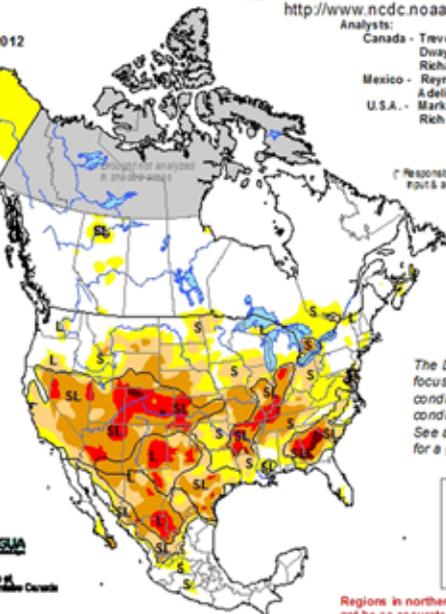
(\* Responsible for leading analysts' efforts assembling the US-DM map)

**Intensity:**

- D0 Abnormally Dry
- D1 Drought - Moderate
- D2 Drought - Severe
- D3 Drought - Extreme
- D4 Drought - Exceptional

**Drought Impact Types:**

- Delineates dominant impacts
- A = Agriculture
- H = Hydrological (Water)



The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text for a general summary.



Regions in northern Canada may not be as accurate as other regions due to limited information.

visit a decade ago, in November 2002, to the northern Mexican state of Coahuila, LaRouche emphasized the need to bring water and other infrastructure to the Great American Desert, and during that trip he commissioned an *EIR* programmatic study which was published in May 2003, under the title “Vladimir Vernadsky and the Biogeochemical Development of the Great American Desert” (*EIR*, May 9, 2003).

But it was two decades before that, in late 1982, that Mexico actually lost the crucial battle for its development and sovereignty, from which it has never recovered. Today’s conditions are the direct consequence of that defeat, when President José López Portillo (1976-82) was politically crushed by global financier forces that then orchestrated the takeover of the country by the international drug trade.

When López Portillo assumed the Presidency, Mexico was about 80% food self-sufficient (albeit at a poor level of consumption), and in 1980, his government established the Mexican Food System (SAM), whose stated objective was “a policy of self-sufficiency in basic foods, above all cereals and oilseeds.” A detailed study of the country’s physical-economic capabilities was carried out, and “it was determined that self-sufficiency can be achieved in corn and beans

by 1982, and take firm steps by opening up new land to cultivation to achieve it by 1985 for the other basic products where there are deficits.”

Instead, the money-centered policies of speculation, globalization, and free trade which López Portillo and LaRouche fought together to destroy, have brought about the current collapse of the world financial system, and have also destroyed Mexico’s physical economy. The country today has to import 40-50% of its food. Out of some 115 million Mexicans, about half live below the poverty line, while 28 million live in “food poverty”—i.e., they go hungry some or all of the

time. Another 40 million face malnutrition. The National Council for the Evaluation of Social Policy reports that the number of poor grew by 12.5 million between 2006 and 2010, and Mexico’s 10% poorest families lost 15.5% of their income. According to the official statistical agency INEGI, over the last six years, the price of tortillas, a staple, has increased by 74%; beans by 72%; and eggs by 66%—and there is no end in sight.

In tandem with this physical-economic blowout, the British Empire’s drug trade has consummated a virtual coup d’état in the country.

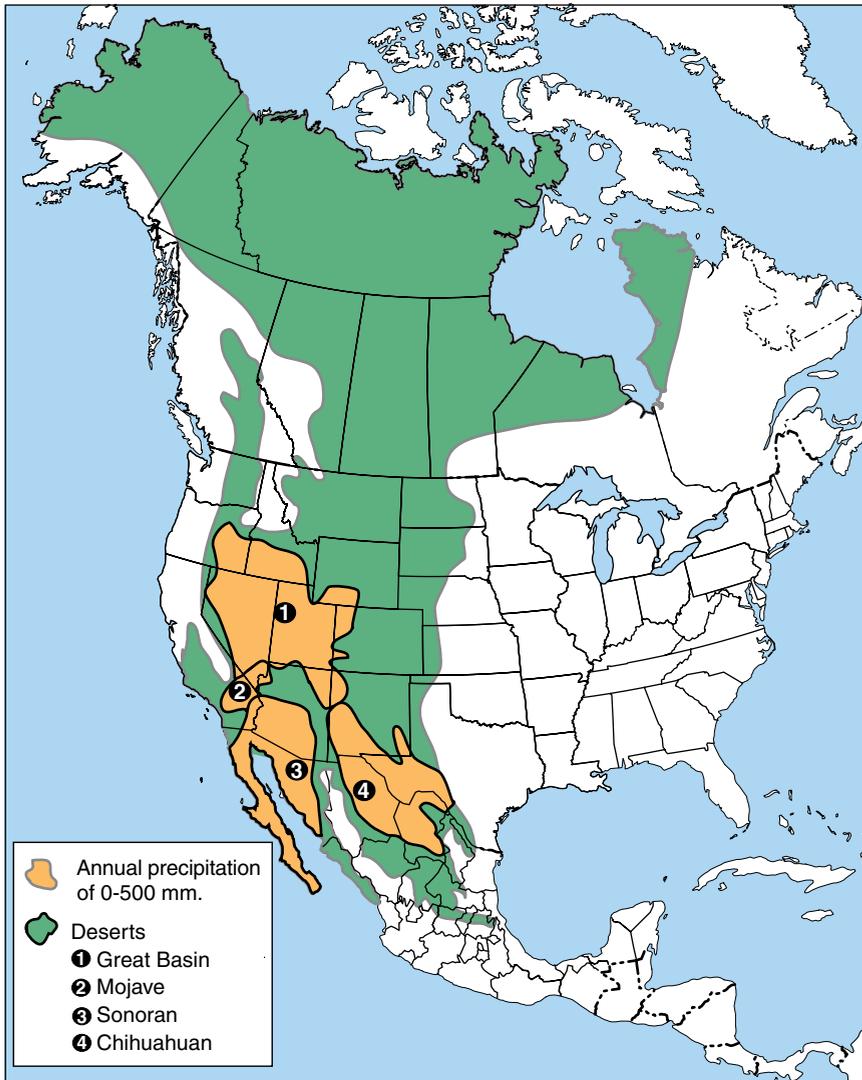
LaRouche, in an Aug. 3, 2012 discussion with members of the LaRouche movement in Mexico City, discussed his close relationship with President López Portillo to bring about a radical reorganization of the world financial system:

“I was deeply involved with López Portillo, and it was not just being involved with López Portillo, but that López Portillo agreed with us on a mission. That mission was politically defeated. The Mexico situation [today] is defined by the crushing of Mexico at the time López Portillo had made all the *right* decisions.

“Why is Mexico in trouble? Why has Mexico suf-

FIGURE 2

**The Great American Desert**



Source: *EIR*.

ferred what it's suffered since then? What happened to Mexico as the result of the successful crushing of Lopez Portillo?... We were simply overpowered. And we were overpowered because people who should have been patriots of their country, were not. And when you see the drug problem which is destroying Mexico—and that is the key issue, because the whole question of the agricultural questions and so forth are a product of the drug problem and the drug system—and unless we can crush the drug interests in Mexico, you cannot win anything in Mexico.”

“You cannot save Mexico from Mexico alone,” La-

Rouche elaborated. “You have to save Mexico through an international effort to defeat what is behind the drug mafia. . . . We’ve lost the war to the drug mafia, unless we bring into play forces which are beyond that. . . .

“Now the time has come where the only thing that can defeat that enemy is defeating that international force.”

**Fascist Environmentalism**

The international force that La-Rouche identified, the British Empire’s financial oligarchy, is well represented inside Mexico, and in addition to pushing drugs, it promotes extreme environmentalism to intentionally aggravate the crisis and promote population reduction.

Take the case of Jose@a Luis Luege Tamargo, the agent of the British monarchy’s genocidalist WWF, who heads Mexico’s official National Water Commission, Conagua, and who peddles the fraud of man-made global warming and climate change to justify sharp cut-backs in water consumption. There must be a “drastic change in public policy,” Luege told regional experts from 20 countries of the UN Framework Convention on Climate Change, which met in Mexico City July 23-25, particularly regarding the use of fuels. There must be no

nuclear energy, Luege demanded; only solar, wind, and bio-fuels are “viable.” Mexico must “adapt” to scarcity, and states and municipalities must be forced to “respect the use of the soil,” and ration consumption of natural resources and water. Luege went on to lie that, as a result of global warming, the temperature over a large part of Mexico will rise by 0.5-1.0°C over the next 10 years. “If we don’t change, the effects will be grave.”

The official policy of Conagua, as dictated by the WWF, with which Luege has coordinated policy closely for years, is to prohibit water transfers among

basins altogether—presumably because they violate the rights of Mother Nature. This amounts to an outright ban on any infrastructure projects that could actually address Mexico’s water crisis. And where bans and prohibitions don’t work, local Conagua offices have reportedly been given the green light to physically *destroy* existing infrastructure, such as the case of Conagua’s alliance against the Mennonite farmers in Chihuahua. An angry governor of that state, César Duarte, told *El Heraldo* newspaper that Conagua has become “an instrument of political control,” demanding that producers and water consumers embrace a “culture of conservation and self-restraint in order to enforce sustainability.”

### **A Renewed Call for the PLHIGON**

Not everyone in Mexico is falling for the environmentalist insanity and induced pessimism. For example, the incoming head of the Infrastructure Committee of the National Conference of Governors, Jorge Herrera of Durango, in a July 27 press conference, threw down the gauntlet to the newly elected Mexican President and Congress:

“We have to bring water from [the southern states of] Chiapas and Tabasco, where, unfortunately, a large number of cubic meters of water are wasted because of its abundance, to the states of the center-north. . . . If these droughts are recurrent, we have to think of a solution that goes to the root of the problem. . . . These are long-term projects, but it will be a challenge facing the new federal government and the new Chamber of Deputies, to carry out studies and make investments. . . . We have to get going; although they are long-term projects, they can be the solution. Their cost is nothing compared to the lack of water and the dramatic consequences.”

Governor Herrera explained that his proposal was to build “aqueducts, which would help to fundamentally mitigate the grave problem of drought which the region is suffering, and which is leaving millions of people defenseless.” He added that this project would be a “bridge” to unite Mexico’s regions, and bring greater economic growth, employment, and welfare to families, and that five regional meetings would be held in different states during August.

Although Herrera didn’t say it, what he is proposing is the long-standing Northern Gulf Hydraulic Plan, the PLHIGON, the sister-plan of the PLHINO, both of which have been championed by the LaRouche move-

ment in Mexico for at least three decades (see article below).

The challenge issued by Herrera—who is a member of the PRI party, whose candidate Enrique Peña Nieto won the July 1 Presidential election—is more than timely. Those elections brought the country to a crossroads in its battle to regain the sovereignty and development it lost after López Portillo’s defeat.

Preliminary official results of the election—which await confirmation by the Federal Electoral Tribunal, which is reviewing charges of voting irregularities—gave the PRI’s Peña Nieto about 38% of the vote, against 32% for Andrés Manuel López Obrador, and 25% for the PAN’s Josefina Vázquez Mota. These results are a particularly stunning blow for the PAN party, which ruled Mexico for 12 years under Vicente Fox and Felipe Calderón, and reflect a clamor from the population to return to some semblance of sovereignty and economic survival—both of which have been lost in Mexico to a British-run coup d’état as a result of a 30-year process of warfare.

The coup was launched with the 1982 defeat of López Portillo. It was then ground into the souls of Mexico’s citizens with a string of high-profile political assassinations, conducted at the end of the Presidency of the drug-linked, Bush-allied Carlos Salinas de Gortari: May 24, 1993, Cardinal Juan Jesús Posadas Ocampo; March 23, 1994, PRI Presidential candidate Luis Donaldo Colosio; and Sept. 28, 1994, PRI secretary general José Francisco Ruiz Massieu. The ensuing cover-ups of each and all of these murders were essential to producing a psychological and political impact on the Mexican population very similar to the brainwashing induced in the United States by the British murders of the Kennedy brothers. And the coup was completed in March 2009, on Barack Obama’s watch, with the U.S.-sanctioned, fraudulent, drug-linked election of Guillermo Padrés as governor of Sonora—a fact noted and acted upon instantly at the time by LaRouche.

To stage a de facto counter-coup against those international forces, Mexico’s historically nationalist institutions must now coordinate efforts with international allies, especially in the United States, as best exemplified by López Portillo’s alliance of principle with LaRouche, an alliance which today is represented by such policies as Glass-Steagall and the NAWAPA-PLHINO-PLHIGON great projects.

That is the challenge awaiting Mexico under incoming President Peña Nieto.

# Mexico's PLHIGON: Watering the Great American Desert

by Dennis Small

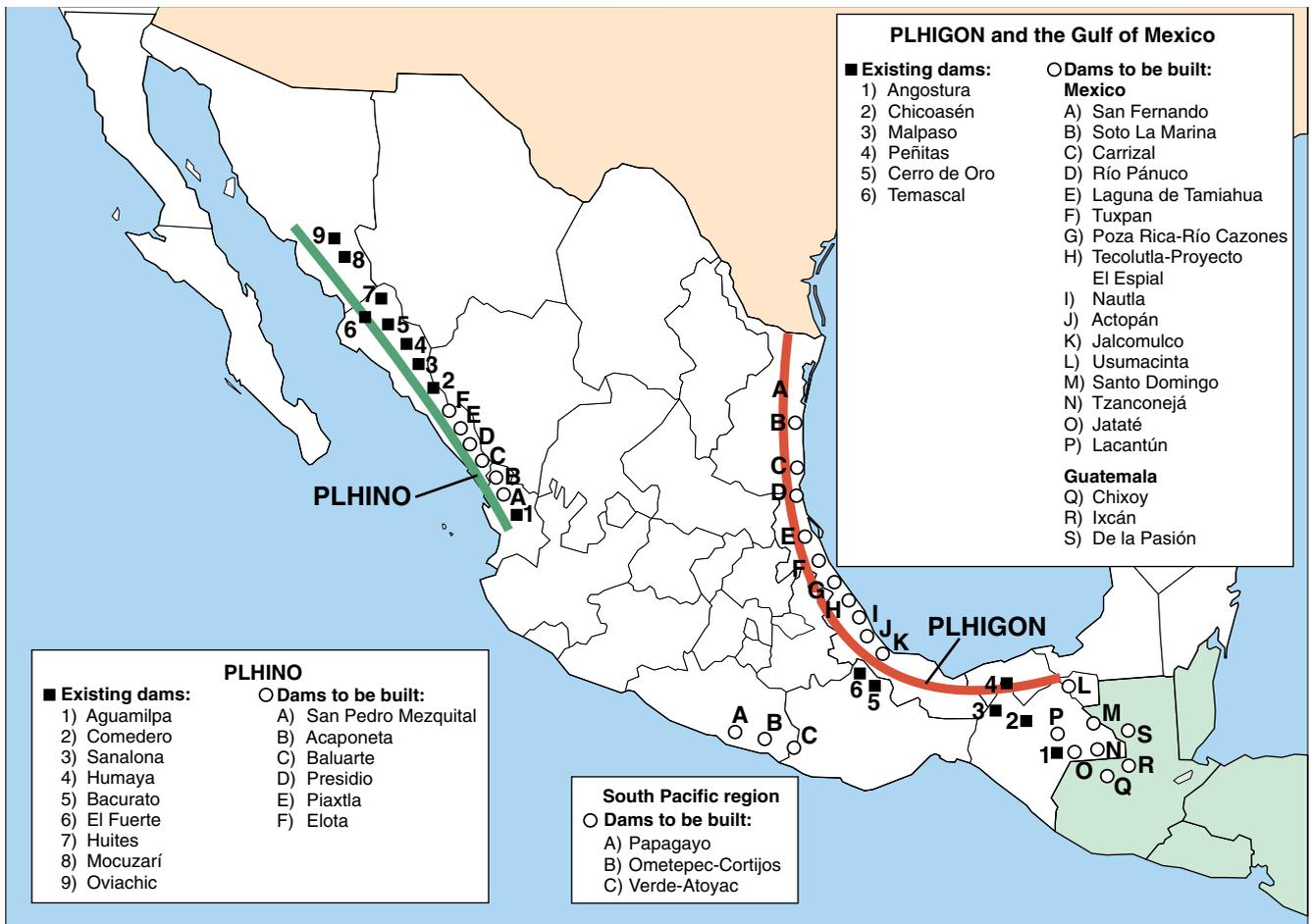
Aug. 6—Jorge Herrera, the governor of Mexico's parched state of Durango, called on July 27 for addressing the crisis that is currently devastating northern Mexico by building a system of aqueducts to bring water from Mexico's southeast to the drought-stricken north. Such a regional infrastructure project has long

been designed and proposed, and is known as the PLHIGON, the Northern Gulf Hydraulic Plan. As with its sister-project, the PLHINO, or Northwest Hydraulic Plan, the LaRouche movement has promoted it for decades (**Figure 1**).

The PLHIGON will control the historic flooding problem in the Mexican Isthmus region, produce significant amounts of hydroelectric power, and move vast quantities of freshwater northwest along Mexico's Gulf Coast, part of which will then require complementary projects that will pump it up to Mexico's north-central plateau, which is part of the Great American Desert.

The total amount of water runoff to be controlled and withdrawn for use is enormous, and dwarfs the PLHINO's scope of 7 km<sup>3</sup> of water withdrawn, out of a total runoff of 9.5 km<sup>3</sup>. The Southeast's four big

FIGURE 1  
Mexico: the PLHINO and the PLHIGON



rivers (Grijalva-Usumacinta, Papaloapan, Coatzacoalcos, and Tonalá—the first, second, third, and sixth biggest in the country, respectively) jointly produce some 204 km<sup>3</sup> of runoff, of which only 15%, or 30 km<sup>3</sup>, will be withdrawn for use in the PLHIGON. This is almost one-fifth the amount of water that will be transferred by the planet's most ambitious water-management project, the North American Water and Power Alliance (NAWAPA XXI)—some 165 km<sup>3</sup> per year.

In the detailed design for the PLHIGON drawn up by the distinguished Mexican engineer Manuel Frías Alcaraz, six major dams will be constructed on the Usumacinta River and its tributaries, some of which will involve binational projects with Guatemala. These will create hydroelectric installed capacity in the range of 9.5 gigawatts, nearly doubling Mexico's current hydroelectric installed capacity of 11 GW, out of a national total of 50 GW from all sources. It will also be necessary to increase the capabilities of the existing Malpasos and Peñitas dams on the Grijalva.

Besides producing electricity, these dams will be designed to control the rivers' runoff, and prevent future flooding. That will allow the rich lands, in what is now a vast coastal flood plain stretching across Tabasco and the neighboring state of Campeche, to be put into agricultural production, both for crops and pastureland. Frías estimates that more than 1.5 million hectares of land can be recovered, transforming the region into the country's number-one agricultural zone. As a rule of thumb, 1 km<sup>3</sup>/year of water will irrigate some 100,000 hectares of land. That means that about 15 km<sup>3</sup> of the 204 km<sup>3</sup> of runoff from the four mentioned rivers, will be needed for the 1.5 million new hectares of agricultural land.

It will also be desirable to build a canal eastward into the Yucatán peninsula, where the relatively arid conditions have forced an over-reliance on aquifers, which are rapidly becoming depleted.

A second canal, 59 km in length, will be constructed to link the city of Villahermosa to the Gulf Coast, transforming that anguished, often-flooded city into a thriving internal port.

### **Nuclear Energy Also a Must**

In a second stage, an additional 15 km<sup>3</sup> of water will be transported northwestward along the Gulf coast, building dams, canals, and pumping stations for that purpose. There are technical difficulties involved in

transferring such vast amounts of water either over (or under, with tunnels) the neo-volcanic knot in the center of Mexico, but these can be solved with the significant increase in power production that will come as Mexico fully develops its nuclear industry.

Substantial power will also be needed to pump water over the Eastern Sierra Madre into the Great American Desert region in north-central Mexico, the epicenter of today's drought.

It should be noted that neither the PLHINO nor the PLHIGON per se would carry water up to that area. They would have to be complemented by other projects that would bring water up from the coasts to the central highlands. From the western side, this is not very feasible in physical-economic terms, since the Western Sierra Madre is quite high—it reaches heights of 3,000 meters above sea level. But on the Gulf side, it is much more feasible, given that the Eastern Sierra Madre ranges between 2,000 and 2,500 meters above sea level.

One project that would be especially important for carrying water in that direction, at least as far as the

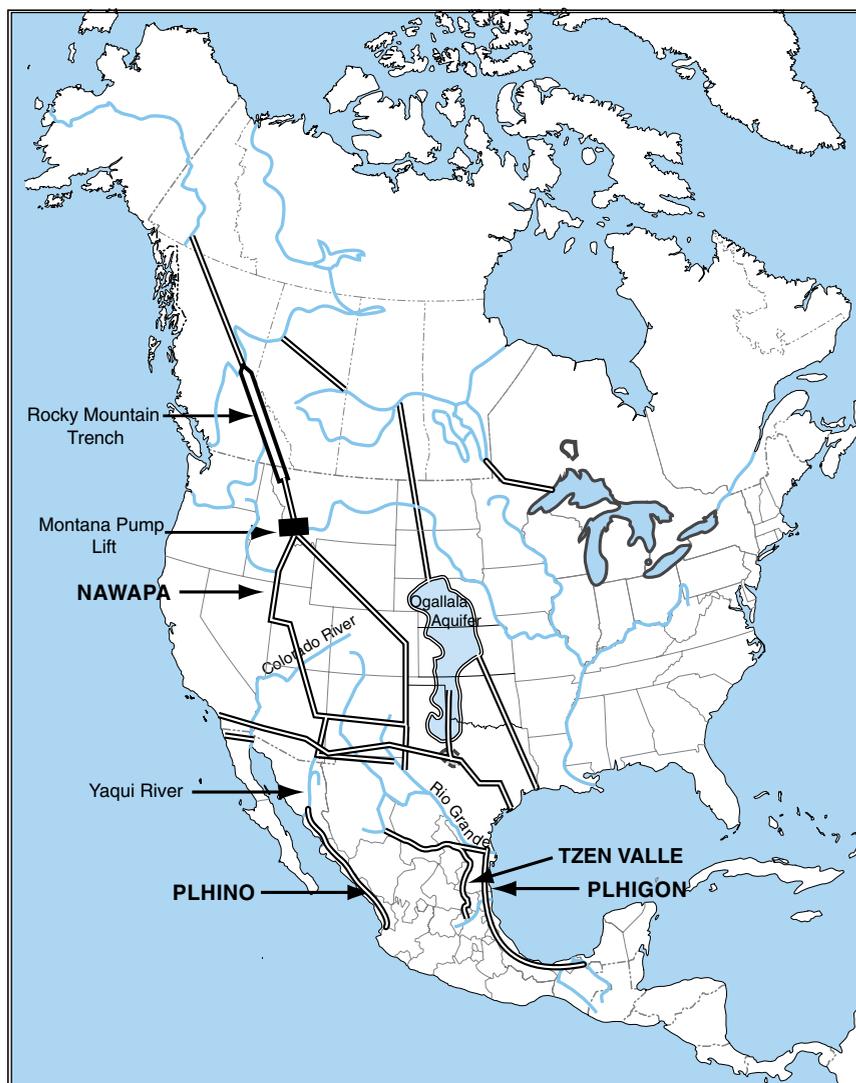


Released on Thanksgiving 2011, the LPAC-TV documentary "NAWAPA 1964" is the true story of the fight for the North American Water and Power Alliance. Spanning the 1960s and early '70s, it is told through the words of Utah Senator Frank Moss. The 56-minute video, using extensive original film footage and documents, presents the astonishing mobilization for NAWAPA, which came near to being realized, until the assassination of President Kennedy, the Vietnam War, and the 1968 Jacobin reaction, killed it

... until now.

<http://larouchepac.com/nawapa1964>

FIGURE 2  
North America: 'NAWAPA-Plus'



Sources: Parsons Company, *North American Water and Power Alliance Conceptual Study*, Dec. 7, 1964; Hal Cooper; Manuel Frías Alcaraz; *EIR*.

city of Monterrey (which is just before you have to cross over the Eastern Sierra Madre into the highlands), is a proposal developed by engineer Frías, which he has dubbed the TzenValle System. The idea is to divert about one-third of the water from the Pánuco River (the fifth in the country, in terms of runoff) and its tributaries, where these originate in the Eastern Sierra Madre in the state of San Luis Potosí. By means of a series of dams, tunnels, and canals, located at some 250-300 meters above sea level, water would be carried north, and then pumped up as far as Monterrey, which is at 540 meters above sea level. In other words, the cost of the pumping would be kept to

a minimum, because the water would only need to be lifted an additional 250 meters or so.

The TzenValle System would carry an additional 6.8 km<sup>3</sup> of water per year to this arid zone.

American engineer Hal Cooper has also proposed a couple of projects to carry water from the Gulf of Mexico to the Great American Desert. In the first, he calls for building a canal that would run from the extreme north of the PLHIGON, to Monterrey, and from there to Saltillo, Torreón and into the southern part of the state of Chihuahua, where it would connect to the Conchos River, a tributary of the Rio Grande (Figure 2). The most challenging stretch of the project would be to raise the water from Monterrey to Saltillo, a difference of about 1,050 meters. There is no way around pumping the water up, although you could possibly build some tunnels under the highest parts of the Eastern Sierra Madre.

But the PLHIGON and the PLHINO take on their real physical-economic significance for the region only when they are linked up with NAWAPA, in a project known as NAWAPA-Plus.

Under NAWAPA-Plus, NAWAPA would link up in Mexico with both the PLHINO and the PLHIGON, creating a single, integrated North American water project. As Figure 2 indicates, the eastern branch of NAWAPA would connect with the tributaries of the Rio Grande (Río Bravo), which forms the border between the United States and Mexico at that point. This would enable the transfer of large quantities of freshwater—some 6.8 km<sup>3</sup>—to the arid Center-North of Mexico. Here, at the Rio Grande, is where NAWAPA and the PLHIGON meet.

The western branch of NAWAPA would feed water across the border to the Yaqui River in Sonora, which would receive nearly 12 km<sup>3</sup> of water a year. This is where NAWAPA and the PLHINO meet.

**FIGURE 3**  
**Mexico: Water Transfers**  
 (km<sup>3</sup>)



Sources: Parsons Company, *North American Water and Power Alliance Conceptual Study*, Dec. 7, 1964; Hal Cooper; Manuel Frías Alcaraz; *EIR*.

The western stretch of NAWAPA would also supply water to the north and center of California, and to the Colorado River, which in turn, would carry more than 5 km<sup>3</sup> of water a year to northern Baja California, in Mexico.

Figure 3 and Table 1 present the full impact of the NAWAPA-Plus projects on water availability in

**TABLE 1**  
**Mexico: Water Transfers Under ‘NAWAPA-Plus’**  
 (km<sup>3</sup>)

	To:NAWAPA- Baja (I)	NAWAPA- PLHINO (II, III)	NAWAPA- PLHIGON (VI, VII, IX, X, XI)	Total Mexico
From:				
NAWAPA	5	12	7	24
PLHINO	0	7	0	7
PLHIGON	0	0	37	37
—TzenValle			7	
—Isthmus Big Four Rivers			30	
<b>Gross New Water to Region</b>	<b>5</b>	<b>19</b>	<b>44</b>	<b>68</b>
Replace Aquifer Overuse	1	1.5	3.4	10
Net New Water to Region	4	17.5	40.6	58
Current Total Withdrawals	3.8	17	24.2	76.5
Percentage Increase	105%	103%	168%	75%

Sources: CNA 2006 (Mexico); Parsons Co.; Hal Cooper; Manuel Frías Alcaraz; *EIR*

Mexico. For the country as a whole, there will be 68 km<sup>3</sup> of new water available. Since Mexico currently gets 36% of its total water withdrawals from aquifers, and over-exploits more than 20% of them—i.e., withdrawing more water than the amount of annual recharge—it will be necessary to use some 10 km<sup>3</sup> of the newly available water to recharge the aquifers and reverse their depletion. That will leave net new water availability of some 58 km<sup>3</sup>, a 75% increase over today’s 77 km<sup>3</sup>.

If this is looked at by region, as shown in Figure 3, the NAWAPA-Baja area (Mexico’s hydrological Region I) will receive 5 km<sup>3</sup> of new water from NAWAPA, which will mean a net increase for the region of over 100%.

The NAWAPA-PLHINO area (Regions II and III) will get 12 km<sup>3</sup> from NAWAPA, and 7 km<sup>3</sup> from the

PLHINO, for a total of 19 km<sup>3</sup> of new water. After aquifer recharge in this area, the net increase over today’s level will be over 100%.

And for the NAWAPA-PLHIGON area (Regions VI, VII, IX, X, and XI), the 7 km<sup>3</sup> of water coming from NAWAPA into Mexico through the Rio Grande system, will be boosted by 30 km<sup>3</sup> coming from the lower PLHIGON region, and another 7 km<sup>3</sup> from the TzenValle project. That will create an increase of net new water availability of 168%. This dramatic upshift will create the basis for addressing, at long last, the pressing issues of the Mexican portion of the Great American Desert.

This increase in water availability will allow Mexico to irrigate some 5 million hectares of new land, a 75% increase over its current 6.5 million hectares of irrigated land. Of this newly irrigated land, 0.8 million hectares will be in Sinaloa and Sonora; 1.5 million will be in the Tabasco/Campeche flood plain; and about 2.7 million will be opened up in the upper reaches of the PLHIGON, including in the currently dry central highlands.

## LaRouchePAC Gives Congress Agenda To Save the Nation

by Harley Schlanger and Nancy Spannaus

Aug. 6—What is usually a routine vote at the end of a Congressional session, for the five-week Summer recess, provided an indication that the deepening global crisis has made “business-as-usual” an unacceptable option for the majority of members of the U.S. House of Representatives: 78 Republicans joined 187 Democrats to vote last week against adjourning until Sept. 4. While the media either lied, saying the Congress is on recess, ignored the vote, or offered a myriad of reasons for it, the underlying issue is clear: A majority of House members realize that the nation is in an existential crisis, and that an angry population is blaming them for refusing to take necessary actions.

Contributing to that recognition was the intense deployment, for the last two weeks, of a strike force of young activists from LaRouchePAC (LPAC), which carried out an unprecedented blitz of the institutions of government in the nation’s capital. The LaRouchePAC deployment was focused on two major tasks. First, the organizers demanded that Congress act to take on the global economic/financial collapse by passing H.R. 1489 (the Return to Prudent Banking Act, introduced by Rep. Marcy Kaptur [D-Ohio], which now has 78 co-sponsors) to restore Glass-Steagall banking regulations, which would end the bailouts, while removing any governmental obligation for the hundreds of trillions of dollars of worthless speculative debt held by the banks.

Glass-Steagall would be combined with the return to a system of national credit, restoring the National Bank of the United States, which would take as its first task the funding of the North American Water and Power Alliance (NAWAPA XXI), to create more than 6 million jobs in the largest infrastructure program in our nation’s history, and rebuilding the nation’s industrial capacity—



LPAC-TV

*Crashing through the “business-as-usual” mindset in Washington, a strike force of LaRouchePAC activists demanded Congress stay in session to deal with the multiple crises facing the nation. Here, Jason Ross hands out LPAC’s emergency leaflet.*

especially in the machine-tool sector—to construct it.

The LPAC mobilization intersected the growing international movement for Glass-Steagall-style banking separation, which was boosted over the last two weeks by the about-face of former Citigroup CEO Sanford Weill, who prominently proclaimed the necessity of restoring Glass-Steagall—which he had played a leading role in repealing in 1999 (!)—along with editorials in leading press, including the *Financial Times*, *New York Times*, and *Los Angeles Times*, as well as in the German weekly *Der Spiegel*, admitting that Glass-Steagall is urgently needed. Weill’s “Damascus Road conversion,” in particular, had a huge impact, as it was cited in several Congressional hearings by supporters of H.R. 1489, and was the subject of animated discussion in the halls of Congress, and in the many meetings that Congressmen and staffers held with the LPAC activists.

Turning up the heat for revival of Glass-Steagall are the unfolding revelations around the Libor rate-fixing scandal, and the drug-money-laundering charges against HSBC. These stories have added to the pressure on Congress to take action against the criminal activity of top bankers and financial institutions, which is at the heart of the present global financial breakdown crisis.

This includes taking action against the Obama Administration, which has not only covered up for these crimes (as in Treasury Secretary Tim Geithner’s role with Libor), but has actively supported the continuation of the coverup.

## The Threat of War

The second issue raised by the LPAC activists was the intensification of the danger of a thermonuclear World War III, stemming from the Obama Administration’s escalation of the drive for regime-change against Syria’s Assad government, and its insistence of keeping “on the table” a strike against Iran. Many Members of Congress expressed concern that, if the Congress were out of session, the “guns of August” scenario would unfold, with nothing to hold back an increasingly desperate Obama, in an escalation of hostilities, from crossing the threshold, to launching thermonuclear strikes against Russia and China.

The organizers put two immediate solutions on the table. First, the lawful Constitutional grounds available for the removal of President Obama from office. A Watergate climate is growing in the capital, but, as the organizers argued, the nation can’t afford to wait for the

## Lyndon LaRouche on Glass-Steagall and NAWAPA:

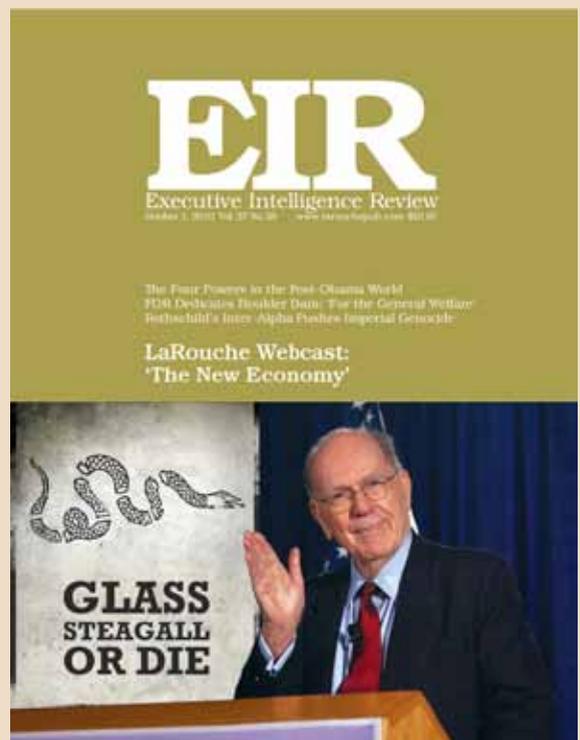
“The greatest project that mankind has ever undertaken on this planet, as an economic project, now stands before us, as the opportunity which can be set into motion by the United States now launching the NAWAPA\* project, with the preliminary step of reorganizing the banking system through Glass-Steagall, and then moving on from there.”

“Put Glass-Steagall through now, and I know how to deliver a victory to you.”

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\*The North American Water and Power Alliance



President to be held accountable *after* the election: He has to be removed from power, and candidacy for the Presidency, now.

The second available option is in House Concurrent Resolution 107, introduced by Rep. Walter Jones (R-N.C.), which declares that any President who takes the nation to war (outside of self-defense) without consulting with Congress, as prescribed in the Constitution, is immediately subject to impeachment proceedings. Jones' bill, introduced this Spring, has nine co-sponsors, including one Democrat.

Despite the impact of the LaRouchePAC organizing, plus the crash of the euro, the collapse of food production due to drought conditions, and the intensification of fighting in Syria (with the admission of the Obama Administration that it had signed an "intelligence finding" granting wide support for the "rebel" forces there), the Congress failed to take action as the deadline approached.

However, the House vote against adjournment—which, according to the Constitution, prevents the Senate from formally going into recess as well—leaves the door open to their returning to Washington for emergency sessions. Lyndon LaRouche confirmed that the LaRouchePAC mobilization will escalate, both in Washington and in the home districts. Whether the Congress returns to Washington this August may determine if the U.S. will survive this confluence of crises.

### How the Mobilization Worked

If there were any Member of Congress who didn't know of the immediate need for Glass-Steagall, or the danger of keeping President Obama in office, before July 24, he or she knows it now. More than 30 LPAC organizers, whose efforts were backed up by calls into Congress from constituents, saturated Capitol Hill with leaflets, and held dozens of meetings with Congressional and Senatorial aides, or the officeholders themselves.

Glass-Steagall is now a ubiquitous topic of discus-



LPAC-TV

*The message of this LPAC banner resonated among Members of Congress, many of whom told organizers that they were ashamed of the do-nothing Congress, especially its failure to act on the devastating drought afflicting American farmers and ranchers.*

sion, as attested by reports on private caucus meetings, and as overheard in numerous offices. While there has only been a slight increase in the number of co-sponsors on the bill to restore Glass-Steagall in recent weeks, the Congress has been primed to act. The Franklin Roosevelt-era bill's necessity—and the immediate followup measures of creating a new national banking system based on the Hamiltonian credit principle, and implementation of NAWAPA XXI—have been put on the table as the emergency measures that must be taken, as the inevitable trans-Atlantic financial-breakdown crisis accelerates over the month of August.

### Congress in a Bind

Over the second week of the blitz on Washington, the LPAC banner which dominated street interventions was "Summer School for Congress: No Recess; Oust Obama, Pass Glass-Steagall." The sentiment intersected a mood in Congress, undoubtedly fed by the rage of their constituents, who have rated their Congressional representatives with less than 15% popularity. Numerous Congressional offices told LPAC organizers that they were ashamed of the fact that the Congress had done *nothing* on the important issues facing the nation. Others merely expressed their fear, that if they left the capital, President Obama might do something crazy.

As of July 31, a number of constituencies began to agitate publicly for cancelling the traditional August recess. For example, a bipartisan coalition of Virginia

politicians demanded action to stave off hundreds of thousands of layoffs in the defense industry—an action which will hit the Commonwealth hard if the automatic sequestration budget deal, reached between Obama and the Republican leadership in August 2011, goes through. In another case, a member of the Democratic Congressional leadership insisted that Congress deal with the problems of the devastating national drought (one half of all counties are in areas declared emergencies due to drought), before leaving. Representatives from the farm state of Iowa also began to speak up.

On Aug. 2, Secretary of Agriculture Tom Vilsack went public on the need for Congress to stay in session; speaking on a New York City NPR station, he referred to the sign he said he had recently seen in Washington, which read “Summer School for Congress, No Recess.” “I agree with that,” he said; saying that it was irresponsible for Congress to leave town without passing a farm bill (the current one runs out at the end of September), and without dealing with the killer drought.

Only Republicans voted to adjourn the Congress, although 78 of them joined 187 Democrats to defeat the motion.

### **Responding to Leadership**

The concept behind the two-week deployment into Washington, as laid out by LaRouche, was very precise. Not only was it necessary to push through Glass-Steagall, and move toward getting Obama out of office—actions long overdue—but a direct dialogue between LPAC, which has the programs and ideas to save the nation, and those political leaders with a sense of responsibility for the nation, had to be set into motion.

There is no doubt that the latter occurred. Offices that had previously refused to meet with LPAC representatives were convinced to do so by calls from LPAC supporters in their districts. Representatives and Senators were intersected at hearings, breakfasts, and other events—as well as through formal meetings—and brought into discussing LaRouche’s three-point program, and the war danger.

An atmosphere of the utmost seriousness about the crisis permeated many of the meetings, and a substantial number of top aides committed themselves to further discussions during the “recess” period. By the end of the two weeks, that discussion had been further deepened by the issuance of a new LPAC pamphlet, “The Full Recovery Program for the United States,” which will begin wide circulation in the immediate days ahead.

## **Will Downing St. Memo Recur on Iran?**

by Annie Machon and Ray McGovern

*The following article appeared at consortiumnews.com on July 23, 2012 and is reprinted with permission. Annie Machon is a former intelligence officer in the MI5 Security Service (the U.K.’s counterpart to the FBI). Ray McGovern, who served as a CIA analyst for 27 years, is a founder of Veteran Intelligence Professionals for Sanity (VIPS), which opposed the Iraq War of 2003, and the propaganda lies that set the stage for it.*

July 23—Recent remarks by Sir John Sawers, who heads Britain’s MI6 (the Secret Intelligence Service that is Britain’s CIA counterpart), leave us wondering if Sawers is preparing to fix intelligence on Iran, as his immediate predecessor, Sir John Scarlett, did on Iraq.

Scarlett’s pre-Iraq war role in creating dodgy dossiers hyping the threat of non-existent weapons of mass destruction is relatively well known. On July 4, the red warning light for politicization was again flashing brightly in London, as Sawers told British senior civil servants that Iran is two years away from becoming a nuclear weapons state. How did Sawers come up with two years?

Since late 2007, the benchmark for weighing Iran’s nuclear program has been the unanimous assessment by all 16 U.S. intelligence agencies that Iran halted its nuclear weapons program in late 2003 and that, as of mid-2007, had not restarted it. Those judgments have been revalidated every year since, despite strong pressure to bow to more ominous—but evidence-starved—assessments by Israel and its neo-conservative supporters.

The 2007 U.S. National Intelligence Estimate helped thwart plans to attack Iran in 2008, the last year of the Bush/Cheney administration. This shines through in George Bush’s own memoir, *Decision Points*, in which he rues the NIE’s “eye-popping declaration: ‘We judge with high confidence that in fall

2003, Tehran halted its nuclear weapons program.’”

Bush continues, “But after the NIE, how could I possibly explain using the military to destroy the nuclear facilities of a country the intelligence community said had no active nuclear weapons program?” (*Decision Points*, p. 419)

Hands tied on the military side, U.S. covert operations flowered, with \$400 million appropriated at that same time for a major escalation of the dark-side struggle against Iran, according to military, intelligence, and Congressional sources cited by Seymour Hersh in 2008.

The clandestine but all-too-real war on Iran has included attacks with computer viruses, the murders of Iranian scientists, and what the Israelis call the “unnatural” demise of senior officials like Revolutionary Guards Major General Hassan Moghaddam, father of Iran’s missile program.

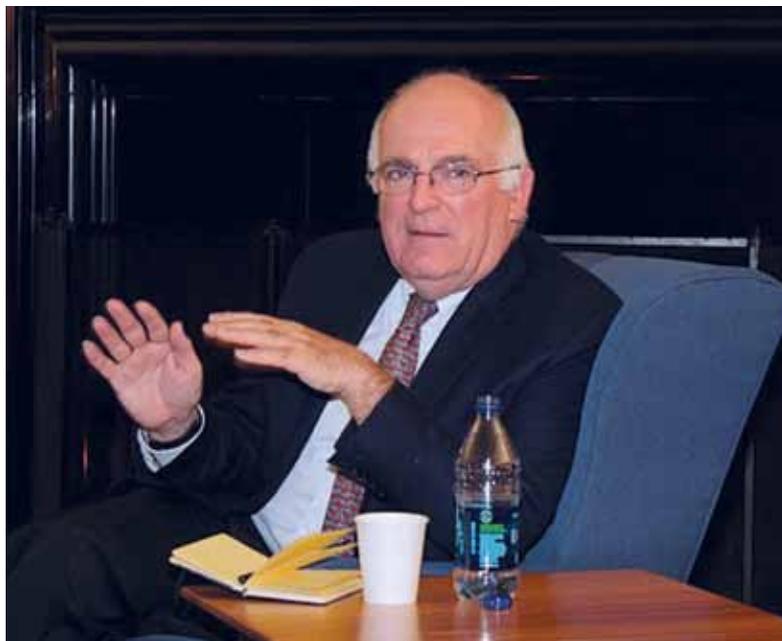
Moghaddam was killed in a large explosion last November, with *Time* magazine citing “a western intelligence source” as saying the Israel’s Mossad was behind the blast. More threatening still to Iran are the severe economic sanctions laid upon it, sanctions which are tantamount to an act of war.

Israeli Prime Minister Benjamin Netanyahu and pro-Israel neo-conservatives in the U.S. and elsewhere have been pushing hard for an attack on Iran, seizing every pretext they can find. Netanyahu was suspiciously fast off the blocks, for example, in claiming that Iran was behind the tragic terrorist bombing of Israeli tourists in Bulgaria on July 18, despite Bulgarian authorities and even the White House warning that it is too early to attribute responsibility.

Netanyahu’s instant indictment of Iran strongly suggests he is looking for excuses to up the ante. With the Persian Gulf looking like an accident waiting to happen, stocked as it is with warships from the U.S., the U.K., and elsewhere—and with no fail-safe way of communicating with Iranian naval commanders—an escalation-generating accident or provocation is now more likely than ever.

### July 23, a Day of Infamy

Oddly, Sawers’s speech of July 4 came just as an important date approached—the tenth anniversary of a



*Sir Richard Dearlove, then-head of MI6, told top British officials during the 2002 buildup to the Iraq War: “The intelligence and facts are being fixed around the policy.” Are we in for another round of “fixing”—this time on Iran?*

sad day for British and U.S. intelligence on Iraq. On July 23, 2002 at a meeting at 10 Downing Street, then-MI6 head, [Richard] Dearlove, briefed Prime Minister Tony Blair and other senior officials on his talks with his American counterpart, CIA Director George Tenet, in Washington three days before.

In the official minutes of that briefing (now known as the Downing Street Memo), which were leaked to the London *Times* and published on May 1, 2005, Dearlove explains that George Bush has decided to attack Iraq and the war was to be “justified by the conjunction of terrorism and weapons of mass destruction.”

When then-Foreign Secretary Jack Straw points out that the case was “thin,” Dearlove explains matter-of-factly, “The intelligence and facts are being fixed around the policy.”

There is no sign in the minutes that anyone hiccupped—much less demurred—at making a case for war and furthering Blair’s determination to join Bush in launching the kind of war of aggression outlawed by the Nuremberg Tribunal after World War II and by the United Nations Charter.

Helped by the acquiescence of its chief spies, the Blair government mainlined into the body politic un-

assessed, raw intelligence and forged documents, with disastrous consequences for the world.

U.K. citizens were spoon-fed fake intelligence in the September Dossier (2002) and then, just six weeks before the attack on Iraq, the “Dodgy Dossier,” based largely on a 12-year old PhD thesis culled from the Internet—all presented by spy and politician alike as ominous premonitory intelligence.

So was made the case for war. All lies, resulting in hundreds of thousands dead and maimed, and millions of Iraqis displaced—yet no one held to account.

Sir Richard Dearlove, who might have prevented this had he had the integrity to speak out, was allowed to retire with full honors and became the Master of a Cambridge college. John Scarlett, who as chair of the Joint Intelligence Committee signed off on the fraudulent dossiers, was rewarded with the top spy job at MI6 and a knighthood. George W. Bush gave George Tenet the Presidential Medal of Freedom—the highest civilian award.

What need have we for further proof? “So are they all, all honorable men”—reminiscent of those standing with Brutus in Shakespeare’s play, but with no Mark Antony to expose them and stir the appropriate popular reaction.

Therein lies the problem: instead of being held accountable, these “honorable men” were, well, honored. Their soft landings offer a noxious object lesson for ambitious bureaucrats who are ready to play fast and loose with the truth and trim their sails to the prevailing winds.

Ill-begot honors offer neither deterrent nor disincentive to current and future intelligence chiefs tempted to follow suit and corrupt intelligence rather than challenge their political leaders with hard, un-“fixed” facts. Integrity? In this milieu integrity brings one knowing smirks rather than honors. And it can get you kicked out of the club.

### Fixing Intelligence on Iran

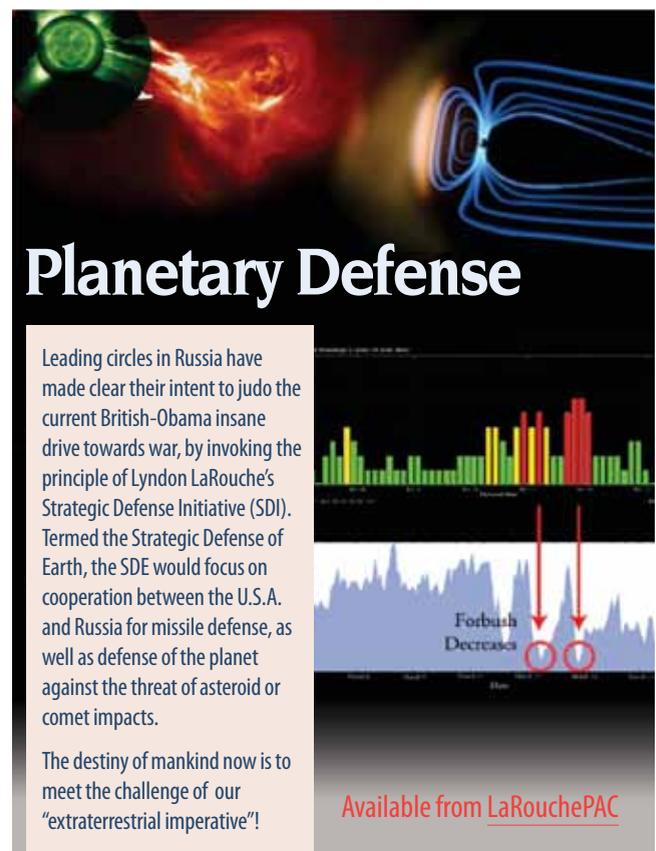
Are we in for another round of “fixing”—this time on Iran? We may know soon. Israeli Prime Minister Netanyahu, citing the terrorist attack in Bulgaria, has already provided what amounts to a variation on Dearlove’s ten-year-old theme regarding how war can be justified by the conjunction of terrorism and weapons of mass destruction.

According to the *Jerusalem Post* on July 17, Netanyahu said all countries that understand that Iran is an exporter of world terror must join Israel in stating that fact clearly, in order to emphasize the importance of preventing Iran from obtaining a nuclear weapon.

Appearing on CBS’s *Face the Nation* on Sunday as well as on *Fox News Sunday*, Netanyahu returned to that theme. Blaming the July 18 terrorist attack in Bulgaria on Hezbollah supported by Iran, he asked TV viewers to imagine what would happen if the world’s most dangerous regime got the world’s most dangerous weapons.

This has too familiar a ring. Has it been just ten years?

Will MI6 chief Sawers model his conduct today on that of his predecessors who, ten years ago, “justified” war on Iraq? Will he “fix” intelligence around U.K./U.S./Israeli policy on Iran? Parliamentary overseers should demand a briefing from Sawers forthwith, before erstwhile bulldog Britain is again dragged like a poodle into another unnecessary war.



**Planetary Defense**

Leading circles in Russia have made clear their intent to judo the current British-Obama insane drive towards war, by invoking the principle of Lyndon LaRouche’s Strategic Defense Initiative (SDI). Termed the Strategic Defense of Earth, the SDE would focus on cooperation between the U.S.A. and Russia for missile defense, as well as defense of the planet against the threat of asteroid or comet impacts.

The destiny of mankind now is to meet the challenge of our “extraterrestrial imperative”!

Available from [LaRouchePAC](#)

The graphic features a top section with a green planet and a blue ringed planet against a red and orange background. Below this is a bar chart with green and red bars, and a line graph with a blue area and two red circles highlighting a dip labeled 'Forbush Decreases'.

## Will the Prince's Fascists Shut Europe's Steel Giant?

by Claudio Celani

Aug. 3—A pitched battle is underway in southern Italy, where the Green fascists of Prince Philip's World Wildlife Fund (WWF) are seeking to shut down the largest steel plant in Europe—an act that would devastate not only tens of thousands of Italian workers' lives, but the economic potential of Italy and Europe as a whole.

On June 26, prosecutors issued orders to close the ILVA steel plant in Taranto, among the largest in the world, because of environmentalist allegations. The Taranto plant, equipped with five blast furnaces, produces 10 million tons of steel per year, and is a strategic resource, both for the Italian domestic economy, and for the Mediterranean region.

In a press release praising the decision, and announcing that it is joining the lawsuit, the WWF, whose local representative took the case to court, declared that the plant, which employs 12,000 workers, not to mention the thousands more who are employed in its feeder industries, is "doomed" anyway by the process of globalization, and should be converted to produce something other than steel. If the court-ordered closure stands, the plant will be dismantled.

Workers at the plant immediately went on a job action, which is being supported at other ILVA plants in Genoa and Novi Ligure; and the plants' managers, who are currently under house arrest, brought an appeal

before the court, which was heard today. The result is expected over the coming days.

### **Green Genocide**

The Italian machine-tool sector, the most important industrial sector, and the largest export sector in the Italian economy, would be severely crippled if the plant were closed; and Italy, which produces 28 million tons of steel per year, would be forced to purchase it abroad.

Each year, 1,300 ships dock at ILVA's own port on the Ionian Sea, delivering 20 million tons of raw material, and loading 85% of finished products, which supply Italian auto manufacturing, home appliances, shipbuilding, the construction sector, etc. Part of ILVA's production goes to external European and world markets.

The WWF campaign to shut down the ILVA plant in Taranto began in 2005, led by the Fund's chapter leader Alessandro Marescotti, who is also founder and leader of a local environmentalist organization called Peacelink. Marescotti is still at the forefront of the campaign, using either the Peacelink name, or other local "social" or "citizens" groups.

In a statement July 27, WWF Italy welcomed the court's shutdown injunction, and announced that it had entered the ILVA suit as a plaintiff. While lying that it is "on the side of the workers," the WWF calls for a "re-



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*The ILVA steel plant in Taranto is the largest in Europe, producing 10 million tons/year. Prince Philip's WWF greenie nazis are moving to shut it down.*

conversion of the plant which . . . is doomed in the context of globalisation.”

ILVA attorneys insist that allegations that the plant has violated European Union limitations on emissions, are based on an EU law which will not go into effect until 2013, and gives four years for industries to adapt.

Nevertheless, court chairwoman Patrizia Todisco, on July 26, issued eight arrest warrants against former and current managers of the plant, including ILVA CEO Nicola Riva, and ordered the seizure and shutdown of the mineral-storage and “hot” sections of the plant. This is a complex procedure that will take several weeks, and will jeopardize the future of the entire plant.

### **The Environmentalist Fraud**

On Aug. 3, *EIR* interviewed Prof. Carlo Mapelli, professor of Metal Technologies and Materials at the Politecnico University of Milan, who debunked the environmentalist allegations that the plant in Taranto should be closed in order to control emissions.

The emissions of the steel furnaces as such are fully within EU regulations, Professor Mapelli said, based on credible figures provided by the regional environmental agency ARPA, and by the health authority ASL.

Problems exist in the mineral deposit area, which is as large as ten soccer fields, and where coal is stored to be processed. Methods used so far, such as watering the huge heaps of coal when the wind blows, are insufficient, and other measures, such as building walls around the site, should be implemented, Mapelli said.

The best thing would be an urbanization program, to build housing away from the plant, and shift the population to safer areas. In the short term, this would be costly, but in the longer term, it would be profitable, he said.

If you shut down the plant, the entire shutdown and startup processes will cost at least EU1 billion, and take at least several months.

You can build an awful lot of houses with that amount of money.

The general problem in Italy is that, whereas so-called nature areas have been protected, while nobody can access them, no attention has been paid to industrial areas. Thus population centers have expanded into previously isolated industrial sectors, such that today, the industries are contiguous to residential areas. Now, local authorities tell industries: “You must move away because you are too close to us!”

The other possible weak point in Taranto is the coke plant, Mapelli said. The company has invested heavily here, and the gas emissions from burning the coal are recycled to produce energy. Furthermore, 60% of emissions are hydrogen—i.e., water. Nonetheless, there might be emission problems. This, however, must be investigated and, in time, can be fixed.

Professor Mapelli ruled out any emission problems from the “hot” areas—exactly those which have been hit by the court injunction.

### **Mobilization Underway**

Even the Pope and an Olympic medal winner have intervened in the Taranto case. Anders Golding of

Denmark, winner of the silver medal in skeet shooting, stunned journalists July 31, when he dedicated his medal to workers of the Taranto steel plant. Golding trains during the Winter months inside the plant, along with Danish and Italian colleagues.

ILVA workers have mobilized against the decision to close the plant, from the moment it was announced. As the news of the court injunction was reported, thousands of ILVA workers marched out of the plant towards City Hall, and blocked all entrances to Taranto.

On Aug. 2, on the eve of the appeal hearing on the court procedure, a huge demonstration, with all ILVA workers, joined by other citizens, took place in Taranto, led by the national leaders of the three largest trade unions, CGIL, CISL, and UIL, plus the national leader of the Metalworkers Union, Maurizio Landini. As Landini was addressing the rally in the central square of Taranto, a few dozen ecofascists, calling themselves the Comitati di Base (Cobas), intervened in the rally, riding in a small truck, and cut the wires to the rally's sound system. The ecofascists then addressed the crowd with their megaphone, and threw eggs and firecrackers. Police finally intervened, but the rally was disrupted.

Only two of the trade union leaders were able to speak. Before the rally, UIL Secretary General Luigi Angeletti said: "People do not yet have the perception of the disaster which is being prepared. The trade unions have always defended the environment, safety, and life, but we know that we live in a country where unemployment is very large. In this context, therefore, health is not a priority, because those who are unemployed must first feed their families. There has been pollution for decades; how can you think to solve the problem in five minutes?"

CGIL national leader Susanna Camusso said: "You do not sanitize a steel plant by stopping it. We need to have investments which must be made with a functioning plant. We demand investments from the government and we want everyone to fulfill their duties."

A demonstration of ILVA workers also took place in Genoa, blocking the city with 12 large trucks and 30 other vehicles.

### Needed for the Future

The ILVA steel plant was built during the "economic boom" phase in 1961, as the "Fourth National Steel Center," part of the national development policy by IRI,

FIGURE 1



Creative Commons/Norman Einstein

the state-owned industrial conglomerate. The policy included also a fifth center in Gioia Tauro, Calabria. Both sites had been chosen to promote the industrial development of Italy's Mezzogiorno, or southern region. However, the EU steel quota policy blocked the plan, and the fifth center was never built.

In 1995, IRI was privatized, and the entire steel sector sold off. ILVA was bought by the Riva family, which has restructured and modernized the plant. The Riva Group is today the tenth-largest steel producer worldwide, and the only family-owned producer among major steel groups.

The steel production center in Taranto is strategically crucial, not only for the current economy of Italy's Mezzogiorno, as an employer of skilled labor for 12,000 families and as a supplier for northern Italian industry, but also in view of the urgently necessary "Marshall Plan for the Mediterranean," where Italy's Mezzogiorno is a central platform. In deploying against the Taranto steel plant, the organization of Her British Majesty's consort, the WWF is clearly aiming at Italy's jugular, in the context of its declared objectives of deindustrializing, and reducing the world's population to 1 billion or less.

# Three Gorges Dam Proves Its Worth

by William Jones

Aug. 3—The famous Three Gorges Dam in central China, the world's largest, faced its greatest test last month, and passed with flying colors. With unusually heavy rains pounding the region, on July 24, at 8 p.m., the water flow into the dam's reservoir reached its highest peak ever, at 71,200 cubic meters per second, and on July 25, the dam released water at the rate of 43,000 cubic meters per second.

Heavy rains on the upper reaches of the Yangtze have caused high waters in all of the tributaries flowing into the river, along with heavy flooding in the towns and cities along the flood reservoir, including the waterfront sections of the city of Chongqing, with a metropolitan population of 32 million. More than 600 ships are at anchor in the reservoir, delayed by the flooding. These vessels will proceed downstream through the system's locks, as soon as the floodwaters recede.

Thanks to the recent completion of the Three Gorges Dam, even though a Level II emergency was declared in the region, it did not entail the massive military evacuation mobilization which would have been mandatory in years gone by. The trouble spots nowadays are no longer in the Yangtze River valley, but in other parts of the country which have been hit by massive flooding, without the protection that the dam provides.

The Yangtze River, the longest in China and the third-longest in the world, has experienced extreme flooding at fairly regular intervals. The 1954 flood inundated 48 million hectares of farmland, affecting 18 million people, and claimed 30,000 lives. In 1998, another huge flood affected 21.8 million hectares of farmland and destroyed 5 million houses; 4,150 people were killed. Flood control and rescue operations involved the de-

ployment of 300,000 Army troops to the regions.

This year saw an unprecedented amount of rainfall, and not only in the Yangtze River region, but in the entire country. In the generally arid northern regions on the Yellow River, which in some sections is often dry as a bone, there was extensive flooding, not seen since 1988 or earlier. Similarly, in the South, in Guangzhou. Even in Beijing, there was so much water that the city's drainage system could not cope with it. In addition to a general tie-up of traffic for days, dozens of people were killed.

## Sun Yat-sen's Great Project

The location of the present Three Gorges Dam, just up-river from the town of Yichang, had already been identified in 1919 as a prime location for a hydroelectric power facility by Dr. Sun Yat-sen (1886-1925), in an article entitled "Industrial Plan." He further elaborated on the idea in a lecture on his "Third Principle of the People: Peoples' Livelihood"; it also figured prominently in his 1922 programmatic work, "The Industrial Development of China."

During World War II, the site was investigated by engineers from the U.S. Bureau of Reclamation, taking



*The stunningly beautiful Three Gorges Dam on the Yangtze River creates a new infrastructure platform in China that will lift the conditions of life for hundreds of millions of people. For exactly that reason, the radical Green movement opposed it, and is campaigning to prevent any further such development in China.*

the successful development by the Tennessee Valley Authority as a paradigm for what could be accomplished if a dam were built. The Bureau's John Savage had even outlined a program for how many engineers, physicists, electricians, mechanics, and skilled workers would be required for its construction. The ensuing civil war in China, however, put a stop to this development.

But in 1969, when China was just coming out of the disastrous Cultural Revolution, a call was again raised by officials in Hubei Province, where the Three Gorges is located, for construction of a dam. A decision was made to build a dam further downstream from the Yichang site. Here, the Gezhoubo Dam began producing electricity in 1981, giving Chinese engineers practical experience which would be put to good use in tackling the bigger project farther up the river at the Three Gorges.

In 1992, the Seventh National People's Congress made the final decision to construct a dam in the middle section of the first of the gorges, just above Yichang. Construction on the dam was finished in 2009. Officials with the Three Gorges Corporation say that the dam has actually prevented at least 10 major floods since it was completed.

The last of the 32 turbines for producing electricity—hydroelectric power being another major function of the dam—was just installed in June, bringing the dam to its full production of electricity. Electrical production at the Three Gorges represents 11% of the total hydroelectric power generation in the country, and has so far generated 564.8 billion kilowatt hours.

Like any major water-management project of this size, construction of the Three Gorges Dam required tremendous amounts of labor and sacrifice by the people who built it, and by those who were forced to move to allow its construction. Hundreds of thousands of people had to be relocated from the areas which had to be flooded to create the dam reservoir.

### Enter, the Greenies

The dam was heavily criticized internationally by the so-called environmentalist movement when it was

FIGURE 1  
**Three Gorges Dam**



FIGURE 2  
**Location of the Three Gorges Dam on the Yangtze River**



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first proposed; the Greens claimed that it violated the major tenet of their insane ideology: It was a great project, which would prevent the forces of nature from sweeping man away—just the type of project the Green movement was created to prevent! It became an ideal target around which to organize the burgeoning environmentalist movement in China, which launched an effort to prevent its construction. The dam also became a banner issue for the international Green movement, which saw it as a “dangerous model,” which might well be followed by other countries lacking sufficient energy and flood control.

The success of the Three Gorges Dam during the recent terrible floods has no doubt infuriated the Greenies, who have embarked on an global offensive to stop all dam-building, particularly in the developing nations of Asia and Africa, where it is needed the most. Malaysia plans to build 12 hydroelectric dams in the Sarawak province of Borneo. Malaysian and Swiss (yes, Swiss!) protestors presented a petition to the UN

office in Geneva, with 6,000 signatures protesting the dam project.

Impoverished Laos hopes to build 60 dams to become what it calls an electric “battery” for Southeast Asia. This too has been met by protests by the international Green movement. Brazilian dams on the Amazon River have also met with protests. Unable to stop the Three Gorges in China, the Greens have targeted China’s dam-building in Africa, where China is constructing or financing numerous water projects in Sudan, Zaire, Ethiopia, Nigeria, Zambia, and Ghana.

Assistance from the United States for construction of the Three Gorges Dam had been forthcoming in the beginning, when closer relations with China were established under the Reagan Administration in the 1980s. When construction began in the 1990s, the Clinton Administration also considered assisting China’s great project. But the Greenie movement, with Vice President Al Gore as its chief spokesman—he had been handed the environmental portfolio by President Clinton—succeeded in sabotaging that cooperation, and prevented the U.S. Ex-Im Bank from providing any funding whatsoever for the dam’s construction.

Even now, following its completion, the Greenies have continued their campaign against the dam. As recently as last year—a year of significant drought in China as a whole—Greenie critics claimed that the cause of the drought was the construction of the dam, and said the dam’s reservoir was “depriving” the natural lakes downstream of water. The recent floodings, however, effectively “drowned out” all talk about the dam creating a drought. The achievements of the Three Gorges Project, in the face of the worst flood in decades, is there for all to see.

But the flood season is far from over. “Controls will not be eased back any time soon, as rainfall is again expected on upper reaches of the Yangtze,” Three Gorges Corporation informed the public. And Premier Wen Jiabao, visiting the devastation in the southern provinces, has called for vigilance during the next few days as rains are still forecast for most of the country.

But the people of the Yangtze Valley can rest assured that this great bastion at the foot of the Three Gorges is keeping careful watch over the flow of water, protecting the nation from its worst ravages.

### **Yangtze Water to the Arid North China Plain**

For the Chinese government, the Three Gorges Project has another important function: to bring the

water of the Yangtze to the arid northern plains region. China is generally water-short, due to an arid climate and insufficient water-management programs.

In spite of the massive flooding this year, the North China Plain is generally extremely arid. This region contains one-third of China’s population, and cultivates two-fifths of its farmland, but contains less than 8% of the country’s water resources. The region depends upon groundwater for 60% of its water usage. At the present rate, experts fear that the groundwater will be exhausted in 30 years. Therefore, the government has launched the South-to-North Water Diversion Project, to bring water from the Yangtze to the heavily populated northern cities and to the Yellow River.

Three South-North routes have been laid out, but construction has only started on two of them. The easternmost branch will follow an ancient water route, the Grand Canal, which will bring water from Hangzhou, a city northwest of Shanghai, to Beijing. The Grand Canal has been in use for maritime traffic since ancient times, but requires a significant makeover and cleaning, as it has become heavily polluted through the centuries. Additional water can be pumped into the canal from the Yangtze River when it reaches it on its way north from Hangzhou.

The central route will be built largely from scratch, taking water from the Danjiangkou reservoir, which is fed by the Han River, a tributary of the Yangtze, and tunneling under the Yellow River to bring water to Beijing. To alleviate concerns that this might significantly drain the water in the Han River, there are proposals to build a second tunnel from the Three Gorges reservoir to the Danjiangkou reservoir tunnel to maintain its level.

The third, westernmost, leg of the project remains to be finalized. There are additional concerns here, as it would bring water through the Ningxia-Tibet Plain, a sensitive ecological area, and one with difficult mountainous terrain which would have to be tunneled. Here the Greenie opposition converges with the ethnic Uyghur and Tibetan independence movements to give the authorities additional political headaches. The western leg is aimed at replenishing the Yellow River with water from the upper reaches of the Yangtze and its tributaries, for irrigation in the Gansu-Ningxia region.

The Three Gorges Dam project has been labeled the greatest water-management project in the world—and until the realization of the NAWAPA project in the western United States and Canada, it will no doubt remain so.

# *A Giant Step for Mankind*

The successful landing of NASA's Mars Science Laboratory rover, Curiosity, on the surface of Mars Aug. 6, couldn't have come at a more welcome time. This accomplishment provides a crucial opportunity to build on the wave of optimism now spreading internationally around the tremendous feat, and move boldly ahead to take the necessary political steps to carry out the program called the Strategic Defense of Earth (SDE).

The SDE, as proposed in the Fall of 2011 by the Russian government, is an extension of Lyndon LaRouche's concept of the Strategic Defense Initiative, to build the capabilities for a defense of Earth from all space-based threats, including asteroids as well as weapons. LaRouche has warmly endorsed the policy as essential to man's survival as a creature of the galaxy, the only creature with the creative capability to develop the power to control his environment.

In the buildup to, and in the wake of the Curiosity landing, suddenly, the traditional mocking of programs to colonize Mars has been silenced, and replaced by pride and excitement, reminiscent of the aftermath of the 1969 Moon landing. It's time to seize the opening.

In his discussion with the LaRouchePAC National Candidates' Slate on Aug. 6, LaRouche laid out the challenge:

"What we're going to have to start thinking about, is more rovers! Because we've got to look at, explore our platform on Mars itself, to find out answers to some of these questions [of the history of life, and of species extinctions in the galaxy—ed.], and to prepare the basis for a full-fledged SDE program.

"We will immediately have cooperation from China and Russia ... on the SDE program. We should be part of that, the SDE program. We need

that! Because in this period, we can't wait for a full generation, to have an SDE program!

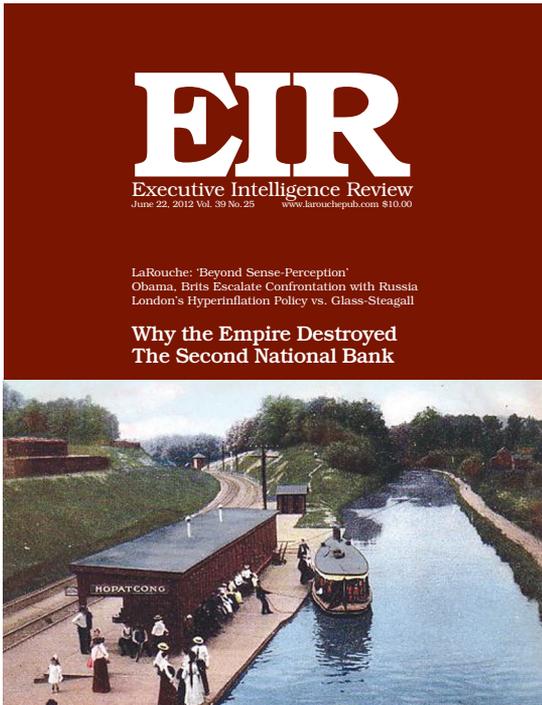
"So we now have got to use these means, typified by this landing, to set up an SDE program. Because if we can control something from Mars, or Mars orbit itself, by planting things in Mars orbit, we can actually have some more degree of control over the fate of mankind on Earth. And that's what we have to explain to people. We have to make the demonstrations, we have to make it clear to people what this is all about; we have to get the people who are the veterans of this program, the NASA program, who can actually give the reports, and are authorities, to give reports on what these feasibilities are."

Ironically, this breakthrough, in a program which had been specifically planned 10 years ago, came on Obama's watch—just as the Apollo landing came long after its initiator, President Kennedy, was dead, when Nixon was President. Then, in 1969, the monetarist interests who were taking over the U.S.—and would further consolidate their takeover with the Aug. 15, 1971 cancellation of Bretton Woods—had already dealt a killer blow to the space program, which limped along for a while, but eventually was neutered by budget cuts. Today, that process is continuing with a particular vengeance under Obama, who has totally sabotaged the manned space program in every way he could, along with other science frontiers. This breakthrough occurred despite him.

Now, with this crucial demonstration of what human creativity *can* do, we have to throw off Obama, and the environmentalist, monetarist shackles that have condemned the majority of mankind to misery—and threatened the planet with extinction. From one giant step for mankind, as Neil Armstrong put it, we must take the next.

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