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Schiller Conference: The Power of Pacific Development
Glass-Steagall Drive Picks Up Steam, as Obama Falter
Lincoln, JFK, Gettysburg: The War Against Wall Street

**The Present Hyperinflationary
Crisis: Worse than 'Weimar'!**



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EIR

From the Managing Editor

Worse than Weimar'? Our *Feature* and other articles document why LaRouche insists on that point. Referring to the hysterical impotence and cowardice of both President Obama and the Congress, "in refusing to face a future for which immediate remedies do exist, rather than face their own presently systemic errors," LaRouche writes that "the insanity is, essentially, all about money. Dump 'Wall Street' and its lunatic swindles, and relatively immediate solutions are available, as could have been the case in the immediate Versailles-crafted crisis which had led into the Adolf Hitler, Germany regime." The insane fixation on money in the Weimar Republic led to a hyperinflationary death spiral and the collapse of the physical economy—just what we confront today.

But why "worse" than Weimar? Both the United States and Germany during the 1920s and '30s had a *physical productive base* that was much stronger, in relative terms, than the trans-Atlantic sector has now. Today's explosive growth of the services sector and "financial aggregates," at the expense of real production, dwarfs what President Roosevelt, for example, confronted in 1933. People were unemployed, but they could be—and were—put back to work again quickly. See Matthew Ogden's presentation in the *Feature* for a graphic snapshot of our current, more dire, situation.

In *Economics*, we expand upon on the state of the physical economy, with reports on the takedown of the U.S. hospital system and on Portugal's plunge into a dark age, on orders from the Troika—representatives of the global financier oligarchy.

National brings you the good news that the mobilization to solve this crisis by reinstating Glass-Steagall is picking up steam, even as prominent people in the military and intelligence community are speaking out against Obama's insane policies.

Our second focus is the Nov. 2 conference in Los Angeles on Pacific Basin development, which we began covering last week. The uplifting perspective presented there is amplified by the article in *International* on diplomacy between Russia and South Korea.

Finally, don't miss Steve Douglas's commemoration of the 150th anniversary of President Lincoln's Gettysburg Address, including the appreciation of that speech by some of our best Presidents.



Cover This Week

Weimar comes to America: This is New York City, ca. 2008.



Creative Commons/Ed Yourdon

4 Worse than ‘Weimar’!

By Lyndon H. LaRouche, Jr. The threat to the trans-Atlantic economy today, is immediate, and far worse than what struck Germany in 1923, “as long as current U.S. President Barack Obama remains in the Presidency.” The entire trans-Atlantic economy will come crashing down, unless the necessary corrective actions are taken very soon. Yet, the befuddled American citizens “became too eager to gamble their way into hoped-for riches while gambling in financial speculations, and not enough really caring to do good for mankind, especially since the assassinations of John F. Kennedy and his brother, Robert....”

6 Matthew Ogden: The Collapse of the Physical Economy

Documentation, using new graphic depictions of the collapse of the physical economy and the growth of Weimar-style hyperinflation in the United States, since the repeal of Glass-Steagall in 1999, and the election of Barack Obama in 2008; presented as part of the Nov. 15 LaRouchePAC weekly webcast.

Economics

11 Obama’s Takedown of Health Care: The U.S. Public Hospital System Is Being Destroyed

The extent of downsizing and closures now underway and coming soon in the U.S. medical system, will end public hospital service for huge parts of the nation, and up the death rate for vast numbers of people.

14 Nazi Medicine in Portugal: British Depopulation Policy in Action

Portugal is now on course to disappear, should current trans-Atlantic economic policies be allowed to continue. Several years of “Troika” dictatorship have pushed Portugal over the cliff into a demographic death spiral; now comes a new wave of Nazi-style cuts in health care.

National

- 18 Glass-Steagall Drive Picks Up Steam, as Obama Falters**
With the disastrous roll-out of Obamacare, the facade of President Obama's popularity has finally been cracked. At the same time, there is growing support for revival of Glass-Steagall, as most visibly seen in Sen. Elizabeth Warren's repeated blasts at Wall Street, which have gone viral.
- 21 Elizabeth Warren: David Can Beat Goliath**
- 22 Hatred of Obama Growing Within Institutions of U.S. Government**
LaRouchePAC's recent assessment of the growing horror among top U.S. institutions over the breakdown of the Obama Presidency is borne out in a raft of recently published articles, especially highlighting the discontent of the military.

History

- 26 Lincoln, JFK, Gettysburg, & the War Against Wall Street**
A commemoration on the 150th anniversary of President Abraham Lincoln's Nov. 19, 1863 Gettysburg Address. "In fighting to restore the Union at Gettysburg, Lincoln was both emancipating African-Americans from chattel slavery and, at least temporarily, helping to liberate all Americans from financial enslavement to Wall Street and its oligarchical allies," writes Steve Douglas. Recognition of America's debt to those who died there, by Presidents Franklin Roosevelt and John F. Kennedy, is included.

International

- 34 Putin in Seoul: Huge Step Toward Peace and Development**
A set of strategic agreements signed by Russian President Putin and South Korean President Park, includes plans for rail and pipeline construction through North Korea, and for several South Korean corporations to invest in a Russian-North Korean consortium which is building a rail and port facility in North Korea.

Conference Report

- 37 The Power of Pacific Development**
The second panel of the Schiller Institute's conference on "Developing the Pacific and Ending the Grip of Empire," looked at the history and progress toward development of the Eurasian Land-Bridge, within the Pacific Basin.
- 37 Leni Rubinstein: The Eurasian Land-Bridge Today**
Leni Rubinstein is *EIR*'s UN correspondent, and editor of *EIR*'s Chinese newsletter.
- 45 Dr. Howard Chang: Water Development in the Pacific**
Dr. Chang is a professor emeritus from the University of San Diego, and a globally prominent hydraulic engineer.
- 56 Pakdee Tanapura: Kra Canal Project Is Moving Ahead**
Pakdee Tanapura is the director of the International Executive Committee for the Study of the Kra Canal Project in Bangkok.
- 58 Ramtanu Maitra: The Alliance of India-Russia-China**
Ramtanu Maitra is the New Delhi correspondent for *EIR*.

Editorial

- 62 Mankind's Real Enemy**

Worse than ‘Weimar’!

by Lyndon H. LaRouche, Jr.

Tuesday, November 12, 2013

I was born on September 8, 1922, at the beginning of the process of the infamous, 1923 hyper-inflationary collapse of the economy of the Weimar, Germany republic. Now, the threat to the trans-Atlantic economy as of this date is a far worse, and virtually immediate threat for as long as current U.S. President Barack Obama remains in the Presidency. That is not even a good guess, but one about to come crashing down upon the trans-Atlantic economies as a whole soon, unless the necessary corrective actions are taken very soon.

As long as the current U.S. President, Barack Obama, remains in office, that already onrushing calamity is virtually unstoppable. In the fewest words possible, either Obama and Wall Street are both put through an urgently needed moral as well as financial reform, or the deadly catastrophe is virtually certain for virtually the entirety of the trans-Atlantic region sometime very soon. At the present date, both this President and much of the Congress have each remained increasingly hysterically impotent, through their own cowardice in refusing to face a future for which immediate remedies do exist, rather than face their own presently systemic errors.

The insanity is, essentially, “all about money.” Dump “Wall Street” and its lunatic swindles, and relatively immediate solutions are available, as could have been the case in the immediate Versailles-crafted crisis which had led into the Adolf Hitler, Germany regime. Who brought Adolf Hitler into power in Germany? Who was

to be blamed for the infamous 1929 Wall Street and London crisis? In both cases, it was the financial centers of London and Wall Street, then, as it is now.

The befuddled citizens became too eager to gamble their way into hoped-for riches while gambling in financial speculations, and not enough really caring to do good for mankind, especially since the assassinations of John F. Kennedy and his brother, Robert, for their emphasis on science-driven technological progress at work. That is “why and how” the Anglo-American financial swindlers of London and Wall Street wished the assassinations of John F. and Robert Kennedy. It was not so much because they hated John or Robert; it was the fear of the specter of a possible new President Franklin Roosevelt, or, for some others, such as a new Benjamin Franklin, a genius such as Alexander Hamilton, a James Monroe, a John Quincy Adams, an Abraham Lincoln, a Franklin Roosevelt, or, in an alternative, the selection of the mythical oysters of Warren G. Harding.

Despite all writhings and groanings in protest from Wall Street and London, those are the facts of the matter to be faced, if you, personally, wish to enjoy a prolonged and actually productive and enjoyable life.

The center of this crisis is not actually the United States’ present crisis as such. The trend which led the United States (and Europe) into this presently onrushing collapse, was all about Wall Street and London, back then, and right now. What caused it? The immediate cause was the margin of our foolish voters who elected Presidents George W. Bush, Jr., and Barack



The U.S., under President Obama, is staring in the face of a 1923 Weimar-style hyperinflationary collapse of the economy. This photo shows a refuge for homeless and jobless men in Weimar, Germany, following the crash.

Obama into office, for what is now approaching a span of fourteen very ugly years.

During the recent weeks, the trans-Atlantic world has been plunging into a general economic breakdown-crisis of the present trans-Atlantic region of our planet. What we are presently experiencing on both sides of the Atlantic Ocean, is a hyper-inflation for as long as the current U.S. President, Barack Obama remains as President of the United States; not only the United States itself, but also the trans-Atlantic region of western and central Europe is now being plunged ever more deeply into the worst economic collapse since the Fourteenth-century plunge into a new dark age, probably one even much worse than that of Fourteenth-century, medieval Europe.

There is an alternative:

If the will is there to take the necessary action, there is an option, under our U.S. Federal Constitution, by which not only can our United States be brought into a genuine economic recovery, but our immediate action under our Constitution, taken now, could bring our republic into genuine recovery from the plunge into darkness which has been under way since the rejection of my July-August 2007 “Home Owners & Bank Protection Act” submitted for adoption by the Federal States of our Republic at that time.

Instead, the members of the U. S. Congress and the Federal Presidency had acted, at that time, and since that time later, to plunge our republic into a spiral down-

ward into policies which have now dumped our republic into what has been the greatest economic crisis of the trans-Atlantic group of nations. Now, as of this past weekend, beginning this past Monday, the economy has fallen, thus far, into the steepest financial breakdown-crisis of modern trans-Atlantic history.

Fortunately, our republic *could* still be rescued at this time. As many know, I have a record of being among the leading economic forecasters for our United States during the recent decades, as in my uniquely successful forecast of the 1971, Richard Nixon depression, and also the deep 1980 recession, the steep depressions launched by the George W. Bush, Jr. recession, and, now, the economic horror-show brought to you by the Barack Obama depression. Now, the

violations of our U.S. Federal Constitution by the Obama government, are combined with Obama’s plunging our United States into a form of depression from which our United States, could never recover in its present form.

The necessary action at this moment, is to prevent the current President of the United States, Barack Obama, from relying upon “dirty tricks” of the type already enjoyed by President Obama, to block that action, the revival of President Franklin D. Roosevelt, from being successfully presented for a vote of the Congress, now.

Without the removal of President Barack Obama from office, the situation of our republic has now reached the point, that the continuation of President Obama in office, would mean the end of our United States under its present Federal Constitution.

Fortunately, there is an alternative, if we act very soon to adopt those needed Constitutional options. The remedy is available, and fully constitutional, if we find sufficient leaders among us with the guts to do what is constitutionally legal, and is already the only visible, constitutional course of action needed to save our nation from what is, now, virtually national economic suicide, unless we act immediately to save our nation. I am now putting myself on the block as one who has shown himself as leading among the leading economists and others of our republic, who is willing, and more than fully qualified to present that option, publicly, here and now.

Consider the following measures most urgently needed at this time.

There are two absolutely indispensable actions which must be adopted and urgently implemented, if our United States can be rescued from the presently accelerating plunge into a virtually hopeless plunge into a general economic breakdown-crisis.

First, we must expel President Barack Obama from office, immediately. There are chiefly two available options for doing so. The first of those two is the President's impeachment on such available grounds as his violation of the war powers provisions. The **second**, is removal from office under existing Constitutional provisions of the U.S. Twenty-Fifth Amendment.

Only with the suspension of the President from office, were it likely that the United States could be rescued from what is already the careening into virtual economic death of our United States and its economy. However, the doubtful mental health of this President, and the sheer hatefulness of this ostensibly sick President, show both the case for the President's urgent removal from office for reason of known impeachable offenses, and the arguably faulty mental health of that President, both of which were a just means for rendering him politically harmless to the general welfare of our republic.

Once we have considered these sources of available remedy as to be used for the rescue of our republic from what would be, otherwise, its virtually immediate political death at the hands of President Obama and his British imperial masters, we will have soon secured the measures needed to organize a process of general economic recovery of our republic.

Measures of the Rescue

I. Incapacitate President Obama's power to sabotage legitimate measures for removing that President from the position of power he might attempt to use to prevent lawful support for ***the re-enactment of the original Glass-Steagall law as it had been crafted under the guidance of President Franklin D. Roosevelt.***

II. That measure should be sufficient to hamstring a corrupted President, to the effect of blocking the use of the power otherwise available to him for reason of ***his illicit blocking of the necessary, immediate reenacting of the original Glass-Steagall Law.***

III. This ***legitimate action against him*** separates the legitimate qualities of indebtedness

from the forms of speculation associated with such agencies as "Wall Street" and its foreign likenesses.

IV. The U.S.A. law must be improved, to replace the notions of monetarism, that done by ***a system of U.S. Constitutional Federal credit.***

V. Since the residue of salvageable monetary credit in the U.S.A., as within the bounds of the left-over balance of U.S. monetary credit, will not be sufficient to launch a recovery, the medium of U.S. dollar-denominated credit, shall be employed for such included missions as:

- A. The recovery of the essential functions of each of the Federal States, and,
- B. The capitalization, in terms of the credit system, of medium- to long-term investments in higher orders of per-capita and energy-flux intensity than are supported presently, with an emphasis on ending the present suppression of the higher intensity of thermonuclear fusion needed for a truly modern economy: a space-age level of intensity of principal applications.

Matthew Ogden

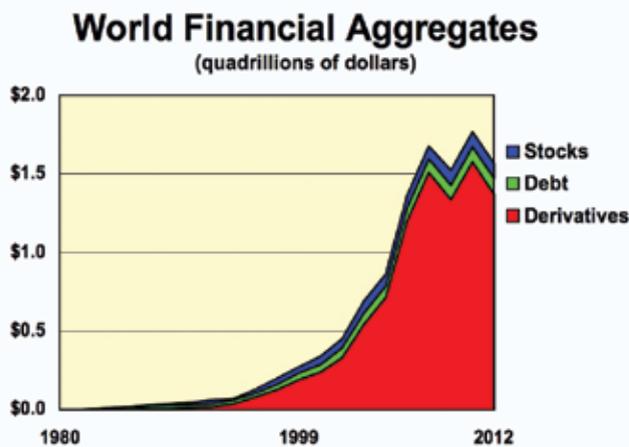
The Collapse of The Physical Economy

At the regular Friday LaRouchePAC [webcast](#) on Nov. 15, Matthew Ogden presented the documentation excerpted here, to complement Lyndon LaRouche's "Worse than Weimar" article (above).

What we intend to do, is to illustrate the collapse of the physical economy of the United States, and the growth of a hyperinflationary, worse than Weimar, bubble since the repeal of Glass-Steagall in 1999, and the election of Barack Obama in 2008.

There are different estimates for the magnitude of the world financial aggregates presented in **Figure 1**. Financial aggregates are made up of, on this slide, three different categories: so-called stocks; debt; and then, derivatives. And you see, the derivatives are the vast

FIGURE 1

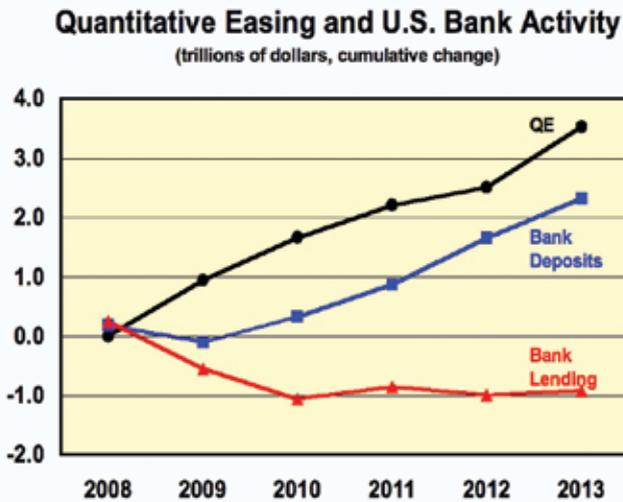


Source: Bank for International Settlements, EIR

majority of the world financial aggregates that are presented here. According to Bank for International Settlements (BIS) statistics, derivatives total around \$700 trillion. However, according to other estimates, including estimates by EIR, they could very well be double that number.

What you see here, is that starting in 1980, there was already growth of the derivatives bubble, going into 1999, which was the year of the official repeal of Glass-Steagall; however, remember during those two decades prior to the repeal, Glass-Steagall was being continuously eroded by the actions of Alan Greenspan at the Federal Reserve. But after 1999, after the official repeal, the derivatives bubble exploded. That goes all the way up to that slight dip there that you see, the crash of 2007-08.

FIGURE 2



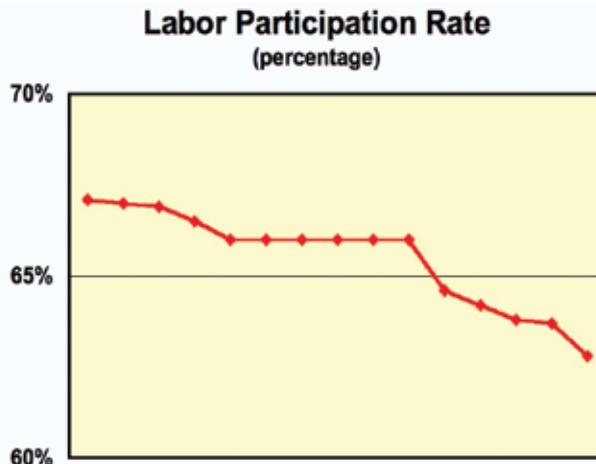
Source: Federal Reserve Bank

Now what should have happened at that point, is that the entire derivatives bubble, that entire fictitious monetary bubble, should have collapsed. The entire thing should have disappeared. But instead, beginning with the George W. Bush Administration, continuing with the Obama Administration, the policy of quantitative easing [QE] was adopted, and that led into the support and continuation, the perpetuation of that derivatives bubble.

Figure 2 shows that starting in 2008, with the growth of QE (the top line), cumulatively, we've reached the point that, because of the asset-purchasing program of the Federal Reserve, there has been almost \$4 trillion in fictitious money pushed into the United States economy. What you see in conjunction with that, is that bank deposits, indeed, have skyrocketed in parallel to the quantitative easing spending; however, those bank deposits have in no way been reflected into the real economy. There has been no growth in activity in the real economy during the quantitative easing regime, during the five years of the Obama Administration. Instead, what you've seen is that bank lending into the real economy crashed beginning in 2008, bottomed out in 2010, and has remained at that level ever since.

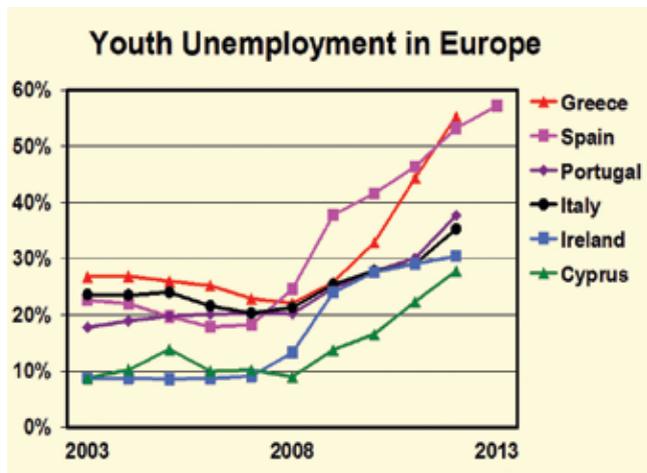
Figure 3 shows what has actually happened in the real economy. While the regime of quantitative easing has reigned since 2008, and even going back to 1999, which was the repeal of Glass-Steagall, you've seen a constant decrease in the labor participation rate—the percentage of the eligible workforce who are actually either employed, or are actively seeking employment. You saw a slight decrease beginning in 1999, but look at what happens when Barack Obama is elected in

FIGURE 3



Source: U.S. Bureau of Labor Statistics

FIGURE 4



Source: Eurostat

2008: It crashes precipitously and continues to crash. This is significant, because if you look at the number of people actually in what’s called the civilian labor force—those who are either working or are actively looking for work—that number hasn’t changed at all. Those are the so-called “employment numbers” that Obama is always trumpeting about.

But the point is, there has been actually *no growth* in the active labor force since Obama was elected. It was 155 million people in January 2009, and it’s 155 million people now. However, the working-age population has grown over that period by close to 12 million people.

So where did all of those potential workers go? Where did that 12 million person increase in the labor force go? They never appeared in the labor force. So while the total number of the civilian labor force stayed exactly the same, the number of working-age adults who either dropped off the rolls because they’ve been out of work too long, or who have never entered the labor force in the first place—those who graduated from school and never actually went into the labor force—that number grew from 80 million people at the end of 2008, to 91.4 million people now. In other words, you have an *invisible* 12 million people out there, who essentially do not exist as a part of the United States labor force.

So what you see here, is a declining proportion, with that proportion taking a

nosedive as soon as Obama entered office, and then falling continuously every year since. And, what we know from the studies, is that *real* unemployment in the United States during the Obama Administration has reached nearly 26 million people: That’s the 22 million people who are officially unemployed—unemployed, underemployed, or “discouraged from seeking work”—plus another 4 million who never entered the workforce in the first place, during the last five years. And that is increasingly becoming what you could call a “lost generation” of youth.

Figure 4 shows youth unemployment in Europe. Everybody has heard about the dramatic numbers of unemployed youth in Greece, in Spain, in other countries in Europe. This chart shows that since 2008—again, the beginning of the Obama Administration, and the beginning of the bailout-austerity regime of Europe—you had the percentages of real youth unemployment doubling if not tripling in these countries. This is calculated for those between the ages of 16 and 24. Cyprus has doubled from 9% to 18%. Ireland has gone from 10% to 20%. Italy and Portugal have gone from 20% to almost 40%. And then you’ve got Greece and Spain *tripling* from 20% to almost 60%.

These numbers do not even include those who are discouraged from finding work, who are forced to be part-time underemployed, nor does it include the massive exodus of young people who are emigrating from these countries, in a desperate search for work.

Figure 5 is a representation of the same data in a

FIGURE 5



Source: Eurostat

FIGURE 6



Source: Eurostat

map. You can see here, in 2008, the first year of the Obama Administration—you have six countries in Europe that had greater than 20% youth unemployment.

Figure 6 shows youth unemployment in Europe in the year 2012. Eleven countries have youth unemployment of 20 to 30%. Five countries have youth unemployment of 30 to 40%. And three countries have youth unemployment *greater* than 40%.

So, lest anybody say, “Yeah, well, that’s Europe, that’s over there, that’s across the ocean. That could never happen here,” take a look at the same period of time, the five years since the beginning of the Obama Administration, in the United States (**Figure 7**). This is the year 2008, and you have three states that had greater than 30% *real* unemployment, and by “real” I mean in this case, including those who are forcibly underemployed and those who are marginally employed, or marginally connected to the labor force, including those who are dis-

couraged from finding work. Those states are Michigan with 34%; Rhode Island with 31%; and California with 30%.

Now, in 2013—five years into the Obama Presidency (**Figure 8**)—30 states in the United States have greater than 30% youth unemployment or underemployment, so-called “real” youth unemployment. Fourteen are between 30% and 35%; 10 are between 35% and 40%; and 5 are greater than 40%: Nevada, Illinois, Mississippi, California, and North Carolina.

So you can see that the picture on both sides of the Atlantic really reveals what is becoming a lost generation of young people, very similar to what we saw before the Great Depression, in the years before

Franklin Roosevelt took office, just looking at the collapse in employment alone.

But if you take a look at **Figure 9**, showing the *type* of work that those who are still employed are engaged in, as a percentage of the total labor force employed, you see that the situation *now* is even worse than what

FIGURE 7



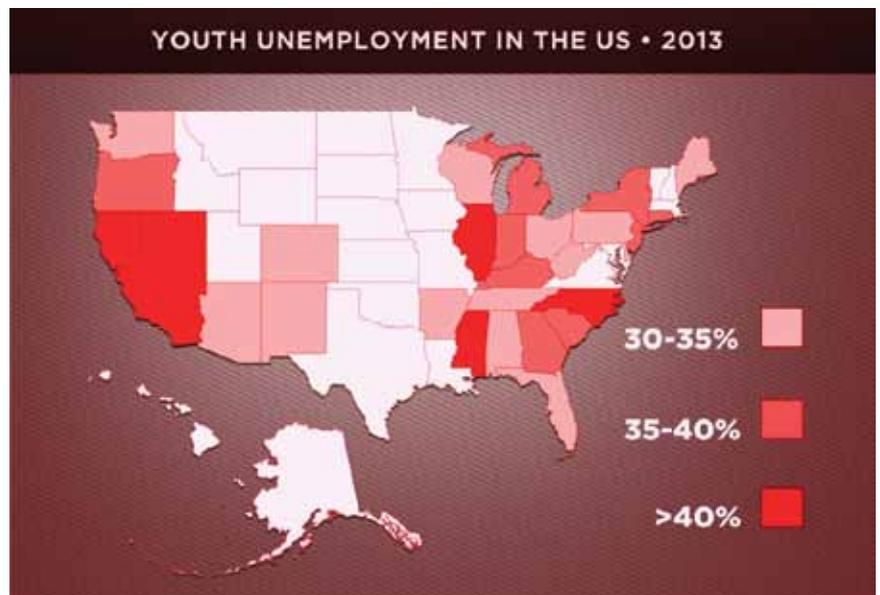
Source: Bureau of Labor Statistics, *EIR*

Franklin Roosevelt confronted then. Right there at the beginning of the graph, 1940, during Roosevelt's third term, the number of workers that were engaged in productive work was increasing as a percentage of the workforce as a whole. And of course, this was during the war mobilization, the [building of the] "Arsenal of Democracy."

However, as soon as Roosevelt died, and Truman took over, that increase began to reverse itself, and instead of blue-collar, skilled productive work, you had an increase in white-collar and unskilled service-sector work.

And the ratios between those two types of employment began to reverse themselves until after President Kennedy and Robert Kennedy were assassinated, going right into the beginning of the 1970s. Ironically, in 1971, which was the very year that Mr. LaRouche had uniquely forecast the crisis that hit the financial system and the economy at that time, under Nixon, you see right there—1970, 1971—the percentage of people employed in the service sector surpassed the number of people, for the first time, employed in producing goods. And ever since, you've had a steady decline in the real economy, a net decline

FIGURE 8

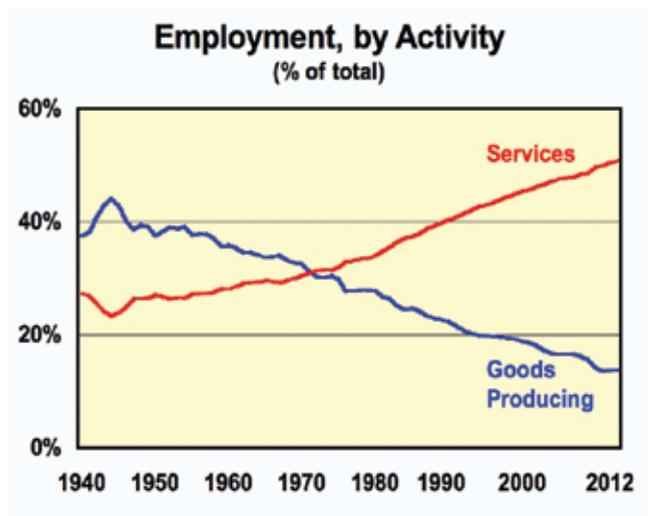


Source: Bureau of Labor Statistics, *EIR*

which has never reversed itself, while services, so-called, including financial services, have steadily increased and all but taken over the entire U.S. labor force.

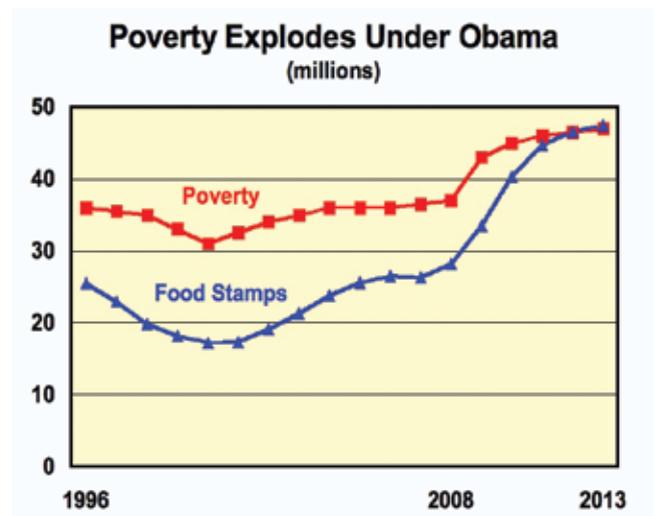
So, this is the picture of the post-Glass-Steagall financial speculation, all-about-money, Wall Street economy that's taken over this country today, and which Mr. LaRouche has characterized in this newest report as being, truthfully, worse than Weimar, by far.

FIGURE 9



Source: Federal Reserve Bank

FIGURE 10



Source: U.S. Department of Agriculture, U.S. Bureau of Labor Statistics

OBAMA'S TAKEDOWN OF HEALTH CARE

The U.S. Public Hospital System Is Being Destroyed

by Marcia Merry Baker

Nov. 16—The extent of downsizing and closures underway and pending in the U.S. medical system, centered on hospitals, is threatening to end public hospital service for huge parts of the nation, and upping the death rate for mass numbers of people—genocide.

Below is a short list of some of the multiple areas of Wall Street/insurance company/Obama assault on what remains of the U.S. hospital system, as summarized from current fact sheets by the American Hospital Association (www.aha.org).

Also noted are several of the many bipartisan expressions of protest against the devastation underway, which will go nowhere without getting Obama out of office, reinstating Glass-Steagall, and building an economy, with a real health-care system.

The immediate cause of crisis in hospital and related services—logistics, staff, diagnostics, treatment, and training—are the cuts in Federal funding mandated by Obama's 2010 Patient Protection and Affordable Care Act (ACA/Obamacare), focussed on, but not limited to, cutting care for the old and poor, that is, Medicare and Medicaid. Some of these cuts went into effect last year, some are going into effect right now (FY 2014, which began Oct. 1), and more are set to take effect in the coming months.

The contrived excuse given in 2009-10 is that there would be “universal coverage”—health care for all, paid for by cutting \$500 billion over 10 years from Medicare payments to hospitals and doctors, and an-

other \$200 billion in additional cuts—which, it was asserted, would come from ending “excessive” care and “overtreatment.”

The designers of the ACA—the Wall Street insurance sector and the White House—knew that they were imposing a corporatist system, in which the government and the private sector join forces to loot what remains of health care, and kill people at the same time. They called it health-care “reform.”

These Obamacare cuts in resources come on top of prior years of erosion of the U.S. medical system, over the decades of damage from so-called private “managed care,” (starting in 1973), deregulation to allow for-profit financial groups to buy up non-profit hospitals (starting in the 1970s), and finally the culmination in corporatism—as seen in the Federal government/private insurance “sign ups” scheme, even if HealthCare.gov is a fiasco.

The number of community hospitals today is below 5,000, which itself is below the 5,800 a generation ago. There are far fewer beds per 1,000 residents than modern standards of medicine require, and lower ratios of scanning, infusion, and other facilities.

Each week there are announcements of hospital staff and program reductions, and closings. Examples:

Washington, D.C. The for-profit Medstar Washington Hospital Center announced 300 staff cuts the week of Nov. 12.

New York. In the western part of the state, a desper-

ate scramble is on, for how to keep the Lake Shore Healthcare Center open (in Irving), scheduled to shut this Winter. The hospital was bought up, then dumped by the University of Pittsburgh Medical Center (UPMC), technically non-profit, but part of the new globalist medical operations. Lake Shore is the main facility for a community which includes the Seneca Nation's Cattaraugus Territory.

These are just two examples from dozens nationwide. Overall, an estimated \$95 billion worth of reductions in Federal payments for Medicare and Medicaid services by hospitals, has been imposed since 2010.

On the Chopping Block

These are a few of the types of deliberate reductions and cancellations in support for the U.S. hospital system, under the Obama Administration:

1. Reduce Medicare payments to hospitals' outpatient services. Any service to over-65-year-olds in a hospital is to be paid the same as for the same services given in a physician's office, according to a new MedPAC recommendation before Congress. This will reduce the hospital payment between 65% and 80% for 10 of the most common outpatient hospital services.

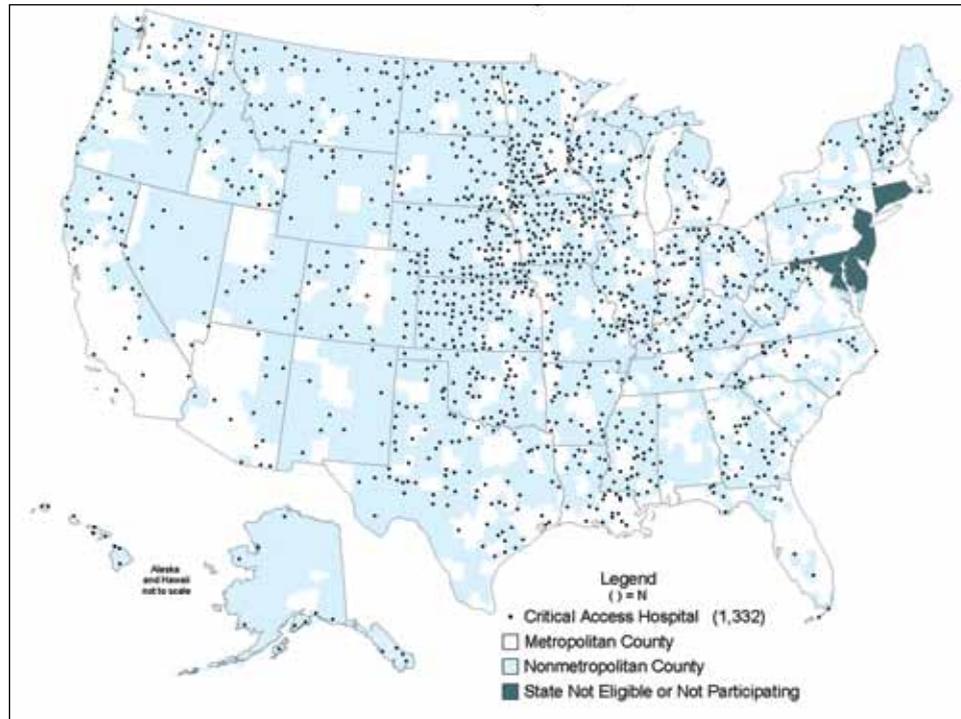
Money goal: Reduce Medicare spending by \$900 million a year, that is, \$9 billion over 10 years.

Impact: Services available nowhere else but in a hospital outpatient department, for low-income patients and for persons with multiple conditions, will be threatened with termination. According to MedPAC's own data, hospitals are already 11% in the red for Medicare outpatient services.

2. Cap Medicare payments for a list of 66 outpatient services (Ambulatory Services Classification, ASC) provided at a hospital, according to a recommendation

FIGURE 1
Location of Critical Access Hospitals

(Information gathered through June 30, 2013)



Sources: US Census Bureau, 2013; CMS Regional Office, ORHP, and State Offices Coordinating with MRHFP, 2013.

by MedPAC, under consideration by Congress.

Money goal: Reduce Medicare spending by \$900 million a year.

Impact: Access to services may be entirely shut; among the 66 procedures are nerve injections and neuropsychological testing.

3. Reduce Medicare payments to defray the bad debt hospitals took on to treat low-income Medicare patients who could not afford their deductibles. Historically, Medicare paid 100% of such bad debt, until the 1990s through today, when payments were reduced.

Money goal: These payments were reduced last year for most hospitals to 65%, and they will be reduced over three years for small, rural Critical Access Hospitals (CAHs), down to 65%. Total "saved": multi-millions.

Impact: The death rate will rise in rural areas, as the Critical Access Hospitals must close. Care for inner-city urban poor likewise will be drastically lessened.

4. Cut graduate medical education. Obama's FY 2014, now in effect, reduced payments to teaching hos-

pitals, by reducing the Graduate Medical Education (GME) program.

Money goal: Cut \$11 billion over 10 years. The Simpson-Bowles Commission wanted a reduction of \$22 billion by 2025.

Impact: The severe shortage of physicians will worsen. As things are now, the deficit of doctors is expected to top 120,000 within 10 years.

5. Reduce payments to providers of Medicaid, medical services for the poor, in various ways. For example, the Federal match rate for disaster-recovery, Federal Medical Assistance Percentages (FMAP), was reduced in 2012 from 71.92% down to 65.51% in Louisiana, eliminating multi-millions of dollars to pay for Medicaid in the state,

Money goal: Cut \$11.2 billion over 10 years. The Simpson-Bowles proposal is to cut \$44 billion by 2020.

Impact: More will die. Medicaid right now covers 1 in 3 children, 1 in 3 births, 8 million persons with disabilities, and 1 in 4 non-elderly adults.

6. Reduce support for small and rural hospitals. Cuts are in effect or planned for whole classes of smaller hospitals, in particular, hitting Medicare Dependent Hospitals (MDH), of which there are 200 nationwide, a program called adjustment for Low Volume Hospital (LVH), and aimed at 1,332 CAHs in rural areas. In August, the Obama Administration announced its intention to re-categorize more than 850 of the 1,332 CAHs in a way to deprive them of the means to continue.

Money goal: Cut tens of billions of dollars.

Impact: If the CAH proposal goes through, 70 of Iowa's 80 rural CAHs could shut; in Wisconsin, 53 out of 58; in Texas, 50+ out of 80; with a similar pattern in other states.

Protest: A bipartisan group of lawmakers is skirmishing to try to save small and rural hospitals, and those serving a population in which at least 60% are enrolled in Medicare. They include Rep. Morgan Griffith (D-Va.) and many others. A joint letter defending the CAHs was issued by Reps. Ron Kind (D-Wisc.) and David McKinley (R-W.Va.). In the Senate, Tammy Baldwin (D-Wisc.) led a group of 20 Senators demanding the protection of rural hospitals, including Iowans Chuck Grassley (R) and Tom Harkin (D), whose state has 80 CAHs, 70 of which are threatened by Obama shutdown.

7. Reduce support to hospitals to defray their uncompensated care for charity patients. This is called the Medicaid and Medicare Disproportionate Share Hospital (DSH) program, referring to a high share of the hospital's cases being low income, uninsured, and underinsured.

Money goal: The ACA reduces the Medicaid DSH payments by an estimated \$14.1 billion from FY 2014 (now) through FY 2019; and Medicare DSH payments by \$22.1 billion from FY 2014 through FY 2019.

Impact: Care is cut back; programs and hospitals must shut; people will die.

8. Impose new restrictive hospital admissions policies—the “two midnights” rule—for Medicare and Medicaid patients. The Centers for Medicare and Medicaid Services (CMS) ordered this into effect Oct. 1, to drive down the numbers of patients in the hospital for “observation”—that is, for analysis and care. Chaos and misery are the result. The CMS will pay a hospital for an inpatient case that spans at least two midnights; but if a patient is treated for a shorter stay, the hospital will be paid on the much lower outpatient basis, no matter how clinically severe the case is.

Money goal: Billions diverted away from hospitals.

Impact: Diagnosis and treatment are compromised; the judgment of doctors and hospital staff is overridden; patients—even with Medicare and supplemental insurance, find themselves socked with huge bills.

Protest: 105 members of Congress appealed to the Obama Administration to delay the Oct. 1 start date of the “two midnights” rule, which was ignored. The CMS conceded to a delay for three months in when to start financial penalties on hospitals for non-compliance.

9. Penalize hospitals for “excess” readmissions. This began on Oct. 1, 2012. The first year, a “too high rate” of readmissions was monitored for heart attack, heart failure, and pneumonia. In 2015, readmission rates will be additionally monitored for chronic obstructive pulmonary disease and for total hip or knee replacement.

Money goal: Billions. Last year (FY 2013), hospitals were fined 1% of their Medicare base payments. This is being increased to 3% by FY 2015.

Impact: Masses of people are sicker and likely to die.

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Nazi Medicine in Portugal: British Depopulation Policy in Action

by Gretchen Small

Nov. 17—Portugal is a relatively small country, of under 10.5 million people. Like most countries, it has had its ups and downs, but it has made major contributions to the advancement of humanity along the way, the breakthroughs in navigation made by Portuguese sailors exploring new areas of the world under the audacious Henry the Navigator in the 1400s being one of its most outstanding.

Yet Portugal is now on course to disappear as a nation, should current trans-Atlantic economic policies be allowed to continue. Several years of “Troika” (IMF-European Central Bank-European Commission) dictatorship have pushed Portugal over the cliff into a demographic death spiral, its population falling every year since 2010, as births drop, deaths rise, and emigration outpaces immigration, all at an accelerating rate.

These demographic facts are well-known to the Troika enforcers; yet the most recent IMF Staff Report issued on Nov. 8 on behalf of the Troika, requires conditionalities from Portugal which will tip the country into total breakdown: stepped-up rationing of medicines, dismantling the National Health Service, further slashing of pensions, wages, and the employed workforce, and the takedown of the institutions of the state that defend the general welfare.

The government’s Oct. 30 decree that administration of innovative, often life-saving medications for cancer patients is now to be restricted to three newly created “specialized centers,” with similar centers planned for other diseases, signals that the decision has been made to openly go for mass killing of Portuguese citizens whose lives are deemed “too costly.”

The threat to Portugal is a crime against humanity, but it is not exceptional. Cyprus, Greece, Spain, and Ireland (yet again) offer similar case studies of the imposition of economic policies which are systematically wiping out whole peoples and nations. Italy is follow-

ing close behind, as is the United States under the Obama regime’s policies.

Lyndon LaRouche charged years ago that the Anglo-Dutch imperial system *willfully* seeks to depopulate the globe. Africa has been a testament to the accuracy of that charge, for those who wished to see it. Now, the same story is told by the facts coming out of Europe.

Human Life, an Economic ‘Burden’

For the enforcers of the empire’s financier system, Portugal is doing just fine, even touted lately as a budding “success story” by the Wall Street/City of London crowd which wields the Troika. Moody’s Rating Service upgraded its rating on Portuguese bonds on Nov. 8, praising its improving fiscal policies, while the IMF simultaneously announced that Portugal is “on track” in meeting Troika conditionalities, and therefore it would receive more bailout money.

“On track,” but with much destruction of living conditions required, the IMF Staff Report on Portugal handed to IMF Board that day insisted. The IMF staff considers “the large size of the public sector and relatively high wages and pensions” as a leading element of the “deep-rooted weaknesses of Portugal’s public finances” which must be addressed. Objections are not to be permitted; “political turmoil, especially in view of the remaining large fiscal adjustment ahead” could threaten the “success” already achieved.

Notable among the dictates included in the Staff Report, is the repeated targetting of health-care costs as too burdensome to be continued at current levels. For example, Point 22 highlights areas in the “fiscal structural reform agenda where additional efforts are warranted.” There are two areas singled out, and health care is number one: “Staff expressed concerns about the lack of control over domestic arrears, particularly in the health sector. . . . Staff stressed that more effort was needed to ensure appropriate budgeting, control mech-

anisms, and effective implementation of cost-saving measures in the health sector.”

It demands “appropriate budgeting” and measures “ensuring effective savings” be taken to “contain the fiscal risks” associated with health care, with sanctions prepared against public officials who do not comply. The staff emphasized the “savings [to] come from further restructuring of the hospital network,” and they place privatization of the National Health Service on the agenda, in a note on page 63.

In a letter attached to the Staff Report, Portugal’s IMF executive director Andrea Montanino abjectly points out the measures taken so far in gouging the National Health Service, and promises greater efforts. The government reduced state expenditures on pharmaceuticals to 1% of (a shrinking) GDP in 2013; “operational improvements geared at cost control and efficiency such as the publishing of clinical and prescription guidelines continue to be implemented”; and a plan to reorganize the hospital network has been drafted, “as well as to further improve expenditure control mechanisms so as to better control and eliminate arrears.”

Hitler’s T-4 Program Revived

How many lives were lost by reducing government expenditures on medicines to 1% of GDP is not known, but rationing of drugs to those categorized as the “non-rehabilitatable” sick, is a leading “expenditure control mechanism” being used.

A policy of rationing high-cost medications for certain diseases (cancer, HIV, and rheumatoid arthritis, to start) was adopted in September 2012, after Portugal’s notorious National Ethics Council on Life Sciences (CNECV) provided the Health Ministry the justification for rationing expensive medicines to meet Troika conditions, in its “Finding on a Model of Deliberating on Financing the Cost of Medicines” (64/CNECV/2012).

Hitler’s T-4 euthanasia program, out of which grew the concentration camps, began with the assertion that under Germany’s economic conditions, the defense of the good of the greatest number, required the state to be rid of “useless eaters,” such as the mentally ill, the deformed, and the non-rehabilitatable ill.

The CNECV, too, started from the premise that the dictatorship, today financial, must not be touched.

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CONTENTS

- Introduction by Helga Zepp-LaRouche
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- Spain: Bridge to African Development
- The Rebirth of Italy’s Mezzogiorno
- Africa Pass
- The Transaqua Project
- North Africa: The Blue Revolution
- What Europe Can Learn from Argentina
- A German Economic Miracle for Europe

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Health care in Portugal is limited by the “world financial crisis,” and by budget restrictions contained in the memoranda of understanding signed with the Troika, they wrote, while acknowledging that the first Troika memorandum had already demanded a one-third cut in public expenditures on medications by 2010. “To defend the treatment of health as a separate ‘sphere’—exclusively focused on potential health benefits, without weighing the inherent costs—is not relevant to current reality,” the Ethics Council wrote. Ergo, on the grounds of achieving “the best good possible” for the greatest number—i.e., not for everybody—“rationing” of medications for HIV-positive patients and cancer patients, and biological agents for patients with rheumatoid arthritis is ethical—die who may die.

In a January 2013 debate with the head of the CNECV, the head of the Portuguese Medical Association, Dr. José Manuel Silva, warned that the Council’s argument raised the specter of “Nazi medical ethics,” by subjugating ethics to financial and commercial interests.”

The rationing proceeded at first in disguised forms. Hospitals and clinics whose budgets had been slashed, facing sanctions if their medications bills were not paid off within three months, began refusing to purchase medications ordered by doctors. Repeated protests were raised by doctors treating Hepatitis C patients, that use of new anti-virals which have a cure rate of 30-40%, approved by the European authorities due to their “spectacular therapeutic benefit,” were being denied in some hospitals.

Now, a year later, the disguise is being ripped off, and rationing is being systematized. On Oct. 30, the Health Ministry issued Decision No. 13877-A/2013, restricting access to “innovative” cancer and ophthalmological agents not yet approved for general use in Portugal to three newly designated “Specialized Centers for Exceptional Use of Medications (CEUEM).” Doctors can no longer administer those drugs by applying for an “Exceptional Authorization” from the Health Ministry, but must go through the CEUEM.

Similar “specialized centers” are expected to be announced for AIDS, tuberculosis, and hemodialysis.

Denial of Medical Care Is a Crime

Sixty-five oncologists have issued a joint letter protesting this decision as endangering the rights of the pa-

tients, doctor-patient relations, and the autonomous technical exercise of the medical profession, and requesting that the Medical Association of Portugal take up the case. The Association issued a blistering statement on Nov. 1, denouncing the decision as an assault on patients’ health that lays the basis for rationing of these drugs, and “condemns to death” patients living in outlying regions of the country. It demands its immediate withdrawal. The Medical Association charged that the national drug control agency, INFARMED, has been deliberately stalling approvals of new, costly drugs, “in many cases for several years . . . an explicit and intolerable form of rationing.”

Dr. Silva announced on Nov. 16 that the Medical Association is calling on doctors and patients to report cases where medicines have been denied, so that the association can investigate them. The association will file criminal charges of denial of medical care in any cases where drugs were denied on anything other than technical-scientific criteria.

Withholding access to innovative treatments for administrative or bureaucratic reasons “are cases of rationing, and this is inadmissible,” Dr. Silva declared.

Oh no, no one’s access to medicine is hurt, Health Minister Paulo Macedo replied. This is merely a measure to ensure “equal access” by imposing “common rules” for prescribing such medications.

As Pennsylvania’s Dr. Mark Shelley remarked in his Oct. 24 press conference releasing his call, “Doctors Against Murderous Obamacare,” “Whenever there is a program being created which is unpalatable, let’s say, it always gets called the opposite. . . . [In Hitler’s euthanasia program,] the company with vans that loaded children with polio to be taken to the death camp, to the killing center, was called the Charitable Transport Company for the Sick. . . . And then they had the organization by which they decided whether people should be euthanized or not, which was the ‘Realm’s Work Committee for the Cure and Care.’”

Demographic Death

Troika policies, before this new phase, pushed the country over the edge into demographic death. Health Minister Macedo addressed a Nov. 8 seminar on “Demographics, the Birth Rate and Public Policy,” organized by the CNECV. Macedo (a banker by profession) acknowledged the “negative side” of what he called a “demographic transition,” but his concerns

are financial, not human. The conclusion he drew from the loss of people, and youth in particular, is that Portugal can no longer afford current state services, and therefore must proceed immediately to enact a “reform of the State which makes Public Administration less burdensome.” (Not to mention the money saved by closing those happily no-longer-needed maternity hospitals.)

The backdrop to that discussion was the latest report issued by Portugal’s National Institute of Statistics (INE) at the end of October, which showed that Portugal’s population had fallen to 10.49 million people by the end of 2012, 55,000 fewer than in 2011. It was the third consecutive year the population had fallen. The first decline, from 2009 to 2010, was tiny, just under 800. That rose to 30,000 in 2011.

In 2012, some 18,000 more people died than were born—triple that figure for 2011, the INE reports. The Portuguese Demographic Society, however, reports that the number of births in 2013 is coming in 10% below that in 2012, itself a 7.2% drop over 2011. In the central region of the country, births are down this year by 20%! Infant mortality is reported to be beginning to rise as well.

At the same time, emigration, overwhelmingly of young people, has risen to levels not seen since the 1960s under the Salazar dictatorship, and is surpassing the dwindling immigration into the country.

The result is a country with less than 15% of its population under the age of 15, and 20% of its people over the age of 64. The average age of Portuguese in 1960 was 28 years; by 2011 it was 42 years.

A major driver of the demographic death spiral is the crushing of the country’s productive labor force, and most particularly, of its younger generations. In undercounted official figures, overall unemployment runs at 16%. That 37% of the nation’s youth are unemployed is “a quasi-criminal waste of this young generation,” in the words of former Lisbon University head António Sampaio da Nôoa. The INE reported also that 434,000 youth between the ages of 15 and 34 neither study nor have a job, and have been abandoned entirely. Note that 130,000 of those nearly half million abandoned are not counted as unemployed—dropped from labor force statistics, because they gave up looking for a job.

Such statistics reflect the breakdown of a society which has let its future be thrown onto the scrapheap.

Marriages have fallen to 3.3 marriages per 1,000 (they were 4.4 per thousand in 2007). Fully 45.6% of the babies born in 2012 were born out of wedlock.

An average of 84 people a month committed suicide in 2013, and the coldest and darkest days of the year are yet to come, the Institute of Legal Medicine reported in October. The majority of those were among the elderly (over 70), but suicides by young people are rising, too.

In a Nov. 8 address in Lisbon, Dr. Constantino Sake-llarides, former head of the National School of Public Health and president of the European Association of Public Health, cited the more than 30% increase in cases of depression, 35-50% increase in attempted suicides, and a tripling of recovering drug addicts returning to heroin use from 2010 to 2012, as among the “practical effects” of reigning financial policies on the Portuguese, along with the increasing numbers of patients who, for economic reasons, are not going to doctor’s appointments or taking their medicines.

Now Comes the Dictatorship

The IMF Staff Report threatens that if Portugal’s Constitutional Court continues to rule Troika-demanded austerity measures unconstitutional, as it has done several times now, it “will complicate policy making and heighten economic uncertainty.” The Vichyite government of Prime Minister Pedro Passos Coelho is therefore pushing a “reform” of the state, the intent of which was crudely spelled out by Defense Minister José Pedro Aguiar-Branco (a corporate lawyer) in a Nov. 6 address to the National Defense Institute. Aguiar-Branco raved against the “all-absorbing social state,” which he alleges creates “the temptation for a totalitarian state,” and he called for Portugal’s Constitution to be rewritten to eliminate this “danger.”

These brazen attacks on the Constitution follow J.P. Morgan’s May 28, 2013 memorandum, “The Euro Area Adjustment: About Halfway There,” wherein the British House of Morgan argues that the major obstacle to imposing financial fascism over Europe is the existence of the anti-fascist constitutions which were adopted in Europe following World War II. Portugal’s Constitution, adopted in the wake of the bloodless overthrow of the 50-year-long Salazar dictatorship in 1974, is a prime target for removal, as it still contains many of general welfare provisions for which that “Carnation Revolution” was carried out.

Glass-Steagall Drive Picks Up Steam, as Obama Falters

by Nancy Spannaus

Nov. 19—The worse the political crisis for Barack Obama, the better are the prospects for the policies which, as a British puppet, he has devoted his Presidency to blocking—starting with the re-enactment of FDR’s Glass-Steagall law. That reciprocal process came clearly into focus over the last week, as Obama’s fortunes tanked, and significant new initiatives for ramming Glass-Steagall through the Congress were taken.

As Lyndon LaRouche has emphasized in recent days, Obama is now in real trouble, with Democrats starting to defect on “issues” such as murderous Obamacare. But, while Obama is the face of the evil Americans see, as they observe their society falling apart, the President is not the enemy per se. Rather, he is only a tool of the international financial oligarchy, centered in the Anglo-Dutch monarchy and its U.S. extension, Wall Street. These financial forces have enormous power—and at least some of them would not hesitate to even provoke a thermonuclear war confrontation, in order to “save” their empire.

Glass-Steagall, however, would take that power away, reducing Wall Street to the bankrupt husk that it is, and restoring the sovereignty of the U.S. government over its economy and finances. It was not simply rhetoric, when a British official told a U.S. economist in the Spring of 2010 that his government would consider the re-establishment of Glass-Steagall a “hostile act.”

Congress is not yet in a state of open revolt against the President, but, increasingly, the U.S. population is. If you actually face the reality of the threat to the United States, economically, politically, and strategically, that rage is totally appropriate. But, every delay in taking the measures required to remove Obama and implement Glass-Steagall, puts the nation and the world in more danger.

An Obama Implosion

With the disastrous developments which came to light around the roll-out of HealthCare.gov, the facade of Obama’s popularity has finally been cracked. His poll numbers are crashing, and his political “capital” is increasingly ineffective in keeping his party in line.

It’s been a long time coming. After the initial, accurate outpouring of rage against his Hitler health program in 2009 calmed down, Obama played the “political partisanship” card, turning the ire of a large number of Democrats against the Republicans, who were supposedly the real source of the policies of austerity and imposed suffering. While having been warned by LaRouche of the President’s true pedigree and commitment to a program of genocide, Democrats by and large decided to ignore the evidence before their eyes, and went along with Obama.

Over the past year, however, the accuracy of LaRouche’s exposé of Obama’s Nero-like narcissism and his drive for dictatorship could no longer be ig-

nored. One shift came with the Benghazi 2012 fiasco, where the President's lying nature was exposed in the face of the murder of American representatives in Libya. An even larger shift came with Edward Snowden's revelations of the massive NSA spying operation against Americans. The Obamacare disaster, which has taken center stage since Oct. 1, has now brought the President's approval rate to unprecedented lows.

Not surprisingly, Obama's attempt to calm down Congressional Democrats who are in a panic about the impact his behavior is having on their political prospects, is not working very well. Obama staged an "apology" for the health-care disaster Nov. 13, in hopes of stopping a massive Democratic defection in favor of the Republicans' bill to "Keep Your Health Plan," scheduled for a vote Nov. 15. Nonetheless, 39 Democrats voted with the Republicans, bringing the "yes" vote to close to over 60%—not enough to override Obama's threatened veto, but very, very close.

Americans en masse are now forced to face the fact that *Obama has lied*, repeatedly and malevolently, endangering tens of millions of people, who would lose their health-care policies. He knowingly promised that

people could keep their policies, when he knew, or should have known, that it was a lie. He is indifferent to suffering of real people. In fact, this was totally knowable before Obamacare's roll-out—in the case of his pushing for cuts in Social Security, Medicare, and food stamps, all of which are *ongoing* and devastating the old, the sick, and the poor.

The more fundamental issue is not that Obama is just "doing bad things"; his allegiance to the global financial oligarchy, in his deeds, violates the oath in which he swore to uphold the Constitution of the United States. He should be impeached for that alone—although more specific offenses are definitely available. But Obama's removal from power must be accompanied by another reassertion of Constitutional principle—the re-adoption of Glass-Steagall.

'Pick up the Slingshot'

Sen. Elizabeth Warren (D-Mass.) set the appropriate tone for Congress, when she keynoted an academic meeting at the Roosevelt Institute/Americans for Financial Reform conference in the Russell Senate Building Nov. 12. "It's time to act," she declared, at the conclusion of her presentation on the necessity for

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"The point is, we need Glass-Steagall immediately. We need it because that's our only insurance to save the nation... Get Glass-Steagall in, and we can work our way to solve the other things that need to be cleaned up. If we don't get Glass-Steagall in first, we're in a mess!"

—Lyndon LaRouche, Feb. 11, 2013



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Glass-Steagall (see below).

Of particular note, and new in Warren's remarks, was her declaration that the time of waiting for Dodd-Frank regulations to solve the "too big to fail" banks problem, is over, risks of market blowouts are growing, and the time for Congress to take more action—Glass-Steagall—is now. Otherwise, her focus on directly and publicly battling Wall Street continues to be unique in the Senate.

Warren explained how her "21st Century Glass-Steagall Act," introduced with Sens. John McCain (R-Ariz.), Maria Cantwell (D-Wash.), and Angus King (I-Me.), would "wall off depository institutions from riskier activities like investment banking, swaps dealing, and private equity activities. It would force some of the biggest financial institutions to break apart and eliminate their ability to rely on federal depository insurance as a backstop for high-risk activities."

She also took aim at Wall Street, noting that it came out of the 2007-08 crisis with record-setting profits, and continues to fight financial reform every step of the way.

Warren's speech spread rapidly in the media; and pro-Glass-Steagall developments around the country began to surface. Two California House members, Democrats Mike Honda and Karen Bass, added their names to the House bill for restoring Glass-Steagall (HR 129), bringing the number of co-sponsors to 78. At a Nov. 12 conference hosted by the *New York Times*, hedge fund manager Ken Griffin of Citadel Capital echoed Warren's warnings that the banks are not only too big to fail but also too big to manage. He called for full separation of the securities trading business from the banking business.

"They got it right in the Great Depression," Griffin noted, explaining that the Glass-Steagall Act "actually makes a tremendous amount of sense. It is not appropriate for the securities trading industry in our country to [receive] the taxpayer support implicit in the FDIC-insured companies." He added that "watching the populist anger toward all the financial services over the last couple of years makes me wonder why more people that sit closer to where I sit don't want to put themselves outside of the taxpayer support position they are in today."

In yet another indication of motion in the Republican Party for Glass-Steagall, Ed Schafer, the former Governor of North Dakota, who also served as George

W. Bush's Secretary of Agriculture 2008-09, gave a strong endorsement of Glass-Steagall in a widely read blog. "We should not allow the connection between banks and investment companies. It places too much risk on the taxpayers, and the big institutions make tons of dough working the system instead of profit from the creation of goods and services in our economy. The solution is to reinstate Glass-Steagall and separate investment houses and banks."

Speaking of Republicans...

Glass-Steagall, of course, has never been a partisan issue. Sane Republicans around the country have spoken up consistently for the banking regulation—although the party leadership in Washington has tended to stick with Wall Street, which fills their election coffers, and thus has kept the Republican sponsorship on the House bill, in particular, to a handful.

In this light, the passage of a Glass-Steagall resolution by a local Arizona Republican Committee on Nov. 12, is particularly notable. Republican Thomasita Taylor has been fighting for Glass-Steagall for months, going on radio, attending town hall meetings to confront what she calls "Arizona's Cowards of Capitol Hill," and seeking to pass a resolution for Glass-Steagall through her committee. After eight months of fighting, she did it, with a 15-0 majority, and the resolution, which specifically supports HR 129, will now be forwarded to the Maricopa County Committee, where she will motivate its passage.

State Legislators Wants Glass-Steagall

Back in August, a major deployment by Wall Street stooges succeeded in preventing passage of a pro-Glass-Steagall resolution at the National Conference of State Legislatures national meeting in Atlanta. Now the battle is about to be joined again, when the NCSL's Legislative Forum meets in Washington, D.C. in early December.

A new resolution calling on Congress to enact the Glass-Steagall-style legislation now before it, has been submitted to the Forum by Rep. Andrea Boland of Maine, who was a leader in the Atlanta fight. As of this writing, 18 other legislators, from 15 states, 9 of them lead sponsors of their respective state resolutions, have submitted their endorsements of the Boland resolution. Boland's resolution notes the filing of 25 separate state memorials for Glass-Steagall, and urges, in light of "the

economic and banking crisis that has so heavily burdened average United States citizens, their businesses, and their state and local governments,” that the Congress immediately take action.

Wall Street and Obama can be expected to respond with fury. But all the conditions are there for Glass-Steagall, the first step to a real recovery, to finally prevail.

Sen. Elizabeth Warren: David Can Beat Goliath

Here is the conclusion of Senator Warren’s Nov. 12 speech.

So let’s put the pieces together: 1. It has been three years since Dodd-Frank was passed, the biggest banks are bigger than ever, the risk to the system has grown, and the market distortions have continued. 2. While the CFPB [Consumer Financial Protection Bureau] has met every single statutory deadline—so we know it’s possible to get the job done—the other regulators have missed their deadlines and haven’t given us much reason for confidence. 3. The result is that the Too Big to Fail remains. I add that up, and it’s clear to me: it’s time to act. The last thing we should do is wait for more crises—for another London Whale or LIBOR disgrace or robo-signing scandal—before we take action.

For that reason, I partnered with Senators John McCain, Maria Cantwell, and Angus King to offer up one potential way to address the Too Big to Fail problem—the 21st Century Glass-Steagall Act.

By separating traditional depository banks from riskier financial institutions, the 1933 version of Glass-Steagall laid the groundwork for half a century of financial stability. During that time, we built a robust and thriving middle class. But throughout the 1980s and 1990s, Congress and regulators chipped away at Glass-Steagall’s protections, encouraging growth of the megabanks and a sharp increase in systemic risk. They finally finished the task in 1999 with the passage of the Gramm-Leach-Bliley Act, which eliminated Glass-Steagall’s protections altogether.

The 21st Century Glass-Steagall Act would rein-

state many of the protections found in the original Glass-Steagall Act. It would wall off depository institutions from riskier activities like investment banking, swaps dealing, and private equity activities. It would force some of the biggest financial institutions to break apart and eliminate their ability to rely on federal depository insurance as a backstop for high-risk activities.

In other words, the new Glass-Steagall Act would attack both too big and to fail. It would reduce failures of the big banks by making banking boring, protecting deposits and providing stability to the system even in bad times. And it would reduce too big by dismantling the behemoths, so that big banks would still be big but not too big to fail or, for that matter, too big to manage, too big to regulate, too big for trial, or too big for jail.

Big banks would once again have understandable balance sheets, and with that would come—greater market discipline. Now sure, the lobbyists for Wall Street say the sky will fall if they can’t use deposits in checking accounts to fund their high-risk activities. But they said that in the 1930s, too. They were wrong then, and they are wrong now. The Glass-Steagall Act would restore the stability to the financial system that began to disappear in the 1980s and 1990s. . . .

We should not accept a financial system that allows the biggest banks to emerge from a crisis in record-setting shape while working Americans continue to struggle. And we should not accept a regulatory system that is so besieged by lobbyists for the big banks that it takes years to deliver rules and then the rules that are delivered are often watered-down and ineffective.

What we need is a system that puts an end to the boom-and-bust cycle. A system that recognizes we don’t grow this country from the financial sector; we grow this country from the middle class.

Powerful interests will fight to hang on to every benefit and subsidy they now enjoy. Even after exploiting consumers, larding their books with excessive risk, and making bad bets that brought down the economy and forced taxpayer bailouts, the big Wall Street banks are not chastened. They have fought to delay and hamstring the implementation of financial reform, and they will continue to fight every inch of the way.

That’s the battlefield. That’s what we’re up against. But David beat Goliath with the establishment of CFPB, . . . with the confirmation of Rich Cordray, . . . with the passage of Dodd-Frank. . . . I am confident David can beat Goliath on Too Big to Fail. We just have to pick up the slingshot again.

Hatred of Obama Growing Within Institutions of U.S. Government

by Carl Osgood

Nov. 18—LaRouchePAC issued an assessment on Nov. 6, based on discussions with confidential, well-placed sources, of the growing hatred of President Barack Obama, not just among leaders in the Arab world and in Europe, but increasingly in the institutions of government in the United States.

“A number of leading institutional figures, including some well-known individuals, have come forward in recent days to express their horror at the degree to which the Obama Presidency has totally broken down and is leading to the global isolation and discrediting of the United States,” the assessment read. “According to one such leading figure, no one inside the Obama Administration can fathom where the policy decisions and pronouncements from Obama’s mouth are coming from.

“There is a total breakdown of any deliberative process, and increasingly, leading Administration figures, from Kerry to Hagel to General Dempsey, are finding themselves baffled by policies that they are supposed to go out and defend. There is a consensus among these individuals that, while the first Obama term in office was a disaster, at least there were competent individuals in key positions who had some input into the policy debates—even when they disagreed with the ultimate policy decisions. In the first nine months of the second term, there simply is no policy deliberation whatsoever, and the consequences are even more disastrous.”

Some of the strongest reactions against the meltdown of the Obama White House came in response to an assessment that Lyndon LaRouche presented to an organizers’ conference call on Nov. 3, when he warned that we have entered uncharted territory, where a major financial explosion or sudden outbreak of war could occur at any moment. The accuracy of LaRouche’s and LaRouchePAC’s assessment was confirmed in spades, when a number of articles and statements began appearing on Nov. 13, starting with two articles in the inaugural edition of *Politico*’s new monthly magazine.

Those articles prompted others, and comments by a leading Democratic member of the U.S. House of Representatives during an open forum at the Council on Foreign Relations, all indicating the hot revolt against the dysfunctional President.

Discontent in the Military

The growing rebellion within the military against the Obama White House was documented by Rosa Brooks, a Georgetown University human rights lawyer who was a Pentagon official from 2009 to 2011, in an article in *Politico Magazine* (November 2013), titled, “Obama vs. the Generals.” She begins by describing the lack of communications between the White House and the military: “I recall asking one general, recently back from Afghanistan, if he’d shared his experiences and insights with the president. Rolling his eyes, he told me grimly that the White House preferred the military to be seen but not heard.” That comment, which sets the tone for the whole article, was made during the time she was at the Pentagon, but from her recent inquiries with current and retired senior officers, she reports that “most of my sources said tensions between the White House and the military are running worryingly high.”

Many senior officers, she reports, “complained of feeling baffled and shut out by a White House National Security Staff that, in their view, combines an insistence on micromanaging minor issues with a near-total inability to articulate coherent strategic goals. ‘The NSS wants to run the show, day to day and minute to minute,’ laments a former military official, ‘so they have no time—they’re almost incapable of strategic thinking.’

“If war is ‘the continuation of policy’ [as Clausewitz wrote], I’d like to know what that policy is—so I can avoid screwing it up, or wasting lives for no purpose.” said another recently retired general officer. But, “I don’t understand the process by which the White

House is making strategic or foreign-policy decisions. There's an appearance of consultation, but you know you won't be listened to."

A former White House official with Pentagon experience told Brooks that White House staffers often remain willfully uninformed about the logic behind military recommendations: They "don't want to take the time to go through the slide deck or get the full briefing. Basically, they don't want to know."

Brooks describes a process, coming out of the 2009 debate over Afghanistan policy, that was more like bickering over the price of a car rather than real policymaking. If the White House tells the military to do something, the military comes back and says, "We need this many troops." White House staffers, because they don't trust the military, will say that's too many, we'll let you have only half as many. The result will end up somewhere in the middle, not based on any policy analysis, but rather on the results of bargaining.

Former Deputy Undersecretary of Defense Kathleen Hicks told Brooks that whether the topic is Afghanistan or Syria, "the backdrop is really tensions over budgets and money. Senior military officials worry that they're being asked to do all these [different] things, but who will fund it? Who's looking out for the military's institutional interests?" Meanwhile, she added, "the White House suspects that the military is exaggerating the problems that will be caused by budget cuts, which just makes the military even more frustrated."

Being Locked in Obama's Cabinet Is Hell

The same issue of *Politico Magazine* features on the cover an article "Locked in the Cabinet: The Worst Job in Barack Obama's Washington." While the article gos-



DoD photo/Erin A. Kirk-Cuomo

President Obama's ill-conceived (insane) military policies are drawing fire. Here he is shown on Jan. 5, 2012, with the military brass and then-Defense Secretary Leon Panetta (far left).

sips about how Cabinet members are mistreated by foul-mouthed hacks on the White House staff, its main points underline what Brooks also emphasizes: Obama isn't interested when it comes to making serious policy; he only listens to his "insiders": Rahm Emanuel, Valerie Jarrett, David Axelrod, David Plouffe, and Susan Rice, with the later addition of Denis McDonough.

Author Glenn Thrush reports that Obama would even prefer to listen to the "amateurs" than former Defense Secretary Robert Gates.

"The West Wing's obsessive control of messaging drove Gates crazy, and he felt crowded by young amateurs in the White House who had much less experience and much better access to Obama, guys like McDonough and speechwriter Ben Rhodes, who would weigh in after the secretary's SUV had departed for the Pentagon.

"Over the previous four decades, Gates had served in a variety of posts, from deputy director of the CIA to the upper rungs of the NSC, and had seen a gradual increase in White House influence over internal Pentagon affairs. But that trend hit warp speed under Obama.

There were far more deputies meetings attended by too many lower-ranking aides, and Gates believed an alarming number of White House staffers were being read in on specific war plans.

“Most importantly, Gates had significant policy disagreements with Obama. By the time of his exit in July 2011, the lifelong Republican was dissenting more and more on major decisions being pushed by liberal interventionists including Clinton, U.N. Ambassador Susan Rice and NSC adviser Samantha Power. He has called the NATO intervention in Libya a mistake. . . . Since retiring, Gates has become increasingly disillusioned with Obama’s foreign policy; one friend says Gates winced when the president drew his red line more than a year ago on the use of chemical weapons in Syria. White House aides are nervously awaiting the publication of Gates’s memoir in January. The manuscript . . . questions Obama’s policy choices on the Arab Spring in particular, and even compares the president unfavorably with Bush. . . .”

Thrush, one of the leading reporters for *Politico’s* daily newspaper, also reports on Gates’ clashes with Susan Rice (now National Security Advisor) and Samantha Power (now UN Ambassador).

Thrush describes the military decision disaster over the mooted strike against Syria: Obama huddled with McDonough, and went for a walk in the woods to discuss not going ahead with the attack, just after Secretary of State John Kerry had virtually announced that a strike was definite. Neither Kerry nor Defense Secretary Chuck Hagel was consulted or informed until after Obama had announced his decision to go to Congress, Thrush says. The decision to bypass Congress is described: “Before his second Inauguration, he ordered the Cabinet and West Wing officials to come up with a list of actions he could take without relying on Congress. . . .”

But the worst disasters are still to come:

“The decision to muzzle the Cabinet for all these years,” writes Thrush, “means the president now has fewer seasoned surrogates to make his case in public. Putting a premium on political savvy over creativity has made it harder to generate new proposals. Limiting the number of new voices in Obama’s inner circle has given a cramped, predictable feeling to his White House and increased the pressure on a diminishing cast of indispensable staffers, who are now burning out and breaking down. Never have the strains been more ap-

parent than during the troubled, ill-coordinated rollout of Obamacare. . . .”

CIA Analysts Threatened To Resign

In a similar vein is a Nov. 13 article by former CIA officer Phil Giraldi in the *American Conservative*, entitled, “Quitting Over Syria.” Giraldi recounts the battle between the White House, which wanted a statement from the intelligence community saying that Syrian President Bashar al-Assad used chemical weapons against his own people last Aug. 21, *à la* Dick Cheney and Iraq’s weapons of mass destruction, and the analysts who saw no evidence to make that case. Excerpts follow:

“In a scenario unfortunately reminiscent of the lead up to Iraq, the National Security Council tasked the various intelligence agencies to beat the bushes and come up with more corroborative information. Israel obligingly provided what was reported to be interceptions of telephone conversations implicating the Syrian army in the attack, but it was widely believed that the information might have been fabricated by Tel Aviv, meaning that bad intelligence was being used to confirm other suspect information, a phenomenon known to analysts as circular reporting. Other intelligence cited in passing by the White House on the trajectories and telemetry of rockets that may have been used in the attack was also somewhat conjectural and involved weapons that were not, in fact, in the Syrian arsenal, suggesting that they were actually fired by the rebels. Also, traces of Sarin were not found in most of the areas being investigated, nor on one of the two rockets identified. Whether the victims of the attack suffered symptoms of Sarin was also disputed, and no autopsies were performed to confirm the presence of the chemical.

“With all evidence considered, the intelligence community found itself with numerous skeptics in the ranks, leading to sharp exchanges with the Director of Central Intelligence John Brennan and Director of National Intelligence James Clapper. A number of analysts threatened to resign as a group if their strong dissent was not noted in any report released to the public, forcing both Brennan and Clapper to back down. This led to the White House issuing its own assessment, completely divorcing the process from any direct connection to the intelligence community. The spectacle of CIA Director George Tenet sitting behind Secretary of

State Colin Powell in the United Nations, providing him with credibility as Powell told a series of half-truths, would not be repeated. . . .”

White House Doesn't Trust Congress, Either

Congress, it turns out, is as isolated from White House policy deliberations as the rest of the government. This was revealed, on Nov. 14, by Rep. Adam Smith (D-Wash.), the ranking Democrat on the House Armed Services Committee. By virtue of his position in Congress, Smith should be someone whom the Obama Administration consults with and relies heavily on with respect to national security policy, but this turns out not to be the case.

At the end of an hour-long discussion at an event at the Council on Foreign Relations, Smith, in surprisingly candid remarks, described policymaking in the White House in a way that echoes comments from the military officers related by Rosa Brooks in her *Politico* article. Smith said that there is no effort from the White House to reach out to key members of Congress, in contrast to even the George W. Bush Administration, which lobbied Congress heavily in favor of the Iraq surge before it was publicly announced.

The Obama White House, he said, has a different model. First, “They figure out the policy. They announce it, then they come tell us what it is,” he said. “I get that. *They don't trust us*. . . . You'd have a better chance of success if you [would] include key policymakers in Congress in the decision-making process instead of trying to get them to buy in to the decision after the fact” (emphasis added).

These comments came after Smith had lambasted the administration for its incoherent policy in Syria, starting with Obama's “red line.” “The red line was not well thought out,” he said. “You do not say ‘if you step across this red line we will use military force’ unless you really mean it, unless you know the full implications of it.” If the U.S. hadn't done that, it might not have changed things a great deal on the ground, Smith said, but “at least it would've given us the benefit of consistent policy.” Smith said it might have been better to say at the outset that we wanted President Assad to get rid of his chemical weapons stockpile, rather than taking it up as an afterthought. “That lack of clarity and at least the appearance that it was sort of being developed on the fly did undermine our credibility,” Smith added.

As for Obama's Aug. 31 decision to go to Congress

to seek authorization to bomb Syria, Smith said he simply should not have done that, because “there was no way they were going to get the votes,” so there would have been no point to it.

Army Officer Blasts Obama Policymaking

The theme of Obama's insularity was repeated on Nov. 15, by a currently serving Army officer, Lt. Col. Robert Bateman, in an article in *Esquire* magazine. Bateman is a prolific writer and outspoken critic who, like a handful of other blunt-spoken Army officers, is a historian who is well-versed in war-making and strategy-making. In an article entitled “How Badly Things Are Broken With Our Defense,” Bateman endorses the thesis of Brooks' *Politico* article.

“I see absolutely nothing wrong with” Brooks' assessments, Bateman writes. “As she was a political appointee in the Pentagon, appointed by President Obama, mind you, she has credence to point fingers and expose laundry. And she is right. The generals and admirals are excessively defensive, and according to her, the White House has been less than forthcoming with the sort of firm and clear decisions and coherent directions needed at the political level of war. Read this, if you read nothing else, to understand where things seem to be running off the rails.”

The first half of his article is a lesson in the five levels of war: tactical, operational, strategic, grand strategic, and policy. It's at the top two levels, Bateman writes, that “America is falling flat on its face.”

Bateman also cites a *Defense News* article covering remarks by Rep. Duncan Hunter (R-Calif.) at a conference in Washington on Nov. 14, lambasting the “arrogance” of the Pentagon in stonewalling the Congress. Bateman says that this is also true, but the reason for it is given in the Brooks article. “The Pentagon has not been given that absolutely imperative, ‘firm and clear decisions’ and ‘concrete guidance.’ The slogan now is ‘Pivot East,’ which is not a firm and clear decision, nor has it been accompanied by concrete guidance.”

The result is that the generals and admirals are left to their own devices, which is not a good place for them to be, Bateman writes. “Without a hard political decision at the political level of war, we mere military officers are thrust into the position which our own sub-cultures have generally crafted us to be the least prepared people to make.”

Michele Steinberg contributed to this article.

Lincoln, JFK, Gettysburg, & The War Against Wall Street

by Steve Douglas

President Obama's Oct. 30 announcement that he will not be attending the 150th anniversary commemoration of Abraham Lincoln's historic Gettysburg Address is appalling, but hardly surprising. It bespeaks not simply his ignorance of American history, it trumpets his disdain for it. Most of all, it is consistent with his preoccupation with the defense of Wall Street's predatory speculative interests, at the expense of the enforcement of the General Welfare clause of the Preamble to the U.S. Constitution. Whereas Lincoln famously declared at Gettysburg "that we here highly resolve ... that government of the people, by the people, for the people, shall not perish from this Earth," Obama's fanatical opposition to the reenactment of President Franklin Roosevelt's 1933 Glass-Steagall Act, which Wall Street lobbying repealed in 1999, is calculated to ensure that government of, by, and for the too-big-to-fail banks shall not perish from this Earth.

In fighting to restore the Union at Gettysburg, Lincoln was both emancipating African-Americans from chattel slavery and, at least temporarily, helping to liberate all Americans from financial enslavement to Wall Street and its oligarchical allies. It was for good reason that New York City financial district speculators were widely referred to as "General Lee's left wing in Wall Street." And it was also for good reason that, in 1865, senior officials of the Confederacy bitterly complained, "The Yankees did not whip us in the

field. We were whipped in the Treasury Department."¹

Gettysburg, the site of the bloodiest battle in North American history, has long occupied a special status in the institution of the American Presidency. Great Presidents, and those who aspired to greatness, ennobled themselves and their administrations by reflecting on Lincoln's poetic vision of the future, as that was articulated in his Gettysburg Address. Their struggle to do justice to Lincoln's conception of America's future, enriched their own visions for the shaping of America's further development, and heightened their sense of a future-oriented mission orientation, accordingly.

FDR at Gettysburg

FDR delivered two historic speeches at Gettysburg. On Memorial Day 1934, he said of Gettysburg, Valley Forge, and Philadelphia, the site of the signing of both the Declaration of Independence and the U.S. Constitution, "Surely, all this is holy ground," to an audience of over 100,000 people, as he polemicized against the dangers of parochialism and sectionalism.

Roosevelt pinpointed the lack of development of a viable transportation network as one of the major contributing causes to the War of Secession:

"George Washington knew that Nations grow as their commerce and manufactures and agriculture grow,

1. Ellis Paxson Oberholtzer, *Jay Cooke: Financier of the Civil War* (2010).



Lincoln's famous dedication at Gettysburg, "that we here highly resolve . . . that government of the people, by the people, for the people, shall not perish from this Earth," was carried forward by President Franklin Roosevelt, shown here speaking at the battlefield on July 3, 1938; and by President John F. Kennedy, who toured the site with Mrs. Kennedy on March 31, 1963.



and that all of these grow as the means of transportation are extended. He sought to knit the sections together by their common interest in these great enterprises; and he projected highways and canals as aids not to sectional, but to national development.

“But the Nation expanded geographically after Washington far more rapidly than the Nation’s means of inter-communication. . . .

“With the settling and peopling of the Continent to the shores of the Pacific, there developed the problem of self-contained territories because the Nation’s expansion exceeded its development of means of transportation.

“The early building of railroads did not proceed on national lines.

“...[In] the South . . . most of the railroads were local

and sectional. It was a chartless procedure: people were not thinking in terms of national transportation or national communication. In the days before the Brothers’ War [Civil War—ed.], not a single line of railroad was projected from the South to the North; not even one from the South reached to the national capital itself. . . .”

Four years later, on July 3, 1938, on the 75th anniversary of the battle, FDR addressed an audience of 250,000 people, including over 1,000 Confederate and Union veterans of the conflict (average age—95!) as he dedicated the Eternal Peace Light Memorial monument at the northern end of the battlefield. He spoke of the importance of Lincoln’s wisdom and future-oriented vision for Americans of 1938:

“Not often can [a statesman] frame patterns for the far off future.

“But the fullness of the stature of Lincoln’s nature and the fundamental conflict which events forced upon his Presidency invite us ever to turn to him for help. . . .

“The task—to preserve under the changing conditions of each generation a people’s government for the people’s good—assumes different shapes at different times. Sometimes the threat to popular government comes from political interests, sometimes from economic interests, sometimes we have to beat off all of them together. . . .

“We are near to winning this battle. In its winning and through the years, may we live by the wisdom and the humanity of the heart of Abraham Lincoln.”

The Centennial

Vice President Lyndon Johnson delivered an historic speech at Gettysburg on Memorial Day, May 30, 1963. LBJ seized the opportunity, on the occasion of the 100th anniversary of the bloody conflict at Gettysburg, to launch an aggressive and positive response on the part of the Federal government to the initiatives of the Civil Rights movement led by Dr. Martin Luther King. King had been jailed by Sheriff Bull Connor in Birmingham, Ala. in mid-April, whereupon he wrote his famous Letter from a Birmingham Jail, on the theme of “Why We Can’t Wait.” LBJ, in response, boldly declared at Gettysburg:

“One hundred years ago, the slave was freed.

“One hundred years later, the Negro remains in bondage to the color of his skin.

“The Negro today asks justice.

“We do not answer him—we do not answer those who lie beneath this soil—when we reply to the Negro by asking, ‘Patience’

“Our nation found its soul in honor on these fields of Gettysburg one hundred years ago. We must not lose that soul in dishonor now on the fields of hate.”

What LBJ initiated that day in 1963, gave rise to the passage of the landmark Civil Rights Act of 1964, just over 13 months later.

President Kennedy

President John Kennedy, First Lady Jacqueline Kennedy, and their daughter Caroline, made a unannounced trip to the Gettysburg battlefield, in late March 1963, just over two months before LBJ’s speech. Their tour made a deep impression on them, and apparently, contributed to their decision to tour the Battlefield of Antietam—the battle whose outcome on Sept. 17, 1862

prompted Lincoln to issue the Emancipation Proclamation—the following weekend. Their tour guide was a Gettysburg public school history teacher, who subsequently spoke about what it was like to be a guide for the First Family, and what aspects of the experience affected them most.

Mrs. Kennedy was deeply moved by the Eternal Peace Light Memorial with its eternally burning flame sitting atop a column of Alabama limestone, grounded on a foundation of granite from Maine. She asked President Kennedy if he didn’t think that such an eternal flame would be an extraordinary memorial for an individual’s gravesite. He replied in the affirmative, revealing that he was as deeply affected as she was, by both the monument itself, and the circumstances of its dedication.

At the conclusion of the tour, the guide invited the President to return to Gettysburg on Nov. 19, when the 100th anniversary of the Gettysburg Address would be commemorated. JFK said that he would love to, but that he couldn’t, because he had a “prior engagement” in Dallas, and he had to be down there to “mend fences.”

After Kennedy was assassinated on Nov. 22, President Johnson assigned one of his top aides, Jack Valenti, to handle all aspects of the funeral arrangements for JFK. He was to be attentive, first and foremost, to any and all requests made by the President’s widow.

Shortly after JFK’s death, Mrs. Kennedy called Valenti, and told him that she wanted an “eternal flame” on Jack’s grave, modeled upon the one that existed at the Gettysburg Battlefield. Valenti called the Park Headquarters, and acquired all the relevant specifications. The “eternal flame” that burns on the gravestone of President Kennedy to this day, 50 years later, in the Arlington National Cemetery, is an exact replica of the flame that FDR dedicated in 1938, 75 years after the battle.

The Battle Against Wall Street

Before, during, and after the July 1-3, Battle of Gettysburg and his Nov. 19 Gettysburg Address, Lincoln was thoroughly engaged in an extraordinary conflict with Wall Street. The two strategic enterprises of the Lincoln-led U.S.A. that Wall Street most aggressively sandbagged and sabotaged, were the funding of the war effort and the construction of the Transcontinental Railroad.

Just two days before the Address on Nov. 19, 1863, Lincoln issued a Declaration stating that Council Bluffs, Iowa was to be the Midwest point of departure



When Wall Street moved to crush Lincoln's Union through financial warfare, the President's men, Treasury Secretary Salmon P. Chase (left), and Secretary of State William Seward, struck back. The Republican leadership in Congress enacted Lincoln's Greenback policy and established a national credit system to fund the war against Britain's Confederacy.

for the 1,866-mile-long Transcontinental Railroad. Twelve days after Lincoln's Gettysburg Address, on Dec. 1, a formal ground-breaking ceremony for the Transcontinental took place, at which a message from Secretary of State William Seward declared: "When this shall have been done, disunion will be rendered forever after impossible. There will be no fulcrum of treason to rest upon."² (Seward was stabbed, and almost killed, by the same band of assassins that murdered Lincoln in April 1865.)

Wall Street's financial machinations against the Union were entirely consistent with its shameless support for secession and disunion. On Jan. 7, 1861, eighteen days after South Carolina became the first state to secede, on Dec. 20, 1860, New York Mayor Fernando Wood sent an incendiary message to the city's Common Council, calling for the secession of New York City from the Union! He wanted the city to become the "Venice" of the North Atlantic.

2. Stephen Ambrose, *Nothing Like It in the World: The Men Who Built the Transcontinental Railroad, 1863-1869*, p. 90.

This was a view that he shared with August Belmont—his good friend, scion of the New York financial community, chief spokesman for the Rothschild banking empire, and leader of the Democratic Party. In a letter to an Alabama friend, Belmont waxed eloquent about New York's Venetian prospects, "New York ... would cut loose from the puritanical East, and her protective tariff... [S]he would open her magnificent commerce to the world. What Venice was once on the sluggish lagoons of the Adriatic, New York would ere long become to the two hemispheres."³

The Anglo-Dutch financial center on Wall Street squeezed the U.S. government to the utmost. In the last months before the Buchanan Administration gave way to President-elect Lincoln, the Federal government needed a \$10 million loan in order to meet various payrolls and related payments. Wall Street's lack of enthusiasm for the Federal government was such, that it was anticipated that the loan could be procured only by offering a 15% discount to the participating banks, and, having the states of Massachusetts, New York, Pennsylvania, and Ohio sign as co-guarantors of the loan!⁴

Through the Summer and Autumn of 1861, Wall Street helped to finance the Union's war effort, but only under a growing chorus of protests and conditionalities. Finally, in late December, the New York banks announced that they were suspending their specie payments to the Federal government. They, in effect, terminated their working relations with the government, and said they would not resume "collaboration" with the

Through the Summer and Autumn of 1861, Wall Street helped to finance the Union's war effort, but only under a growing chorus of protests and conditionalities. Finally, in late December, the New York banks announced that they were suspending their specie payments to the Federal government. They, in effect, terminated their working relations with the government, and said they would not resume "collaboration" with the

3. August Belmont, "Letters and Speeches of the Late Civil War" (1870), p. 19.

4. Bray Hammond, *Sovereignty and an Empty Purse: Banks and Politics in the Civil War*, p. 31.

government, until it adopted taxation and fiscal policies which met with Wall Street's approval! Treasury Secretary Salmon P. Chase's subordinates spoke of a Wall Street "attempt to make direct war upon the U.S. Treasury."⁵

Neither Lincoln, nor Chase, nor the Henry Carey-allied Republican leadership of Congress took kindly to this brazen financial blackmail. On Feb. 25, 1862, the Greenback legislation was signed into law, wherein the U.S. Congress, by asserting its Constitutional right to establish a credit system, outflanked the Wall Street predators and their British-Confederate allies, and kept the war effort and the U.S. economy fully funded.⁶ The national banking legislation which Congress adopted in early 1863, coupled with the unprecedented patriotic fundraising accomplishments of Philadelphia financier Jay Cooke in selling U.S. Treasury bonds—not through the banks, but directly to the American people—secured a significant measure of financial independence for the Lincoln-led forces of the Union.

Nor were Secretary Chase and his collaborators ignorant of the historical contours of the fight they were waging. Chase insisted upon Alexander Hamilton's portrait being placed on the first popular bond issues, which issues had been conceptualized specifically as a way of outflanking Wall Street's chokehold on American finances, saying, "You see who I would fain emulate if I might, (the man) whose spirit animates. . . our Constitution, our institutions, and our history."⁷

President Lincoln's enmity for the Wall Street speculators could not have been more intense. Francis Bicknell Carpenter, the painter and artist, best known for his painting "First Reading of the Emancipation Proclamation of President Lincoln," which hangs in the U.S. Capitol, lived with the Lincolns in the White House for six months. During that time, Carpenter had opportunities to observe and interact with President Lincoln and his visitors in a very personal way. He recalled a particularly powerful conversation that occurred in the Spring of 1864, between the President and his close ally, Pennsylvania Gov. Andrew Curtin:

"The bill empowering the Secretary of the Treasury to sell the [U.S.'s] surplus gold [as an anti-specu-

lation maneuver—ed.] had recently passed, and Mr. Chase was then in New York, giving his attention personally to the experiment. Governor Curtin referred to this, saying, 'I see by the quotations that Chase's movement has already knocked gold down several percent.' This gave occasion to the strongest expression I ever heard fall from the lips of Mr. Lincoln. Knotting his face in the intensity of his feeling, he said, 'Curtin, what do you think of those fellows in Wall Street, who are gambling in gold at such a time as this?' 'They are sharks,' returned Curtin. 'For my part,' continued the President, bringing his clenched hand down upon the table, 'I wish every one of them had his devilish head shot off.'"⁸

Later, when Lincoln was presenting his friend Gilbert with his appointment as assessor for the U.S. Treasury in the Wall Street district of New York, he alluded to his view of the heathen character of the area, when he said, "Gilbert, from what I can learn, I judge that you are going upon good 'missionary' ground. Preach God and Liberty to the 'bulls' and the 'bears,' and get all the money you can for the government."⁹

Lincoln's bitter opposition to the speculators echoed that of George Washington. In a letter he wrote during the Revolutionary War, in 1778, Washington declared:

"This tribe of (speculators) work more effectually against us than the enemy's Arms, and are a hundred times more dangerous to our liberties and the great cause we are engaged in. . . .

"It gives me a very sincere pleasure to find that there is likely to be a coalition . . . so well-disposed to second your endeavors in bringing those murderers of our cause (the monopolizers, forestallers, and engrossers) to (appropriate) punishment. It is much to be lamented that each state long ere this has not hunted them down as pests of Society, and the greatest Enemys we have to the happiness of America. I would to God that one of the most atrocious of each State was hung in the Gibbets upon a gallows five times as high as the one prepared by Haman. [Haman was an Old Testament despot who built a 50 foot-high gallows, with the intent of lynching his Jewish enemies. He was hanged on it, instead.—ed.] No punishment, in my opinion, is too great for the Man who can build his greatness upon his Country's ruin."

5. Heather Cox Richardson, *The Greatest Nation of the Earth: Republican Economic Policies during the Civil War*, p. 46.

6. Rochelle Ascher, "Lincoln Financed the War by Taking On the British-Backed New York Banks," *EIR*, Jan. 20, 2006.

7. Op. cit. footnote 5.

8. Francis B. Carpenter, *The Inner Life of Abraham Lincoln: Six Months at the White House*, p. 84.

9. *Ibid.*, p. 255.



Source: Union Pacific Railroad Co.;
Central Pacific Railroad Co. (1879)

Lincoln's Wall Street enemies attempted to sandbag the funding for the Transcontinental Railroad, which, for the President, was a national security priority. Lincoln reportedly said he hoped, when he retired from the Presidency, to take a trip on the railroad, which would be the proudest thing in his life. The map indicates the path of the Transcontinental (shown under construction in the photo), from Council Bluffs, Iowa to the Pacific Coast.



In Europe, the Anglo-Dutch sponsors of the pro-Confederate speculators, could not restrain themselves in their expressions of arrogance and scorn for the Union.

The British and French quantified their disdain and antipathy for the U.S.A., when, in February 1863, they offered to loan the Union \$100 million, at the astronomical rate of 15% interest, for a period of 50 years. Thus, the U.S.A. would have to repay its European creditors \$750 million, computed in simple interest, plus principal, over a period of 50 years, for the “privilege” of borrowing less than \$100 million, after fees, from the same people who were otherwise funding the Confederacy! This “offer” was tendered at the same time that the U.S.A., thanks to the efforts of Jay Cooke and his patriotic collaborators, were selling hundreds of millions of dollars of U.S. Treasury bonds directly to the American people, at 6% interest, that were payable in full in 20 years, but with a government option to redeem them in 5 years, if the government preferred. That is, the British insisted upon interest rates that were 250% higher, over a length of time that was anywhere from 250% to 1,000% longer, than the U.S. government was getting from its own Cooke-organized citizens.

‘The River Produced by Modern Science’

Just as Wall Street and its Anglo-Dutch masters worked to sabotage the funding of the Union’s war effort, they labored to sandbag the funding of the Transcontinental Railroad. There was no project more precious, nor of a higher national security priority, for Lincoln, than the building of the Transcontinental Railroad. A group of Congressmen reported that he said as much, as they recounted important points of their meeting with Lincoln:

“He had but one advice to us, and that was to ask sufficient aid [to insure its completion] . . . and to hurry it up, so that when he retired from the Presidency, he could take a trip over it, and it would be the proudest thing of his life, that he had signed the bill in aid of its construction.”¹⁰

The Pacific Railroad Act of July 1862, enacted in the wake of Confederate Gen. Robert E. Lee’s demoralizing defeat of Gen. George McClellan in the Battle of Malvern Hill, and weeks before the Union’s disastrous defeat in the Second Battle of Manassas, was an important milestone in the history of American System legislation. The Union Pacific Railroad which was created

10. Edward J. Reuehan, Jr., *The Transcontinental Railroad: Gateway to the West*, p. 27.

by this Act, became the first corporation chartered by the national government since the Second Bank of the United States, which had been created in 1816, but destroyed by Andrew Jackson and his Anglo/Wall Street controllers in 1836. The Second National Bank had been chartered to fund internal improvements; the Union Pacific Railroad was chartered to build the biggest internal improvement in world history.

The Union Pacific was authorized to raise \$100 million in capital stock, but Wall Street's opposition to the Transcontinental restricted progress in this domain to a snail's pace. One year after the passage of the Pacific Railroad Act, less than \$2 million in stock had been nominally sold, with many of those purchases assuming the form of the legal minimum 10% down payment.

Gen. Grenville Dodge, the man who ultimately became the chief engineer for the Union Pacific, reported that he was summoned from his duties with Gen. Ulysses S. Grant along the Mississippi River in the late Spring of 1863, by President Lincoln, to come to Washington for urgent consultations about what could be done to secure the rapid construction of the Transcontinental. Lee's major victories at Fredericksburg and Chancellorsville, and Grant's lack of progress in his campaign against Vicksburg notwithstanding, Lincoln insisted on advancing the Transcontinental project. Dodge recommended that the U.S. government build the project. But Lincoln demurred, saying that the government "had all it could possibly handle in the conflict now going on, [but it] would make any change in the law or give any reasonable aid to insure the building of the road by private enterprise."

The "changes in the law" and "reasonable aid" recommendations of Dodge and others were incorporated into a new Pacific Railroad Act of 1864, which paved the way for the successful completion of the Transcontinental on May 10, 1869. Using its powers to deploy its system of credit, the Federal government defeated the saboteurs of Wall Street. As Wall Street withheld its money, Lincoln's government deployed its credit, and changed the economic geography of North America, and the world, forever after.

Two among the many credit-system measures utilized by the Federal government to secure the success of the Transcontinental Railroad were:

1. The deployment of land grants. The Central Pacific Railroad, which was building east from California, and the Union Pacific Railroad, which was building west from Council Bluffs, Iowa, would be granted plots

of land, on alternating sides of the railroad in a checkerboard-style pattern, that would total 12,800 acres per mile of track that was laid. By this means, the railroads would have large amounts of land whose value would increase by virtue of the economic development that accompanied the growth of the railroad. Likewise, the Federal government whose acreage was interspersed with the railroads' land in the checkerboard pattern, could expect to see the value of its landholdings increase.

The total amount of land distributed in this fashion was staggering. The Union Pacific received grants whose square mileage amounted to an area that was roughly the size of New Jersey and New Hampshire combined. The Central Pacific received slightly more than an area that was approximately the size of Maryland.

2. The deployment of 6%, 30-year U.S. Treasury bonds, as both financial aid and loans, to the Union Pacific and Central Pacific. Building upon the strategic in-depth capability it had developed within the population for funding the war effort, the Federal government applied that same sense of mission orientation toward the funding of the Transcontinental. The \$65 million in (largely) Treasury bond loans that the government made to the Union Pacific and Central Pacific, was slightly larger than the total 1860 Federal budget of \$63.1 million. The dimensions and the quality of the project were unprecedented, even as the war was raging.

Lincoln's Congressional collaborators could not have been more clear or emphatic about the strategic military and economic axiom-changing significance of the Transcontinental. Philadelphia's William E. "Pig Iron" Kelley, the staunch Republican ally of Lincoln and Henry Carey, motivated its importance to the House of Representatives in April 1862:

"The railroad operates as the river did in the olden time. We know that population could settle only along the river banks. Land so remote from a navigable stream, that it would cost to get its product to market nearly its market value, was worth nothing. It is no longer so. That law of nature would have kept our coasts apart for centuries. *But the railroad is the river produced by modern science* (emphasis added). We can carry these streams over mountains and across valleys, and they will be followed by cities and towns along the plains. From this great stream rivulets will flow, so that in Nevada, Utah, Colorado, Washington, Oregon, Nebraska, and Kansas, American civilization will spring

up, and the land teem with life. We can by this means, and this means alone, cement the two coasts of our country, and make the East and the West parts of a well-united nation, easily governed, easily defended by its own people, and from any part of which to the other the Government may at all times throw the requisite force for defense, or should God in His providence permit a recurrence of it, the suppression of rebellion.

“...Can there be any question that our country can bear such an augmentation of its annual expenditure? Or will it harm us, if posterity, being blessed by this work, should perchance have to pay the principal for the credit invested? The time is propitious. The people of the world are beginning to realize what a country ours is, and what an energetic people inhabit it. The world is beginning to see that a republican Government which in time of peace sits upon the people as light as the surrounding atmosphere, is the most powerful Government yet known to man. Let them also see, and let posterity embody it in history, that in the very agony of our country, her Representatives and the Government had a care for the future, and for the welfare and the dignity of the country; and that while they provided ample means for suppressing the rebellion, and the punishment of those who originated and sustained it, *they also provided for the immediate future and the ultimate grandeur of their country*” (emphasis added).¹¹

The Union’s credit system that was grounded in the advancement of production of agricultural and industrial goods, and great infrastructural undertakings, produced an “economic miracle.” The Confederate slave system that was supported by the Anglo-Dutch and their Wall Street allies, produced a disaster. While the Union experienced inflation of about 80% over the



Gen. Joshua Chamberlain, hero of the Gettysburg battle, in a dedication in 1888, said, “...generations that know us not and that we know not of, heart-drawn to see where and by whom great things were suffered and done for them, shall come to this deathless field, to ponder and dream....”

course of the entire war, the Confederacy was ravaged by inflation in prices of 9,000%! The Union’s inflation was slightly less than what the U.S. experienced from 1917-20 in the context of World War I, and slightly more than the 70% inflation the U.S. endured from 1941-49, in the context of World War II.

Great Deeds and Joshua Chamberlain

Gen. Joshua Chamberlain, the commander of the 20th Maine Regiment at Gettysburg that heroically held the Union’s left flank at Little Round Top on July 2, 1863, made a stirring speech on Oct. 3, 1888, on the occasion of the dedication of a monument to the 20th Maine, in which he spoke of the spiritual power and effect of great deeds.

“In great deeds something abides. On great battlefields something stays.

“Forms change and pass; bodies disappear; but spirits linger, to consecrate ground for

the vision-place of souls. And reverent men and women from afar, and generations that know us not and that we know not of, heart-drawn to see where and by whom great things were suffered and done for them, shall come to this deathless field, to ponder and dream, and lo! The shadow of a mighty presence shall wrap them in its bosom, and the power of the vision pass into their souls.”

As that is true on great military battlefields such as Gettysburg, it is likewise true on the battlefields of economic, political, cultural, and scientific ideas. Those were the realms in which Abraham Lincoln and John F. Kennedy waged their historic battles against Wall Street and its Anglo-Dutch masters. They were killed on the field of battle, as surely as the Blue and Gray combatants at Gettysburg were. May the shadow of their mighty presence wrap the American people in its bosom, and the power of their shared visions pass into the American people’s souls.

11. *Congressional Globe*, April 9, 1862, p. 1,594.

Putin in Seoul: Huge Step Toward Peace and Development

by Michael Billington

Nov. 15—Russian President Vladimir Putin and South Korean President Park Geun-hye signed a truly historic set of agreements for close cooperation on a wide range of development projects on Nov. 13 in Seoul. Several of the proposed projects directly involve North Korea, although nothing was said about North Korea’s approval. The conclusion drawn by sources within South Korea is that Putin had pre-arranged some level of support from Pyongyang, which will only be worked out over time.

The agreements include measures to revive earlier plans for rail and pipeline construction through North Korea, and a plan for several South Korean corporations to invest in a Russian-North Korean consortium which is building a rail and port facility in North Korea. Putin and Park also agreed that South Korea will expand its participation in the development of the Russian Far East, involving rail, energy and facilities for space exploration.

This strategic agreement, linking the Republic of Korea and Russia, is a crucial step toward coordination of efforts by all the nations of East Asia for the mutual development of

the region, and for resolving the long-standing crisis on the Korean Peninsula—the last remaining vestige of the Cold War, and a favorite target for imperial interests to stir up “divide and conquer” conflicts in Asia.

It also contributes to the strategic vision of Lyndon LaRouche for the development of the Pacific Basin as the “New Frontier” for global peace and develop-



Presidential Press and Information Office

Russian President Putin and South Korean President Park signed an historic set of agreements Nov. 13, also involving North Korea, in what is being seen as a crucial step toward mutual development of the region.

ment—which the U.S. can and must join, for its own survival, and for the betterment of mankind.

Joint Eurasian Development

President Park described the set of agreements coming out of her meeting with President Putin: “We, the two leaders, agreed to combine South Korea’s policy of strengthening Eurasian cooperation and Russia’s policy of highly regarding the Asia-Pacific region to realize our mutual potential at the maximum level, and move relations between the two countries forward. . . . South Korea and Russia will join hands to build a new Eurasian era for the future,” she said.

The summit produced 17 cooperation agreements, most having to do with joint economic development, and many of them implying some level of North Korean involvement. According to the South Korean news agency Yonhap, a memorandum of understanding (MOU) on South Korean participation in the Russian-led Rajin-Sonbong (called Rason) development project in North Korea was the most tangible outcome from the summit. It calls for POSCO (South Korea’s steel giant), Hyundai Merchant Marine Co., and Korea Railroad Corp. to participate in the Rason development project.

The Korean consortium plans to buy a stake in RasonKonTrans, the Russian-North Korean joint venture carrying out the rail and port renovation project, including the now-concluded reconstruction of the rail link from Rason to Khasan in Russia, and on to Vladivostok. A final decision on the planned purchase will be made after a due diligence study in the first half of next year, officials said. The state company Russian Railways has a 70% stake in the joint venture, with North Korea holding the remaining 30%. News reports have said that the South Korean consortium plans to buy about half the Russian stake.

The project fits into Park’s “Eurasian initiative,” which calls for binding Eurasian nations closely together by linking roads and railways to realize what she called the “Silk Road Express” running from South Korea to Europe via North Korea, China, and Russia.

Once the project to modernize the port of Rason is completed, the rail-connected port can be used as a hub for sending cargo by rail from East Asia to as far away as Europe. South Korean firms will be able to ship ex-

FIGURE 1
North Korea, with Rason in the Far Northeast



Creative Commons

ports first to Rason, and transport them elsewhere via Russian Railways.

The long-discussed project to link the railways of South Korea with Russia’s Trans-Siberian Railway, via North Korea, and through to Europe, is also back on the table—the two sides signed an MOU on rail cooperation and agreed to study the project as a long-term venture. The rail project has been talked about for many years, but little headway has been made due to security tensions between North and South Korea. It is hoped that Russia’s current expanding influence in the world, when coupled with support from China, will provide the means to solve the Korean crisis through the “Peace through Development” approach.

The two leaders also signed an MOU to enhance cooperation in shipbuilding. Officials said the deal laid the groundwork for South Korea to win orders to build at least 13 liquefied natural gas tankers for Russia, on the condition of technology transfer to modernize Russia’s own shipbuilding industry.

To that end, three Russian firms, Rosneft, Gazprombank, and Sovcomflot, formed a consortium with the South Korean shipbuilding company Daewoo to establish an engineering and shipbuilding cluster in the southern part of Primorskiy Krai in the Russian Far

East. The deal includes the construction of a new shipyard, Zvezda, to be opened in 2016, with a Russian-Korean engineering center for shipbuilding and marine equipment for offshore projects.

Other projects in which the two sides agreed to cooperate as long-term ventures, included building a natural gas pipeline linking Russia and South Korea via the North, and developing Arctic shipping routes to reduce shipping distances and time between Asia and Europe.

One of the most promising agreements was for South Korea to participate in the Vostochny Cosmodrome space complex, a potential mainstay of Russia's Far East development. Its first launches are now expected in 2018, after serious delays in the project. In the past, the U.S. refused to help South Korea develop a rocket launch capability, with the excuse that such a program would create a competition for missiles with the North. So, the South Koreans turned to the Russians for help, and together they fielded the Korea Space Launch Vehicle, KSLV-1, with Russian industry providing the first rocket stage.

Unfortunately, neither of the first two test flights, in

2009 and 2010, was successful, and each side blamed the other for the failures. This acrimony finally abated with the successful test of a KSLV-1 last January, and now, South Korea will participate with Russia in its Far East Cosmodrome.

North Korea's Crucial Role

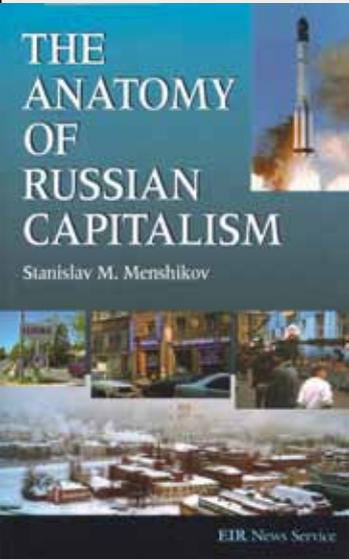
Although nothing official has been said about North Korea's agreement to these projects, a North Korean Foreign Ministry representative was in China on the day of Putin's visit, praising China's role in developing the Rason area, which has been carried out in parallel with the Russian projects in the area. China has constructed a highway from their relatively landlocked northeast to Rason, providing an outlet to the sea, and has constructed ports, industrial zones, farming, and other projects in the region.

"The DPRK [North Korea] government is taking positive measures to speed up economic development by promoting economic cooperation with other countries and attracting investment," the North Korean official said.

Also on the agenda between Presidents Putin and Park was the effort to revive the Six-Party Talks, involving the U.S., China, Russia, Japan, and North and South Korea, to resolve the issue of North Korea's nuclear weapons programs. The initial success in resolving the problem during the Clinton Administration, which led to the South building a nuclear power plant in the North in exchange for ending the production of nuclear weapons-capable fuel, was sabotaged by the Bush-Cheney regime, which led in turn, to the North producing a bomb.

In an interview on Korean Broadcasting System TV before his visit, Putin said, in regard to the Six-Party Talks: "We have a good and trusting relationship with the Republic of [South] Korea, but traditionally, we have maintained good contacts with the Democratic People's Republic of [North] Korea. I think that this is a kind of advantage that Russia has, and that, without any doubt, we intend to, and we will take steps to get things moving." He then emphasized that such a solution of the Korea problem would be based on mutually beneficial development programs.

Nothing short of building trust based on such large-scale development projects of benefit to all sides can restore peace to the Korean Peninsula, and end the imperial capacity to use the issue to provoke division, and even war, in Asia.



This English translation of the work of Russia's authoritative economist, Stanislav Menshikov presents a critical analysis of the complex economic processes in Russia following the collapse of the Soviet Union.

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The Power of Pacific Development

Nov. 15—The history and extraordinary works-in-progress toward the development of the Eurasian Land-Bridge, within the Pacific Basin, were the subject of the second panel of the Schiller Institute’s “Developing the Pacific and Ending the Grip of Empire” conference held in Los Angeles on Nov. 2. The four major presentations are provided here.

The panel opened with a video from China, provided by Ding Yifan, the Deputy Director of the Institute for World Development, a department of the State Council of the government of China. [Ding’s message](#), which we published in our last issue, gave an overview of the Chinese government’s perspective on the Eurasian Land-Bridge, and acknowledged the foresight of Lyndon LaRouche in advancing this project.

EIR’s UN correspondent, and editor of *EIR*’s Chinese newsletter, Leni Rubinstein, then reported on the historical battle for the Land-Bridge, from the time of Leibniz, through U.S. President John Quincy Adams, and the father of the Chinese republic, Sun Yat-sen. The mammoth and exciting projects which the Land-Bridge development concept encompasses, were presented by the globally prominent hydraulic engineer Dr. Howard Chang, who has worked on major projects, such as the Three Gorges Dam, for decades.

At the conclusion of the panel, *EIR* Asia specialist Michael Billington introduced two video presentations, from individuals who have collaborated over many years with the LaRouche movement in creating the

conditions for Pacific development: Pakdee Tanapura of Thailand, and Ramtanu Maitra of India. Both went through their organizing efforts, which are now coming to fruition.

The video presentations can be found at the website newparadigm.schillerinstitute.com

The U.S.A.: Leni Rubinstein

The Eurasian Land-Bridge Today

Here we have it: the World Land-Bridge (**Figure 1**), and what I would like to focus on when we look at this planet, this globe of ours. You see these blue lines, spanning from the southern part of the Africa, through Eurasia, to the southern part of Ibero-America. This is a world where man, and the welfare of man, is in the center. How do we take this planet of ours and treat it as our garden? How can we make this the most profitable, the most beautiful, the most clean, wonderful planet for human beings to be on, where every single baby being born will get the optimal possibilities for developing

his or her capabilities? In other words, this is an *anti-colonial, anti-imperial* program. This is what the World Land-Bridge represents.

If you look at history, and what I want to do today is give a brief history of the ideas leading up to this World Land-Bridge of Lyndon and Helga LaRouche. What we have seen through the centuries, concerning empire, is, we look at Africa, still under the yoke of colonialism. You look at Europe, how, again, and again, and again, through the centuries, the countries were set up against each other, by the empire. You get people to fight, and sit and control them from outside. You had the period with the transport of slaves. You had the phenomenon in Asia, where nations were set against each other, to try prevent, by all means, that the nation-states would collaborate with each other for mutual development.

And what the World Land-Bridge represents is a complete shift that the world has never seen before, where oligarchism is wiped out, and where the nations collaborate with each other for the utmost development and prosperity that mankind has ever seen. Tremendous efforts by the empire have been made through the centuries to prevent this, and we know the crisis we are facing today.

It has always been a nightmare for the imperial forces, that the landmasses would be developed. Take the example of Adam Brooks, a descendant of John Quincy Adams—not a good descendant—who wrote in 1901, when there were some efforts to create collaboration for development: We must make sure that the land people, the Asians and the Europeans, never succeed in developing the land in-between. Because then we, the maritime powers, will have lost our power forever. And the oceans, they're our lakes, and we must make sure that they continue to be.

So, this is what I would like people to have in their minds, because this [the



Courtesy of Edwin W. Walter
Leni Rubinstein

Land-Bridge—ed.] is what this represents. This is what also the founding principles of the United States represent: “that all men are created equal and are endowed by their Creator with certain inalienable rights,” namely, “life, liberty, and the pursuit of happiness.” This is reflected in the Preamble [to the Constitution]: that we must secure the welfare of the people, and we must work for the future, for our posterity.

These principles are valid for every single baby in the world, whether you're born in South Africa, in Denmark, in Nicaragua, or in the United States. People have those rights, these inalienable rights, all over the globe. And that is what the Land-Bridge represents. With us winning the war in the United States, to get the technicality of Glass-Steagall through, and getting Obama out, we are on an absolute edge, where we could have a complete shift for a Renaissance, and a development globally, that mankind has never, ever seen before.

The ‘Development Corridors’

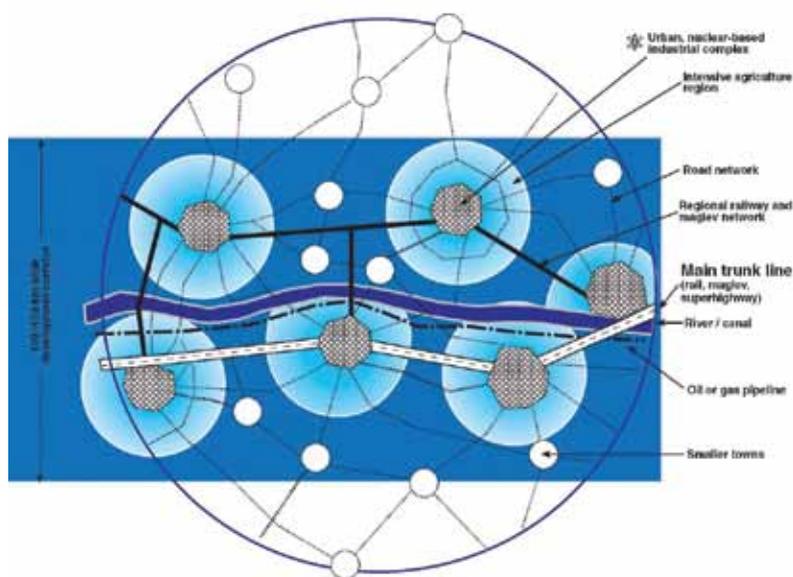
So, I just wanted to have that in the back of people's minds, that this is the fight against oligarchism. You see these lines across the planet—we have termed them “development corridors” (**Figure 2**), because this is not just railroads, not just transport corridors. When you see these development corridors spanning from southern Africa to southern Latin America, you're talking

FIGURE 1
The World Land-Bridge



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FIGURE 2
Schematic of a Development Corridor



it, and we'll be able to transport the goods by rail and so forth, through these development corridors. That is, we will make land that today is totally unproductive and not used, productive.

Leibniz: 'Novissima Sinica'

I would like to go through some of the beginning of an idea for really developing the landmasses, and here the Eurasian landmass, historically. Because 80% of the planet is landlocked. And therefore, for the maritime powers, if they could control the key chokepoints in the world, like Gibraltar, and control the oceans, and prevent collaboration among nations, then they could have their empire, and have easy control.

Many years ago, a good friend of Lyndon LaRouche and our organization, Gottfried Wilhelm Leibniz, was in very close correspondence with missionaries in China. He

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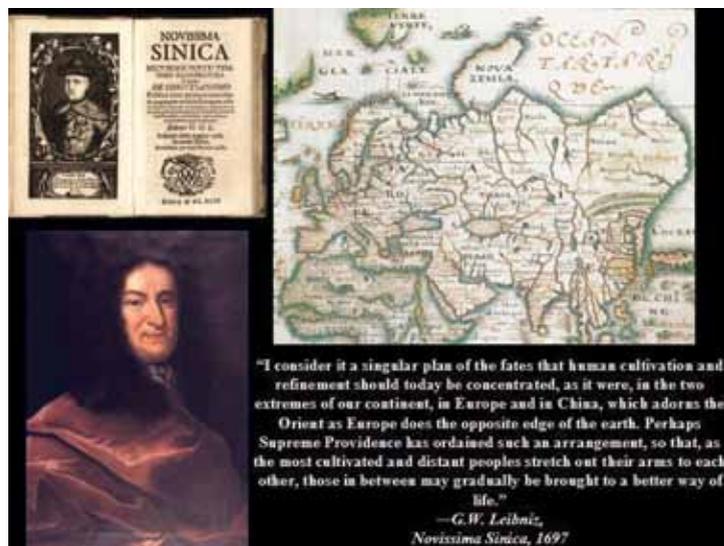
was very engaged in China, in the last 30 years of his life (Figure 3). And in 1697, he writes in his *Novissima Sinica*: "I consider it a singular plan of the fates, that human cultivation and refinement should today be concentrated, as it were, in the two extremes of our continent, in Europe and in China, which adorns the Orient, as Europe does the opposite edge of the Earth. Perhaps Supreme Providence has ordained such an arrangement, so that, as the most cultivated and distant peoples stretch out their arms to reach each other, those in between may gradually be brought to a better way of life."

This is one of my favorite Americans: John Quincy Adams (Figure 4). With the War of 1812, where Britain tried to crush the American Republic, and at the same time, Napoleon was urged to go into Russia, who had been our key ally earlier, John Quincy Adams, together with other key people in America, like John Jay, formed an organization that they called the American Board of Commissioners for Foreign Missions (ABCFM). This was a completely anti-colonial entity.

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What did this Board of Commissioners have to do? The idea was, in 1812, to cross the continent of America—and we didn't have a transcontinental railroad at the time—so cross America, cross the Pacific, and go to the distant nations of Asia, to spread the ideas of the very best of the United States, spread the ideas of the

FIGURE 3



about 150-kilometer-wide (about 100-mile-wide) bands, with high-speed rail, cities, nuclear power plants, water management and so forth. You can think about a world assembly line on a very high level: of transport, energy production, water management, building of cities. Where you build such corridors, you make the land alive! You'll be able to grow modern agriculture, you'll be able to mine areas where we've never been able to mine before; we'll be able to process

Declaration of Independence, and the Preamble of the American Constitution.

That is, it was not just to go out and convert people to Christianity. No, the idea was, to go and show people to do good. And what the missionaries would do—this is a big story, so I'm being very brief—they brought printing machines, they brought farmers with the newest farming equipment. If a people where they arrived, for example, had no written language, as was the case in Hawaii, they created a written language, and then began to write books, which they printed on their printing machines; they taught the newest farming techniques, and so forth.

The hub for the missionaries was Hawaii, and because of that, society was influenced by the missionaries, and Hawaii is not today controlled by Great Britain, but are American islands. That was the hub, that was the key point for going further into Asia.

Those missionaries went to Indonesia, to Thailand, to Japan, and to China. And if you go—a little fun thing—if you to Washington, D.C., to the Washington Monument, you will see there, inscriptions in Chinese, written by a Chinese guy who had been educated by a missionary; he was never converted to Christianity, but he was converted to the greatest of the United States, and he loved George Washington and the Founding Fathers of the United States. So the Chinese inscription on the Washington Monument is in praise of George Washington and the ideas of the American Republic.

Sun Yat-sen's Three Principles

That movement, created by, among others, John Quincy Adams, created and laid the foundations for the overthrow of the Emperor of China, having a very deep influence on Sun Yat-sen (Figure 5). This is Sun Yat-

FIGURE 4
John Quincy Adams

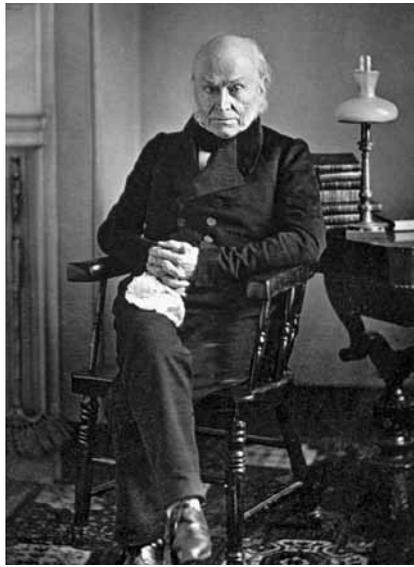
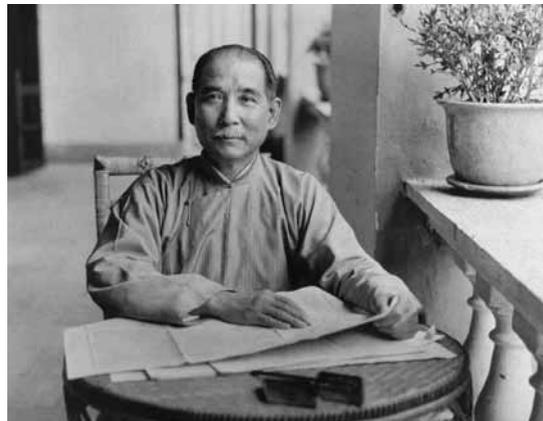


FIGURE 5
Dr. Sun Yat-sen



sen, who, when he was 18 years old, decided that the Emperor of China had to be overthrown, and a republic be created; and he worked tirelessly, creating support groups internationally, raising the necessary funds; he travelled six times around the globe, organizing the Chinese Revolution. Indeed, 2,100 officers were trained in different Chinatowns in the United States, and it's very doubtful that the revolution of China would have succeeded without those officers.

Sun got to know the highest principles of the United States and created something he called the Three Principles of the People, *San Min Zhùk Yi*, and he repeatedly would say, "This I have learned from Lincoln: of

the people, by the people, and for the people." He emulated the best of America, but as he said, "with Chinese characteristics," as he also had studied the Chinese Classics of Confucius and Mencius in depth. And if you study Confucius and Mencius, you'll see, that if you take the very best from America, and the very best from Christianity, and put that together with Confucius and Mencius, it's like one big family, so to speak, of ideas. It goes very much hand-in-hand.

After the end of the First World War, in 1919, Sun Yat-sen, like Douglas MacArthur and others, warned, that with the Versailles Treaty after the First World War, the foundation was laid for a Second World War. In response, Sun writes a comprehensive program that I recommend to people, you can find it on the Internet: It's called, *On the International Development of China*. He writes in the Preface, that with the Treaty of Versailles, the path has been laid for a Second World War. And therefore, he says, I wrote this program, that I call *The International Development of China*, but it is a program for collaboration across the Eurasian landmass, for mutual economic development, and that is the basis for peace.

His program is very detailed, and includes the corridors in Africa, the same corridors that we have proposed be built today. Indeed, many of the key features of our original Eurasian Land-Bridge were based on Dr. Sun Yat-sen's program from 1919. And many of the things that the Chinese government is constructing today, like the Three Gorges Dam, the railroad developments and so forth, are based upon Sun's program. It was a grand program, and it was a program for peace.

He wrote it in English, and, as we are doing today—campaigning for a World Land-Bridge and for a Pacific orientation as the antidote to the danger of war—Sun sent his program out to the different governments in the world, and said, “This is what we must have.”

He got a great response from Germany; the Foreign Minister, Walther Rathenau, sent people to Shanghai to collaborate with Sun's people on an idea of collaboration with Russia, China, and Germany, around great development programs. The response from the U.S. at the time, was, also very similar to today: “We can't afford it”!

You can't afford *not* to do it, but they were total monetarists in the U.S. at that time.

Unfortunately, Rathenau was killed. There was tremendous pressure from the largest drug bank, the Hongkong and Shanghai Banking Corp., which is still active today. It put up a big money award for killing Sun Yat-sen, in order to stop his efforts in China.

Just to give you an idea, this stamp is from 1942 (**Figure 6**); you can see in the background, a map of China, and then you have Lincoln to the one side and Dr. Sun to the other, where it says, “Of the people, by the people, for the people.” And then in Chinese with the same meaning underneath Sun's picture, “of the people, by the people, for the people,” which expresses the sentiment of mutual interests and mutual ideas, during Roosevelt's time and the Second World War.

A New, Just World Economic Order

I met Lyndon LaRouche in 1975, and at that time, he was calling for a new, just world economic order, and the first article by LaRouche published in Danish was his proposal for an International Development Bank, as a foundation for in-depth economic develop-

FIGURE 6
U.S. Postage Stamp (1942)



ment. And it was mentioned this morning, that LaRouche was very much promoting the Strategic Defense Initiative for mutual collaboration with the Soviet Union for mutual defense, to get rid of Kissinger's Mutual Assured Destruction [MAD] policy. And LaRouche's proposal was adopted by Reagan for a short period in 1983.

It was also in 1983, that LaRouche wrote a comprehensive program for India, and the whole of Southeast Asia, his “50-year Development of the Indian-Pacific Ocean.”

But 25 years ago, in October 1988, there was an historic [meeting in West Berlin](#), with Lyndon LaRouche. And I very much recommend to people—it's all documented—to see it for yourself.

LaRouche had foreseen that the Soviet Union and the Comecon nations were soon going to collapse, and at that meeting in 1988, 25 years ago, he called for the reunification of East and West Germany, and he proposed that such a reunification would provide the necessary industrial and scientific base for a rapid development of, first Poland, and then other points east. In the same speech, LaRouche warned that the British oligarchy would try to prevent such a development, by creating a war; that such a war would take place in the Balkans, because Yugoslavia was created in such a fashion, to pull a string and start a war.

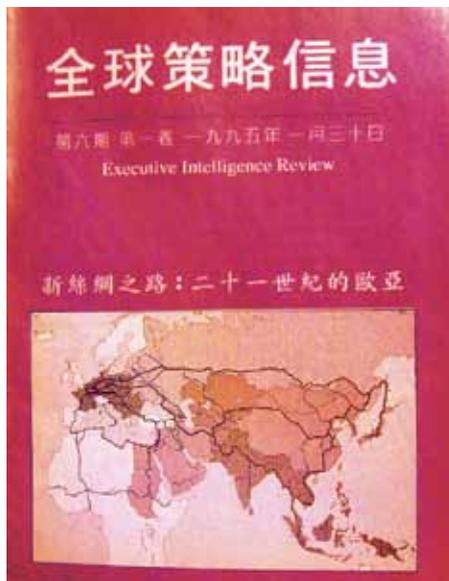
A year later, the Berlin Wall came down, exactly as LaRouche had forecast, and also a war was started shortly after in the Balkans, to prevent a good outcome, exactly as LaRouche had warned. Lyndon and Helga LaRouche immediately, as was mentioned this morning, issued a development program, the so-called Productive Triangle, among three cities in Europe—Vienna, Berlin, and Paris—because at that time, this triangle encompassed the most densely populated and industrially developed area in the world. The idea was for this triangle area to become an engine for developing large transport arteries to points east. This very quickly began to become the development of the idea of the Eurasian Land-Bridge.

This is July 1992: You see here, on the cover of the *Executive Intelligence Review*, the beginning of the Eurasian Land-Bridge (**Figure 7**). Behind this were

FIGURE 7



FIGURE 8



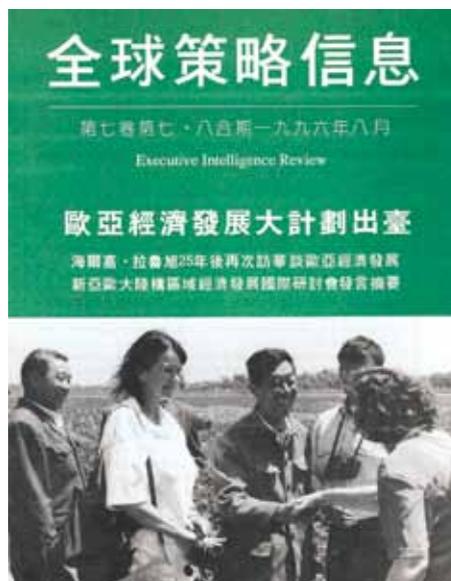
conferences, meetings, discussions with scientists of all kinds, to develop the ideas in-depth. I was in some of these meetings where some of the things on the maps were changed, including a meeting, which I will never forget. LaRouche was meeting with a Chinese gentleman who brought with him detailed maps, and he said, “We should change the corridor here, and this is why we should change it.” And LaRouche responded, “Yes! We should change it right here!” So, it was a live discussion process developing this program.

This is our Chinese newsletter, a mini-version of the *Executive Intelligence Review* (Figure 8). This is from 1995.

This is the Chinese newsletter from 1996 (Figure 9). This was published in French, German, Chinese, English, and other languages, with the lead magazine being our *Executive Intelligence Review*.

This becomes more interesting today, because of the recent [New Silk Road] proposal by Xi Jinping, the Pres-

FIGURE 9



ident of China.

This newsletter covered a conference on May 7-9, 1996, in Beijing, addressed by Helga Zepp-LaRouche. It was sponsored by the Chinese government, and it was called, “International Symposium on Economic Development of the Regions along the New Euro-Asia Continental Bridge.” The conference participants proposed to call this the “New Silk Road,” and the conference organizer, Mr. Rui, said at the conference, “It is imaginable, that future human society will neither be hindered by oceans, nor be frustrated by severe cold, altitude, and desolation any

longer. Transcontinental high-speed trains and expressways will circle the globe, and bring unprecedented new opportunities for existence, development, and prosperity to human society.” Then, he said, “Two thousand years ago, the ancient Silk Road linked the two continents. Economic cooperation and cultural exchanges along the ancient Silk Road had a great impact, not only on the splendid ancient civilization achieved by human society, but also on the formation of modern civilization. Up to now, it is still one of the most important spiritual ties that links Asia and Europe,” And he called it the “Modern Silk Road.”

The ‘Silk Road Lady’

So this is 1996. We organized for it, we had discussions about it, meetings, and one of the things that really spurred the process, was an *EIR* Special Report we produced, that you can still purchase, and which I will encourage people to study (Figure 10). *The Eurasian Land-Bridge Special Report* is a very comprehensive report, including things such as the most efficient use of land and resources, regarding transport, for example, the most efficient being rail. It goes through in detail, every region of the world, what to do with it concerning water development, power development, transportation, building of new cities.

Because, when we build these transport corridors, we build new, beautiful, efficient cities, cities that hold 750,000 to 1 million people, and where you plan them out from the beginning, and where you can get anywhere in city within 20 minutes via free public transportation. And then you have science centers and cultural centers in the middle; tons of trees and flowers; just really habitable places for human beings. These things we can do, on the Eurasian and the World Land-Bridge, and that's what we are going to do.

So, Helga LaRouche organizes for this like a madwoman. She travels to China again and again. This is from a meeting in New York in 1997, and she is called “The Silk Road Lady” (**Figure 11**). Here in New York, she is welcomed in the following fashion: The first character, *ying*, means “to welcome”; and the others *si chou zhi lu nü shì*, “The Silk Road Lady.”

Conference after conference, meeting after meeting—and I'm saying this because what Xi Jinping is now calling for, a Silk Road, today, is something that has been fostered and fostered, and discussed and discussed. And as Mr. Ding Yifan of China said [in his speech to this conference], we realize that LaRouche had great foresight, and that he was right (see *EIR*, Nov. 15).

In the beginning of 1997, Lyndon issued a warning

FIGURE 10



that the Asian countries were going to be attacked by a financial tsunami before the end of the year. Helga LaRouche travelled to Beijing, I travelled to Taipei, and we warned people, we warned our Chinese friends, “This is what LaRouche says.” We warned them in Korea, we warned them in Japan—LaRouche warns Asia, this is going to happen. And people didn't really believe it.

So, when it happened—I personally have examples where people, when they heard LaRouche's warnings in 2007-08, Chinese people contacted me and wanted to meet, saying, “I heard LaRouche's warning in 1997, and now, when LaRouche comes up with such a

warning, I listen!” So in many different ways, LaRouche's influence and teachings have been maturing.

This is the eastern terminus of the Eurasian Land-Bridge, at Lianyungang, north of Shanghai (**Figure 12**)—you see that on the sign? This is Helga LaRouche at the eastern terminus, where she's being interviewed by Chinese journalists in 1997.

This says, “*tian xia wei gong*” (**Figure 13**) in Sun Yat-sen's handwriting; it is a saying from a very famous piece from Confucius about the great commonwealth, and depicts a future where old people are taken care of, sick people and children are taken care of, where nobody steals, you don't have to lock your door, because

FIGURE 11



EIRNS

Helga Zepp-LaRouche: 'The Silk Road Lady' ...

FIGURE 12



EIRNS

... and at Lianyungang, China.

Sun Yat-sen: 'The World Belongs to Everyone'

it's a future society in great harmony. And in there Confucius has the sentence, "*tian xia wei gong*" which can be translated in various ways, but *tian xia* means "under the Heaven," so "the world belongs to everybody," is one way to translate the whole sentence.

Recent Progress

I wanted to end here by touching upon China's recent developments. They have made four high-speed rail-corridors from East to West, and four from South to North, "high speed" meaning 325-350 kph. I have been travelling on those trains—they're fantastic. They don't shake, they're silent, you can write; and they serve spring water from Tibet—I don't know if it is from Tibet, but it says so on the bottles! It's very efficient. One example: To travel between Beijing and Tianjin in northern China, used to take three hours before 2008; today it takes a half-hour.

This development has had a great influence on the population, because it's very normal for a student, or an old person who is not that wealthy, to take a modern train like that, the equivalent of which is not found in the United States or in Europe. These trains are more advanced than anything we have in the trans-Atlantic region. Such changes create a certain optimism and vastly improve the capabilities of the country.

There's a tremendous development that has taken place. Massive water projects, the Three Gorges Dam, the transfer of water from the South to the North; massive work on power generation and so forth. To give a comprehensive picture would be a whole discussion in itself. In the last decade, projects have also been built in China, where the intention was not so much to create immediate profit for the country, but to lift up areas that were very remote and very poor, because they were completely cut off from transportation: For example, in the southern part of China, they built a railroad, between Nanning and Kunming, where they literally had to ram through mountain ranges along the entire stretch, constructing numerous tunnels and railroad bridges. This railroad immediately improved the living stan-

dard, because people for the first time could travel and transport their goods. But also, the connection is now ready to proceed from Kunming and farther, regarding the southern part of the Eurasian Land-Bridge.

Another example is, that you now can travel from Shanghai, all the way across China, and up to Tibet, to Lhasa, where, for a part of the trip, from Golmud to Lhasa, the railcars have to be pressurized. The ground is permafrost, and the air pressure there is so low, because the railroad is over 5,000 meters up. This meant constructing new machine tools, and the Chinese have developed whole new technologies concerning extreme weather: how to build a railroad in permafrost; how to build machine tools that can function in these extreme temperatures and so on.

And then, last but not least, exploration of space, which has inspired the whole world. When you visit China—this is like I could imagine the United States in the 1960s, with Kennedy's launching the project of going to the Moon—people are *super*-excited about their astronauts. And if you want to have a good advertisement, you get an astronaut to be part of it—not a Hollywood star or something like that; no, you get an astronaut.

The Chinese want to have collaboration; half the population of the world lives in Asia, and the future is there. If we get a change away from the current imperial policies of the United States, back to what America really represents, then we have a future which is almost unimaginable, in terms of how beautiful and optimistic that can be. There's nothing that mankind would not be able to do concerning conquering space, conquering disease, producing food, and with that, also with the earlier question of education policy, then the education policy will simply be driven and spurred by optimism for the future, and what we need to do.

On a last note, because I know there is a lot of "are you anti-Muslim?" or "anti-Chinese?"—this is all imperial propaganda, to set people up against each other, people that really naturally are friends. As LaRouche said at a conference in Los Angeles in 2007, "China and the U.S. are inseparable: The only thing they need to do is to get married."

I want to end on the following note: Confucius said that the universe is lawfully ordered, it constantly develops in a lawful, harmonic way. Man's relationship to the universe should be like that. And he said that the key to all relationships—man's relationship to himself, and man's relationship to his fellow human being—is the idea of love on the highest level. And with that, I will end.

Water Development In the Pacific

Dr. Chang is a professor emeritus from the University of San Diego and a globally prominent hydraulic engineer.

I'm going to talk about major continental projects of the Pacific Basin. I'm sure you've gotten the impression that the Pacific Basin is rapidly moving to the center of the world community. Our emphasis today is to talk about especially major water- and transportation-related projects around the Pacific Basin, on the continents around the Pacific Basin.

I have selected five major projects. The first one is the Kra Canal, followed by the Nicaragua Canal; followed by the Three Gorges Dam. I personally worked on the Three Gorges Dam starting something like 30 years ago, so I can personally share with you my experiences regarding the Three Gorges Dam.

Let me tell you one thing right now—the idea was proposed by Dr. Sun Yat-sen. Later on, in China, some 30 years ago, it was opposed by certain scientists and engineers, because they said if you travel on the Yangtze River—anybody who has traveled on the Yangtze River has noticed that the water is muddy. The river is muddy in the Summer, and in the Winter, the only difference is between muddy, muddier, and muddiest, because it is muddy all year 'round. The chairman of the Chinese Academy of Sciences was opposed to the project; he said once you build the dam, you're going to slow down the water flow; you are going to induce sediment deposition in the reservoir. Pretty soon, the dam will become a waterfall. It will become a permanent sorrow for China.

I will explain to you why the dam will *not* create a permanent sorrow for China, but, instead, it's going to bring a lot of benefits, from different aspects.

Thailand: The Kra Canal

The Kra Canal is the first major project I wish to mention. Of the four sea transport routes (**Figure 1**), the first one [the Malacca Route] is via Singapore. When the idea of the Kra Canal was first proposed over 300

FIGURE 1



years ago, Singapore was strongly opposed to the project: Of course, it would take the shipping away from Singapore.

Things have changed, and for many different reasons we can look at these four different routes. There are two additional routes going through Indonesia—those are longer routes. But the shortest route goes through the Kra Canal. The significance is this: It connects two oceans, the Indian Ocean and the Pacific Ocean.

The traffic going via Singapore is more than twice the traffic going through the Suez Canal and the Panama Canal combined! And besides we're beginning to see some problems with the current route. And we're having different problems with the current Malacca Strait route—it is heavily traveled nowadays, and the congestion is beginning to become a problem, and that is increasing the cost of shipping, of course. Right now, the traffic around the Malacca Route is increasing at a rate of 200,000 ships annually. A more recent estimate is that the traffic through the Strait is increasing at an annual rate of 20%.

Mr. LaRouche has brought up this idea, and has made contributions over the years to promote the construction of a new canal—the Kra Canal.

Okay, let's take a look at the Malacca Strait in its current conditions: We're talking about a width—a narrowing width—of 1.6 miles. The depth is as shallow as 25 meters—that's pretty shallow, especially for oil tankers nowadays, and it is heavily used by oil tankers and bulk carriers. Some 80% of Japan's oil supplies go through the Malacca Strait.

From a security standpoint, the Asian countries—Japan, China, all those countries of the region com-

FIGURE 2



bined—are concerned about the security of the Malacca Strait. Hopefully, there will be no regional conflicts that can disrupt the oil flow. You know, oil is a lifeline for Japan, as well as for China, for South Korea, for all those countries. So therefore, if you open a second route, that would actually improve the security for transportation and for traffic in that region (Figure 2).

Of course, the construction of the Kra Canal would stimulate a lot of growth in that area. (Figure 3) shows commerce and industrial development at both ends of the canal. There could be another Singapore! You know Singapore is a very affluent country—a very advanced country—this could be a second Singapore. Although this idea was opposed by Singapore—in fact, by the United Kingdom—a long time ago, because Singapore was a British colony.

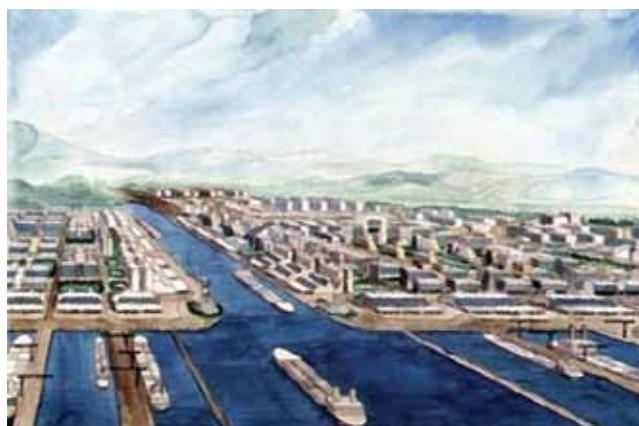
However, because of further considerations, it is very important that the Kra Canal be promoted, be constructed. But for every project there are challenges, and there are controversies for Kra Canal.

Let me tell you the challenges first: It is not feasible to build an elevated canal; it has to be a sea-level canal. To build an elevated canal you need a big body of water, because locks and dams consume a lot of water. But for this canal, there's no large body of water, there's no lake. So it would be the most logical to build a sea-level canal. But the sea level has to cut through the mountain range—that is the challenge.

Think about this: It involves a tremendous

FIGURE 3

Artist's View of a Kra Canal



amount of excavating and earth-moving. It could be the largest earth-moving project ever undertaken by man. You have the total expenditure for doing that. But—but, it is being contemplated and being considered that we could have the peaceful use of nuclear power for the excavating and earth-moving in the creation of the Kra Canal.

Now recently, China is considering calling for the construction over ten years, employing something around 30,000 workers, costing between \$20 and \$25 billion. That is the latest development, and, I don't know anymore than that.

The Nicaragua Canal

Now, let's move to the Nicaragua Canal (Figure 4). That will be a second canal connecting Pacific and At-

FIGURE 4

Nicaragua Canal

A canal across Nicaragua was first suggested in 1567, when King Felipe II of Spain ordered a survey.

Many of today's supertankers too large for the Panama canal,

Heavy traffic through Panama Canal

Rich shale gas deposits in the United States looking for an export route to Asia, the project has again been resuscitated

FIGURE 5



lantic oceans, second to the Panama Canal.

This idea was suggested as early as 300 to 400 years ago. Today, many of the supertankers can no longer go through the Panama Canal, and the Panama Canal right now also has traffic congestion. It has become time-consuming to go through the canal, because you have to go through a series of locks and dams. But, they do have a freshwater lake that supplies water used by locks and dams, that is the advantage.

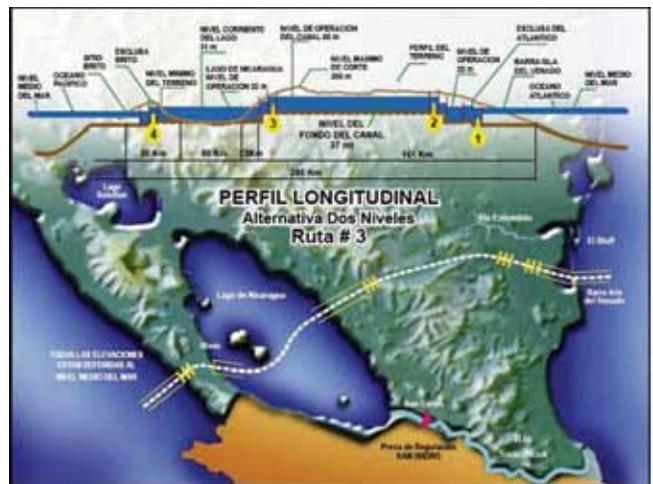
However, the Nicaragua Canal has been determined by the business-scientific-industrial community to be a useful canal; once completed, it will be heavily used because the Panama Canal has limitations, and also because the traffic is getting heavier all the time.

Now, let's take a look at the location of the Nicaragua Canal (**Figure 5**). We see the location of the Panama Canal, Costa Rica; next to Costa Rica is Nicaragua. Building a canal here, connecting two oceans, would involve an elevated, raised canal for several reasons. One, there is a tidal difference between these two oceans, a tidal difference that can be as much as 20 feet; so the water level going through the canal does need to be controlled, and we are going to raise the water level when traffic is going through the canal (**Figure 6**). It's in different stages going through the locks and dams, and to raise the canal up, water will be used from the freshwater lake—and it happens to be a very large lake. The large lake is very important—well, it makes the canal feasible—but also creates some problems and challenges.

Lake Nicaragua is the mother lake for the country of

FIGURE 6

Locks on a Proposed Nicaragua Canal



Nicaragua. There is opposition to heavy ocean-going traffic going through the freshwater lake. In fact, the past President, [Daniel] Ortega, was opposed to the project. He said that the freshwater lake is so important—it's the mother of our country—that we are not going to allow heavy ocean-going traffic through this canal, not only from an environmental aspect, but also from an emotional viewpoint.

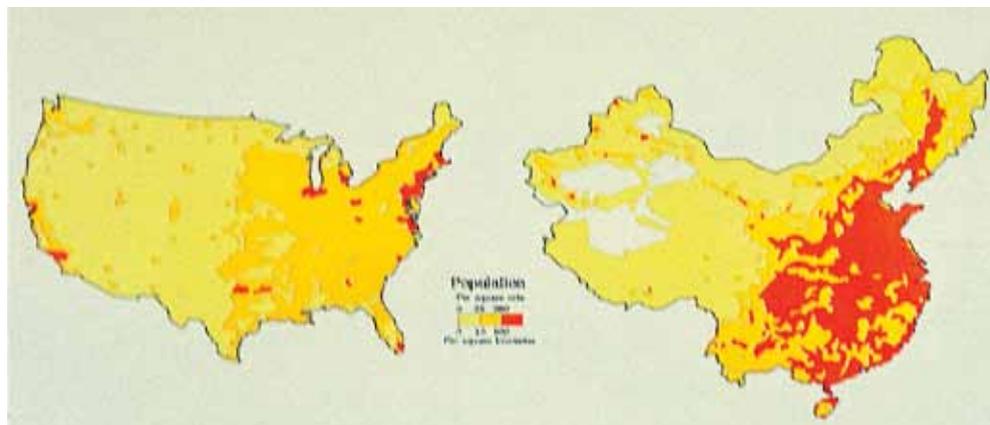
So, that's the current status.

But have we heard new interesting, recent developments? Financially, is anyone interested in building it, picking up the big tab to go ahead with the construction of the canal, which is estimated, roughly, to be a \$40 billion project? I told you that the container ships go through a series of locks and dams where the water level can be raised or lowered. So the canal can be raised to a much higher elevation, with water supplied from Lake Nicaragua. I also told you about the problems and considerations and the challenges.

There is a recent proposal by a gentleman, Mr. Wang [Jing]. I don't know how real or realistic this is going to be, but he made an announcement: He's proposing that he will provide the financing of \$40 billion for the construction of this canal. This gentleman has a very interesting background—he happens to be a businessman, and I think he is stationed in Hong-Kong. It will be very interesting to find out what happens next.

But this project is being considered, and there's indeed a need for the construction of this canal, because of the traffic problem in the Panama Canal, the time-consuming problems, and because of the problem of the

FIGURE 7



size of that canal.

South-North Water Diversion in China

Next I'm going to talk about the South-North Water Diversion project in China. **Figure 7** shows China and the United States: two countries with similarities, but very strong dissimilarities. Similar latitudes, similar size—except the population densities are very different. China has 1.3 billion people, while we only have 300 million people in America. And America is very fortunate, because our precipitation occurs from coast to coast, fairly evenly distributed, and not only spatially distributed, but also well distributed seasonally. Seasonal distribution is fairly uniform in America; but the rainfall distribution in China is highly uneven. It is concentrated in the Summer and Spring. It's also concen-

trated in the Southeast, and becomes very sparse in the Northwest.

Let's look at the water resources of all the countries of the world. One country where water resources are most abundant is—guess what—Brazil. You know there's a lot of trade between Brazil and China—and Brazil says, "We have everything China needs, we have water China needs, except

we don't know how to sell water to China." Well, Brazil is number one, in terms of abundance of water resources, followed by Congo, followed by Indonesia, then the United States, then Russia, and then China.

China is number one in population, but number six in water resources. Which means water distribution, water conservation, water storage become very important in that country. If you look at the precipitation patterns (**Figure 8**), you can see that there's much more precipitation in the southern coastal area, which becomes less and less as we go north and west.

But, if you look at population distribution (**Figure 9**), the population distribution is from the south to the north: Water becomes much more scarce in the north. It is logical for us to redistribute water from the more abundant area to the less abundant area; we have to

FIGURE 8
Asia's Rainfall

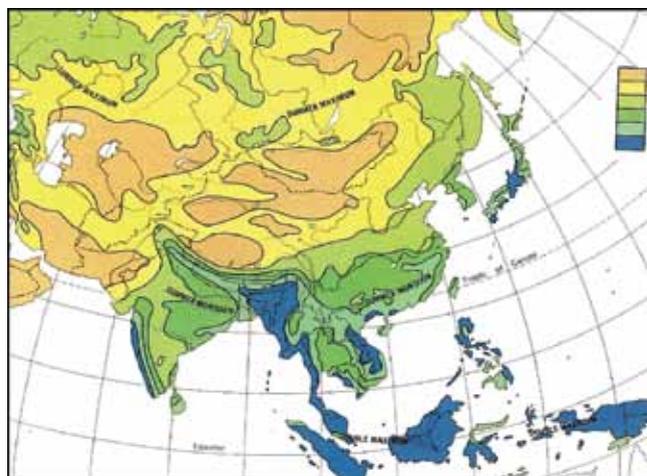


FIGURE 9
Asia's Population

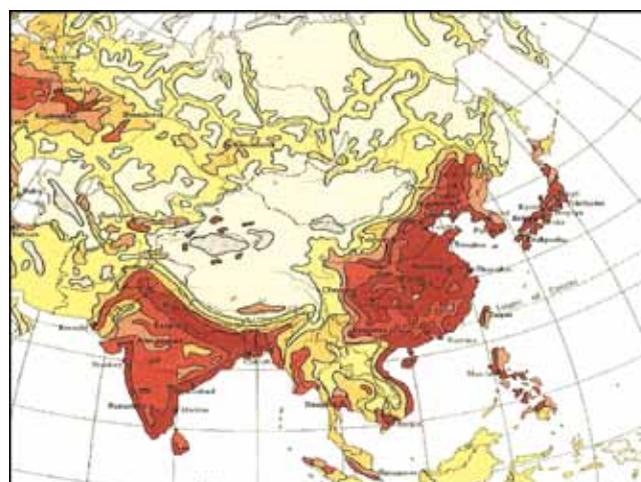


FIGURE 10



divert water from the south to the north. In the north, water has become so precious: I visited some peasant families not too long ago, and they even collect water in their yard (Figure 10). You see? When it rains they collect water, and the water is stored in a water storage tank. This is rainfall water!

Now, let's talk about water diversion projects. There are three different routes (Figure 11), to divert water from the south to the north. There's the Eastern route, taking water from the Yangtze River to the north, to the harbor city of Tianjin. The Central route is also taking

FIGURE 12



FIGURE 11

China's Planned Water Diversion Routes



water from a tributary of the Yangtze River to Beijing; and, the Western route is taking water from near the Tibetan plateau, by diverting water from the Yangtze River to the Yellow River.

Now these three routes combined would take roughly 7% of the water from the Yangtze River Basin to the north, to the Yellow River Basin.

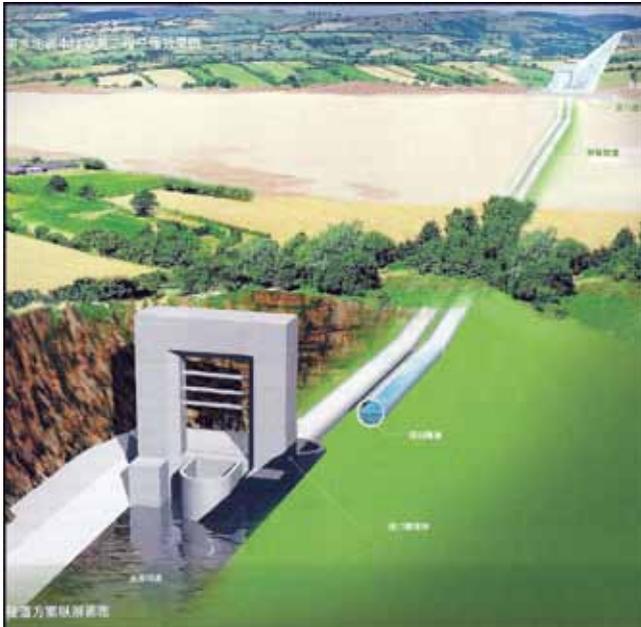
Let's take a look at details of the Eastern route, The Eastern route (Figure 12), starting from the Yangtze River—you can see the three different phases. Phase 1, starting from the south, then going to the center, and there's a tributary to the tip of the peninsula and all the way to the harbor city of Tianjin. It goes through a series of lakes, this part is already completed—the intake station at the Yangtze River is already constructed, completed, to take water from the Yangtze River and send it to the north.

Figure 13 shows the canal, the ancient canal, which

FIGURE 13



FIGURE 14



has been improved, enlarged, and deepened, to increase its capacity for transporting water from the south to the north.

Figure 14 is a tunnel under the Yellow River: These are very, very huge tunnels which take the water toward the north. The Eastern route has a number of pumping stations to cross the Yellow River.

FIGURE 15

The Western Route



The Yellow River is not a point of water concentration; the Yellow River is a point of water divide. You know why? Because the Yellow River is an *elevated* waterway. It has a heavy sediment content. Over the years, people have been building up the levees, year after year, generation after generation—the riverbed of the Yellow River is much higher than the adjacent fields. So when the water goes from the Yangtze River to the Yellow River, it has to go through a series of pumping stations, and after passing the Yellow River, that water will flow by gravity all the way to the city of Tianjin.

The Western route (**Figure 15**) is very, very impressive, because that area is so mountainous. The route has to go through so many mountains, through so many river valleys. The most mountainous area is right at the edge of the Tibetan plateau. So, that is going to require a large expenditure.

In **Figure 16** you see the route of the diverging canal. The route is going to go by canals, by pumps, and by tunnels, many tunnels, going through a series of reservoirs. That construction would be very difficult, because that area has so many high mountains. Do you know that the average elevation for the Tibetan plateau is 5,000 meters?! (**Figure 17**)

I remember just a few years ago, I had a chance to visit Tibet, and I stayed at the tallest hotel in the highest city of the world, getting into the Guinness Book of World Records. That hotel has an altitude of 15,000 feet! I could feel the difficulty in breathing. And also

FIGURE 16



FIGURE 17



the air pressure is so low—people told me that if you boil water—water boils not at 100°Celsius, but at 69°Celsius. I asked them: “How do you cook? You may not be able to fully cook food, because it boils at such a low temperature.” They said: “No problem,

we’ve got pressure cookers.” That’s my personal experience.

By the way, it was very difficult, because it becomes very strenuous. While I was walking down or walking up the stairs—every five steps I’ve got to stop for a while so I can catch my breath. So, think about the construction of this water diversion system. This project has not yet been started.

You may wish to know the status of the three lines for water diversion. The Eastern route is on the way to completion, I’d say maybe in a couple of years, because the start-up project was maybe ten years ago. The Central route is also near completion; in another two or three years that route will be completed.

What about the cost of construction? For the Eastern route and the Central route for water diversion the total cost is \$60 billion. It also involves the resettlement of people: They have to resettle 600,000 people for the completion of these two diversion routes. That is a very difficult task. In a country like that, they can still do it; but in this country [the United States], if you wanted to resettle not 600,000,

FIGURE 18
Three Gorges Dam



but 6,000 people, I think it would be an impossibility. I don’t know how to say this [laughter]—but we would have a lot of difficulty! I live in San Diego, and I remember when they built highway 56, it took them 26 years! From the time of planning to the time of completion of the freeway, it took them exactly 26 years. Right? There were a lot of lawsuits: eminent domain, land use, land acquisition.

You know what? [In China,] ever since the Communist Revolution, there has been no private ownership of land. So the government owns the land, and that makes it a lot easier for public works on the Tibetan plateau. They had an open-

ing ceremony for the construction of this water diversion project.

The Three Gorges Dam

Now I want to talk about the Three Gorges Dam. As I told you, I started working on this project some 30 years ago. This project was first proposed in Beijing by Dr. Sun Yat-sen, whom Leni [Rubinstein] just mentioned. He really had the vision, he said: We are going to get this inspiration, and this idea, from the TVA projects. You know the TVA—it has a network of dams and hydropower stations, that can generate tremendous rates of hydropower, and this project has many benefits. **Figure 18** shows the completed dam now.

Figure 19 is a close-up of the project, showing the completed project. **Figure 20** was taken from a satellite. You can see that water was released through the sluice gates. You know that this water is muddy, as I mentioned to you.

When this project was proposed, there was a lot of opposition, including the President of the Chinese Academy of Science. He said: The water is so muddy, and sooner or later, the velocity will slow down in the reservoir, and the reservoir will be filled up with sediment, eventually, if not in 100 years, perhaps in 500 years. So that reservoir is going to become a waterfall, its function would be lost, and it would become a permanent sorrow for China.

Well, our mission was very simple: to determine how to control the reservoir, to design the reservoir, to build the reservoir such that the capacity of the reservoir can be preserved in perpetuity. There were all kinds of studies—there were physical modeling studies in the laboratories to find out how the reservoir behaves, as the water and the sediment are released and pour through the reservoir. There was also computer modeling of flood flow going through the reservoirs.

The part I got involved in was computer modeling of the water and sediment flow going through the reser-

FIGURE 19



FIGURE 20



voirs. I can tell you very briefly, because if I have to go into the details it may take a couple hours. This reservoir will be silted up; but the percentage of sediment in the reservoir would only take away, roughly, 40% of the reservoir capacity, in the very long term; 60% of the capacity of the reservoir will be preserved in perpetuity.

Then the question was: How can you say that? Why do you figure that's true?

FIGURE 21

Dr. Chang at the Three Gorges Dam



FIGURE 22



I can tell you very briefly: There are many reasons why that is going to be true. This reservoir is very different from Lake Meade. Many of you have seen Lake Meade, right? If you stand on top of Lake Meade—on the Hoover Dam, overlooking Lake Meade—you notice the water is clear. . . . Do you know what message I get? No sediment can escape Lake Meade; all the sediment will settle in Lake Meade. However, if you look at this picture (Figure 20), you see that even the outflow of the water is muddy. Now, that's because Lake Meade is a *storage* reservoir; it has a round shape. This reservoir [in China] is a *river* reservoir; it's a long and narrow

reservoir on the river channel—that's one thing. Second, there's a flow, and the flow will always move the sediment. When the reservoir is silted up, people will think the reservoir will become shallower and shallower, and sediment will build up from the bottom, right? That sediment builds up from the bottom of the reservoir, and the river will become shallower and shallower? Not so!

You want to know what really happens? From physical modeling and from mathematical computer modeling, we found out that sediment deposits will, basically, be along the *banks*, which means that eventually the river will become narrower, but still as deep, almost as deep as it is today. In other words, once the reservoir fills up, it will become more like a river channel, because the siltation will simply reduce the width of the river reservoir, not so much the depth of the reservoir. So, as

long as there is a flow, the flow will always make a channel in the river reservoir. And, the flow of the Yangtze River is *tremendous*; that flow itself will always preserve the capacity of the reservoir.

A tremendous amount of water goes through the reservoir, going through sluice gates.

You see, I was there only two years ago (**Figure 21**), do you know what happened? When I was there, there was a record drought . . . in the area just downstream of the reservoir. Do you know what the people blamed? "It's the reservoir, the Three Gorges Dam, that actually caused a record drought in the area, downstream of the reservoir." In other words, in people's opinion, the construction of the dam and the reservoir had changed the climate, the precipitation pattern of the Yangtze River Basin! Well, I'll tell you what—this point was not addressed in an environmental impact report!

I cannot relate the change of precipitation pattern to the presence of the reservoir. People have wild ideas.

Let me tell you another wild idea: During the planning stages of the dam, people wanted to study the impact of the reservoir and the dam; they said that the impact of the reservoir and dam would change the Earth's rotation! [laughs] . . .

Figure 22 shows the inside, where visitors who visit the dam and the power plant, could not go, but because we were guests of the Chinese Water Resources Bureau, we had the privilege of getting in. This is a powerhouse; the top part is a generator, driven by the turbines; the

FIGURE 23
Indoor Model of the Dam Project



oratories, the largest one being the Vicksburg, Miss., waterways experimental station of the Army Corps of Engineers; but they are not even one-third of the size of this indoor laboratory in China used for the study of the Yangtze River and the Three Gorges Dam.

Now let's look at the project benefits.

The major benefit of hydropower is quite apparent, because the energy is *very cheap*. I want to give you one example: Do you know the San Onofre [nuclear power plant] in San Diego County, the Diablo Canyon? We have two nuclear power stations there. Now San Onofre is 2.2 gigawatts; the revenue it got, as of ten years ago, which I know, was \$2.2 million every day! But to run that nuclear power plant, the expense is very high: \$2 million. So the profit margin

is very small. Why? Because nuclear power plants have very, very strict security measures. There are 3,000 people working at a power plant, and many of them are working on the subject and aspect of security, nuclear power security.

But what about energy? You know the Feather River in Northern California: The Feather River has three-stage power-generating stations; they produce 1 gigawatt, equivalent to one nuclear power plant. Their revenue is about \$1 million per day. But what about expense? The expense approaches zero. Why? Because for hydropower, the fuel is free! You don't pay for the fuel, you don't pay for the transportation of the fuel. They only have 16 people working that entire canyon. The salary expenses are very, very small. So you can see right away that it is very cheap energy.

There are many, many benefits. But I want to mention something else: You may wish to know hydropower plants of the world (**Figure 24**). The table shows the rated capacity, the hydropower dams, and the country which it belongs. The Three Gorges Dam has the capacity of 17.6 gigawatts—that's by far the largest hydropower station in the world. Followed by Guri of Venezuela, Itaipu in Brazil, Grand Coulee Dam in the State of Washington—that's 6.4 gigawatts. What about the Hoover Dam? The Hoover Dam is not on the list,

FIGURE 24

Three Gorges: A Giant Among Giants	
Rated Capacity Megawatts	Hydropower Dam And Country
17,660	Three Gorges Dam, China
10,300	Guri, Venezuela
7,400	Itaipu, Brazil/Paraguay
6,495	Grand Coulee, USA
6,400	Sayano Shushensk, Russia
6,000	Krasnoyarsk, Russia
5,328	La Grande 2, Canada
5,225	Churchill Falls, Canada
4,600	Bratsk, Russia
3,675	Ust-Ilim, Russia
3,600	

turbines are submerged in water. . . .

I mentioned to you that when they built this reservoir and dam, they did a physical modeling study in an indoor laboratory. I couldn't believe the size of the indoor physical model (**Figure 23**)! I've never seen and couldn't believe the size of the indoor physical model, I've never seen such a super indoor laboratory in my entire career. You know, we have a lot of hydraulic lab-

but the Hoover Dam is so important for the energy supply of Southern California.

Well, let's see, what is 1 gigawatt? Do you have any ideas? One gigawatt normally is the typical capacity of one nuclear power plant. So, to give you some idea: The Three Gorges Dam has a rated capacity, roughly, equivalent to 17.6 nuclear power plants. Do you know how much revenue it generates? Using ten years' [average] price, it generates something like \$17.6 million a day. What about the expense for producing the energy? The construction expense was very high, but the operating expense is very low, because you don't have all the safety regulations that a nuclear power plant does. So, therefore, the advantage of hydropower is apparent.

NAWAPA

I want to go quickly to NAWAPA (**Figure 25**). This really is a vision of the North American continent, as well as the world community, because this network of water distribution systems—reservoirs, dams, channels, pipes, culverts, and so forth—redistributes water from abundant areas to the water-scarce areas. That is going to generate so much wealth in North America. And let me say this: NAWAPA is the vision of the future. NAWAPA will have a lot of pumping stations. You have to pump water up, and let the water go down. But once water is pumped and then the water comes down, it also drives hydroturbines. Energy is also generated by the water distribution system of NAWAPA.

They are building the water-supply systems of California. They have pumping stations, and at the same time they have a lot of hydropower generators, because whatever water goes up, when it comes down, they can actually generate power.

You know they have the maximum use of nuclear power in France. Germany is trying to minimize the use of nuclear power, but France has extensive use of nuclear power. But, nuclear energy is produced at a constant rate; you cannot change the rate, you cannot adjust the power rate. Sometimes they produce too much energy, and sometimes they do not produce enough energy. So, whenever they produce too much energy, that energy has to be stored. How do they store the surplus nuclear energy? Batteries? We don't have batteries of that size! And, batteries would have to be at such a heavy capacity. But let me say this: Reservoirs are nature's batteries. The water is pumped up into reservoirs—that's where the energy is stored. Whenever they need that additional energy, the water comes

FIGURE 25



LaRouchePAC

down—from the reservoirs to the hydroturbines to generate energy.

So, reservoirs are nature's batteries for energy storage. I simply cannot help thinking—whoever came up with this idea, it starts in the '60s, had a tremendous vision—that this is the cause we've been striving for. We hope, someday, NAWAPA will be realized.

Nuclear NAWAPA XXI

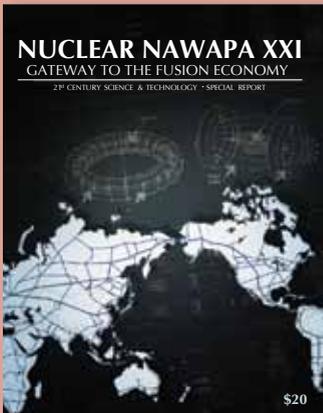
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Kra Canal Project Is Moving Ahead

Pakdee Tanapura is the international director and acting spokesman of the Board of Directors of the International Executive Committee for the Study of the Kra Canal Project in Bangkok.

Good morning. I'm Pakdee Tanapura from Bangkok, Thailand. I've been working on the Kra Canal for the past 30 years. We started to work on this megaproject, linking the canal across the south of Thailand, in 1983, and at that time, Lyndon LaRouche came to Bangkok and we organized a big conference. That big conference was with the participation of the Minister of Transport and Communications, Mr. Samak Sundaravej,



LPAC-TV

along with other Thai elites, and many MPs, many senators, and other important participants.

Also at that time, we had the participation of the GIF Japan, the Global Infrastructure Fund foundation, by Dr. [Masaki] Nakajima and Dr. [Norio] Yomomoto. Also we had the participation from the U.S. side, of some American scientists working on the utilization of nuclear explosives, that would help reduce the cost of the construction by about 40%.

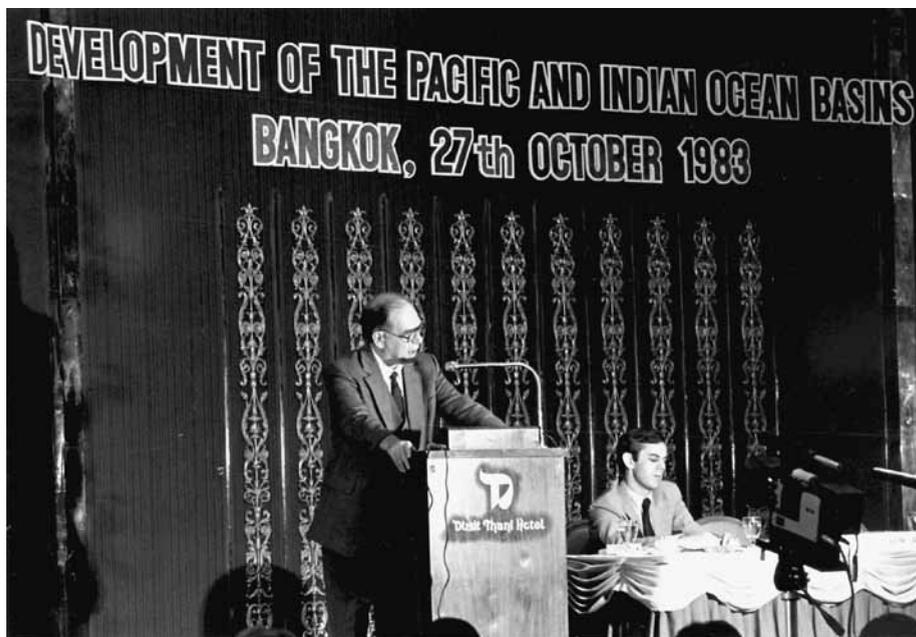
Also, we had the participation of many ASEAN country members, important persons like Dr. Roeslan Abdulgani, chairman of the advisory team to President Suharto of Indonesia, and Dr. Zainuddin Bahari of the Malaysian Institute for Strategic and International Studies.

We also had the participation of some former ambassadors from India, who had been stationed in Thailand for a while, and also were in support of the Kra Canal. So, it was a very big conference.

And with that, we also started to organize the Kra Canal, and we planned to have pre-feasibility studies; that means we wanted to revive the studies by TAMS,

FIGURE 1
Engineering Pre-Feasibility Study for the Kra Canal





EIRNS

Lyndon LaRouche addresses the October 1983 conference in Bangkok on Pacific and Indian Ocean development.

the engineering firm from the United States. We picked that up, and we wanted to revive it and make a pre-feasibility study, with the participation of the Minister of Transport and Communications, Mr. Samak.

So that was done, but unfortunately, Mr. Samak did not stay in his position. After a while, he had to resign, so that the Kra Canal did not take off, because the funding which was supposed to be allocated by the GIF and some parts of the participants, did not come. They were not allocated properly, so we did not have enough funds to do the pre-feasibility studies.

The LaRouche participation and contribution was very important. He came and gave a speech on the importance of the Canal at that time, and his speech and his participation appeared in every major newspaper in Thailand. So, that's what happened at that time.

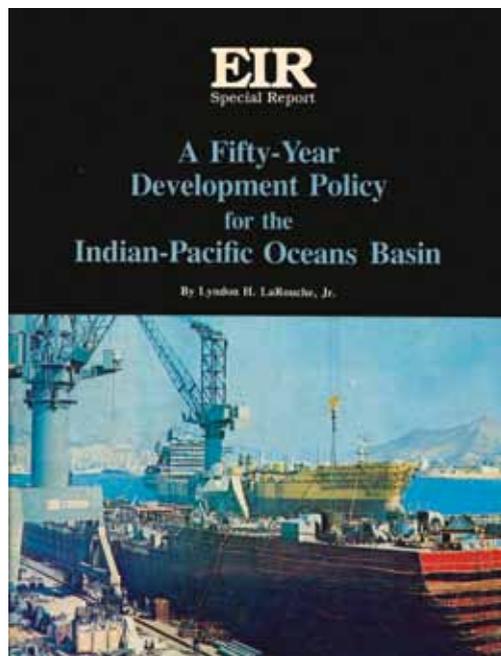
Since that time, we have developed many things to develop further the Kra Canal. In 2001, on exactly the same day as 9/11,

from all sides—from the royalty side, as from the Singapore side—so he said that Thailand did not need the Kra Canal. And that was the end of it.

General Chavalit quit the government, and the coup d'état of 2006 overthrew Thaksin from his prime ministership.

the cabinet ministry during the time of [Prime Minister] Thaksin [Shinawatra] adopted a resolution to create a national committee for the study of the Kra Canal. I'm part of that national committee. That national committee still exists, so I'm part of it, and am actually the international director of the national committee.

Then, that was proposed by Gen. Chavalit Yongchaiyudh, who at that time was deputy prime minister, and also minister of defense. He was involved very much on the Kra Canal, and also he had asked China to participate in the study, and also Japan, of course. Some money was allocated from the Japanese side, to start with, but then, unfortunately, Thaksin, was pressured



This EIR policy research study was published in August 1983.

Two Camps

Since then, our country is in big turmoil. There is street fighting, lots of conflicts, a lot of clashes between the pro-Thaksin group, as well as the pro-royalty [camp]. So the country is somewhat, until now, divided into two camps. But the Thaksin camp is more in favor of development. For example, right now the pro-Thaksin government is pushing for high-speed rail, an investment of about \$80 billion. With that we will develop high-speed rail all over the country, all over Thailand, and joining to the Silk Road rail in China, in the southern part of China. Also, with Myanmar and with Laos.

The other part of the high-speed rail would join Cambodia and Vietnam. So, the plan was well done. Of course, that upset the oligarchy in Thailand—the oligarchies are really upset, and they are trying to shut down that project, as well as trying to shut down all kinds of projects, including nuclear energy. They want to go for “soft energy,” global warming, these types of things. But I think the Thai people, right now, are pretty much aware of the need that Thailand has to be developed, as rapidly as possible, because we see China as an example of development.

So we are moving now. I’m involved in the preparations for a conference on nuclear energy, which should take place by the end of November.

Lately, Thaksin has put in his Facebook about his reflections when he visited Port Klang in Malaysia, in the Malacca Strait. He said that Thailand could develop a Kra Canal, that would undermine shipping in the Malacca Strait—which is wrong, anyway, since we think that by the year 2020, if we construct the Kra Canal, there would be something like 144,000 ships going through the Malacca Strait every year, which is an average of 3.6 minutes per ship. I mean, that’s massive. So, we are in need of the Kra Canal, as well as the Malacca Strait, to allow the flow of maritime transport in this area.

Recently I went to China to make a presentation on the Kra Canal. It was very well-received, and the dean of the faculty of Southeast Asian Studies of Xiamen University on the coast of China said that the Kra Canal is a top priority for the next development in the relations between China and Southeast Asia.

I also went to South Korea, to give a presentation on the maritime Silk Road, and the Kra Canal was very well received, and well considered, that it should be the next project for the coming decade.

So, all these somehow positive attitudes of Thaksin, and also the attitude of Southeast Asian countries, as well as China, Korea, and Japan, of course—because I was invited there by Dr. Yamamoto from GIF-Japan. So, everything is set to move ahead with the Kra Canal, and hopefully, nuclear energy, because we are in the mood for development. As you know, we are in big trouble in Europe and the United States, and I think Asian countries, the Pacific Rim countries, as well as India, are looking for development to counter the crisis that we are facing.

We hope that this will be successful, and we will move forward for the development of the new Maritime Silk Road, which is the Kra Canal.

So, that’s more or less what was done during our time, now three decades. We think that it’s time Asia should move for big infrastructure, and we are aware that there’s a deficit of infrastructure in Asia and India—all over the world actually. But in Asia, to cover the deficit in infrastructure in Asia. So, everything moves quite well, and hopefully that will be successful in the upcoming years.

India: Ramtanu Maitra

The Alliance of India-Russia-China

Ramtanu Maitra is the New Delhi correspondent for EIR. This is a transcript of his video presentation to the Schiller Conference of Nov. 2 in Los Angeles.



Schiller Institute

I will first tell you what the situation is. The situation is not where we expected it to be, but recently the Indian Prime Minister, Manmohan Singh, visited Moscow, and then flew directly to Beijing, altogether a five-day trip, Oct. 20-24—two days in Russia, three in China. And during his visit to Russia, there were a number of agreements signed, the most important of which concerned the Russian interest in building four more nuclear power plants, in a cluster, where they have already built one, and the second one is now being built.

The second thing that happened, is that India also got from Russia an agreement to jointly do exploration for oil in the Arctic area.

And on the strategic side, what they discussed in Russia is basically the importance of keeping Central Asia stable, in light of the fact that the American and NATO troops will be leaving Afghanistan in 2014, and the place is now infested with terrorists and drug traf-

FIGURE 1

The Kunming-Kolkata Economic Corridor



fickers, and with the departure of these troops, there is a great deal of fear in the region that these terrorists will turn toward the East, toward Russia, towards the Indian part of Kashmir, and also toward the western part of China, which is Xinjiang province.

In addition, the drug trafficking will create a huge amount of instability throughout the region. So there was this strategic understanding, that the stability of Central Asia is necessary for developing the Eurasian landmass.

In China, the discussions centered mostly on bilateral areas, but one important thing that they discussed—which had been discussed before, but this time there seems to be a little more teeth in it—is developing a corridor from Kunming to Kolkata (formerly known as Calcutta): Kunming, in China’s Hunan province, to Kolkata, India, via Myanmar, and Bangladesh (**Figure 1**). It’s a four-nation economic corridor. It is also a part of the old Silk Road, in the sense that the old Silk Road had many spurs, and this was one of the spurs that existed during those days.

The Chinese have already spoken extensively with the Bangladeshis, and the Bangladeshis have agreed to go ahead with the project. The Indians obviously agree to it, but the initiative has to come from India and China, because neither Myanmar nor Bangladesh has the financial, or the physical, capability to carry out this economic developmental corridor.

So that was a very good thing that happened. But all these things are still on paper. Until these agreements are implemented, or in the process of getting implemented, we cannot say that something concrete has really happened.

Trilateral Cooperation

But this trilateral cooperation is of extreme importance. This was recognized by Mr. LaRouche way back in 1991, when the Soviet Union collapsed, and that event opened up the way for Russia to participate very openly with India and China. And if you look at a map, and if you look at the demography of this area, you will find that Russia, China, and India, and the area that these three nations comprise, is about half of the world’s population.

So, the development of this area, because of these three giants’ capabilities, could change the world scene—economically, politically, and socially—rapidly.

Nonetheless, there exist problems, left over from the Cold War period, when Russia was not very well known to the Chinese, and there were a lot of animosities. Then, India and China always had difficulties because of the 1962 border clash. The border is about 2,300 miles long; it’s an undemarcated border, created by the British Raj, and since then, it has not been worked out to the satisfaction of either party. It has been sort of a sticking point between India and China. Previously, it was used to heat up discussions to create a situation in which even a war was considered a likely event.

In 1991, Mr. LaRouche talked about a trilateral agreement. Another person of substance, Yevgeni Primakov, the former Russian prime minister, in 1995, while passing through Delhi, mentioned that India, China, and Russia must cooperate in order to take over the Eurasian landmass area.

In 1999, in New Delhi, the Triangular Association was formed: Academician R.B. Rybakov, chairman of the Russian Academy of Sciences Institute of Oriental Studies, was the head; Prof. Ma Jiali, who was at the time with the Chinese Institute for Contemporary International Relations (CICIR); and an Indian professor Dr. Devendra Kaushik, who was the head of the School of International Studies, Jawarharlal Nehru University; I

was the convenor, and we started this triangular association.¹

Subsequently, a number of things happened which can be cited as the reason why this concept didn't move forward rapidly, or fast enough. There was 9/11; even before that, a significant-sized Asian financial collapse happened in 1997. Then in 2001, 9/11 happened. Then came 2007, and, of course, the global economy tanked, thanks to Wall Street/City of London and the White House's support. Things went astray quite a bit.

But now, at this point in time, there emerges a perfect opportunity when these three countries can move forward. China has become more confident now, since the 1990s, when it was just in the process of getting developed; now it's a developed nation, almost. Russia has been more assertive. In October, *Forbes* identified Vladimir Putin as the most powerful individual in the world. And the weakness that I see, particularly at this point in time, is in India, where the leadership is extremely weak. Manmohan Singh is a very weak leader, and moreover, Manmohan Singh is coming to the end of his term, and he's 81 or 82 years old, and this certainly is the end of his political life.

However, all the basic ingredients for moving this trilateral development forward are there.

The Bush-Obama Stumbling Block

Mr. LaRouche visited India in 2003, 2004, 2005, and 2008—four times—and every time he was there, of course, all kinds of issues were under discussion, but he always emphasized that India has a huge population, today, of 1.2 billion, and it has a very developed population, or at least a section of the population is very well developed scientifically and technologically. China has enormous momentum, and China has developed its industries very well. Russia is, scientifically, probably the most advanced nation in the world. When these three get their heads together, and their hands together, it is not at all a difficult thing to resolve the Eurasian problem. And once Eurasia gets developed, then the effect of Eurasia comes to Southeast Asia—and then the Far East, which is Japan and South Korea, which are already developed.

When you consider this entire mass coming together, for the development of 2.5 to 3 billion people,

1. In July 1999, leading scholars of India, China, and Russia founded the Triangular Association, to promote the Eurasian Land-Bridge, at a meeting in New Delhi. Lyndon LaRouche was named as an honorary advisor to the Association. (See *EIR*, Sept. 17, 1999.)

you see that the world is going to undergo a massive change. And this trilateral relationship, as Mr. LaRouche has repeatedly pointed out, doesn't *have* to be in a confrontation with the United States. But again, with the kind of leadership that the United States has, or had, from 2000 on, there was very little willingness to participate in worldwide development, and participate with the larger nations, which Wall Street and the White House consider as potential adversaries.

Therefore things didn't develop that way, particularly during President Obama's time. I'll start with the Bush Administration, when Iraq was attacked, and Afghanistan was invaded; but Obama went on to attack Libya, and then created a situation in Syria—all this created a situation where the entire Muslim world, from North Africa all the way to Central Asia, is up in arms against outside forces. And that's created fundamental difficulties for India, Russia, and China, to develop their economic corridors. Because if you look at the Silk Road, yes, it will start from China; it will go into Central Asia; it will go into Europe, but it also must go into the Middle East as well. But if you keep Iran as an enemy, and keep the whole entire area in flames, then this economic corridor cannot take place.

Secondly, Iran and Saudi Arabia are still the major oil- and gas-producing nations. Both China and India have a great deal of requirements for this oil and gas. By creating this instability, what has been done is that the potential for these countries to develop, fast, has been stalled.

And in addition to that, recently, the Obama Administration has started another new policy, which is basically to confront China. This is known as the "Asia Pivot" policy, which is to say, in the President's words: We have not left the Asia-Pacific. In fact, they are going to again concentrate their attention, their strength, in the Asia-Pacific once again.

Now, China is particularly worried about this, because it is now being considered as the number two world power; a large-scale American military presence in the Asia-Pacific would create a situation in which a confrontation with China could be real, and could happen.

More importantly, China depends very heavily on importing various natural resources, including oil and gas, for daily consumption for nearly 1.4 billion people in China. And they have to bring these resources by ship, from as far away as Ibero-America, Africa, or the Middle East, and there is always a threat, with the large presence of the U.S. Navy in the Asia-Pacific, that they

can, at any point in time, under the pretext of one conflict or the other, find the choke points, like the Malacca Strait, or the Sunda Strait in Indonesia, blocked off, and China will not be able to sustain itself.

So these are the threats that exist. But, again, these threats are now, in a certain way, fizzling out, because one of the things that the Obama Administration tried to do was to get India, by appealing to India's fear about China, next door, into the American camp against China. An effort was made in that direction. However, India has rejected it, very vocally, and that is not an issue at this point in time.

Bilateral Issues

There are a lot of bilateral issues which need to be resolved between India-China, India-Russia, China and Russia. I think that many of the difficult issues have been resolved, but India-China—this 2,300-mile border—that is a political issue. Until that border issue is settled amicably, the anti-China lobby, or the pro-U.S. lobby within India, will continue to pull the government back from full-fledged cooperation with China, which is necessary at this point in time.

The problem with India-Russia relations, is that India-Russia trade has been minuscule in size, simply because they have not found a way to develop their mutual dependence. As of now, India is a major purchaser of Russian military hardware, and Russia is definitely very willing to provide as many nuclear power plants as India can absorb. And in fact, Russia has set up some heavy engineering facilities in collaboration with the Indian industrial facilities, which will allow the Indians to build their own nuclear reactors, and various other equipment that is necessary for nuclear power plants.

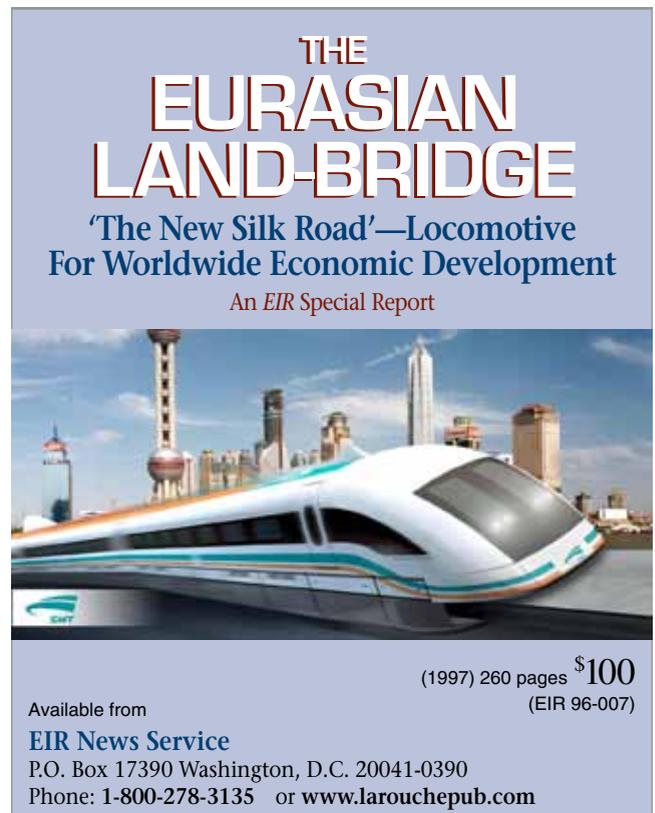
So, if we had been able to talk at a very high level in India, China, and Russia, and there had been a clear understanding that the trilateral cooperation was going to help all three, that would have stabilized the region. Things have not moved in that direction very much, but still, I consider what has happened to be a great deal of advancement. Because in 1999, after that formation of the Triangular Association, I had a press conference with these three individuals [Rybakov, Ma, and Kaushik—ed.], and the press was absolutely shocked to hear that such a thing could be done, because Russia, China—they had their own border war during the Soviet days; India-China had their border wars in 1962. How could these difficult animosities, developed over the years, be overcome?

But this, I think, is what we have succeeded in doing over the years—Mr. LaRouche, of course, is the leader: that there is a clear understanding now in Russia, China, and India that trilateral cooperation, however difficult it is to bring to fruition, is the most important thing that is to be done, in order to stabilize the region—each country is getting an actual benefit out of it—and also, to politically stabilize the world.

Because there is a recognition, which was not there before, that there's a multipolar world. The understanding had been that it is a unipolar world—the United States is so powerful that no other power would be able to emerge from under its shadow. But over the years, the collapse of the U.S. economy, the collapse of the U.S. policy, the mistakes and failures of the U.S. foreign policy, have made these people, at the highest level, realize that, as China often says, it is a multipolar world, and it can play a stellar role in taking over from the United States the responsibility of stabilizing that vast section of the world.

And eventually, when the United States gets adequate leadership, the United States can join. And that is the only way this world can be stabilized.

Thank you.



**THE
EURASIAN
LAND-BRIDGE**
**'The New Silk Road'—Locomotive
For Worldwide Economic Development**
An EIR Special Report

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Editorial

Mankind's Real Enemy

Who has devised the policies which are destroying the United States and Western Europe with a new Nazi program to eliminate “useless eaters?” What is behind the still-present threat of thermonuclear war which could wipe out the human race? Whose power must be destroyed if mankind is to return to the pathway of scientific progress, last seen in the Kennedy era?

The answer is *the oligarchical system*, centered today in a global financial empire appropriately identified as the Anglo-Dutch Empire. It was against the predecessor of this Empire that Cardinal Nicholas of Cusa devised his strategy for mankind to go across the Atlantic to found a new, human civilization, as an inspiration for all mankind. And it was directly against this Anglo-Dutch Empire that the United States was created, as a conscious counterattack *against* the bestial oligarchical system that dominated Europe, and still does today.

From its very inception, the United States was targeted for destruction by that empire. That is the significance of Wall Street—which is simply an extension of the British Empire, controlling the United States. Destroy Wall Street, and you break the control of the British Empire, freeing the United States to play its unique historical role as a beacon of hope for all mankind.

In his Nov. 15 webcast, Lyndon LaRouche put it like this:

“So, what we have done, we have caved in to a kind of a treason against our own nation, to accept people who invade our country with their influence, cause us to commit virtual suicide out of becoming *stupid*, largely through banking systems, financial systems, financial institutions; and these are the things that have ruined the United States.

But what was left, was that, still, to the present day, there *is* still a United States, a United States which is a product of the outcome of what Nicholas of Cusa inspired, from inside Europe, inspired eventually Christopher Columbus and other pioneers across the Atlantic Ocean, who built up national strength or quasi-national strength, across the waters. This gave the power within Europe, to *free* Europe from its own corruption, because nothing else had succeeded.

“Take the great Renaissance, the Golden Renaissance, out of which Cusa came: This was a powerful institution, and one of the greatest institutions that had ever existed. *But!* it was isolated by relics of the oligarchical system. And it was therefore crushed in Europe. And on that basis, Nicholas of Cusa, who was probably the greatest intellect of that century, went out for a campaign: We must now move, across the oceans to other places where we can set up a system for mankind which is not going to be crushed by the oligarchy: And that became the meaning of the United States. That, for me, as for some others, is still the meaning of the United States.

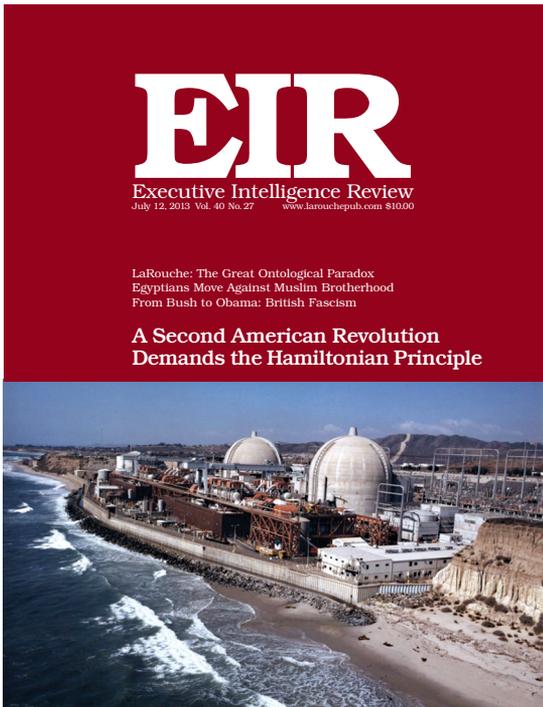
“The function of the United States is to destroy the oligarchical system, by assisting other people in other parts of the world to find the same freedom that we have for ourselves.”

So, focus on the *cause* of the problem mankind faces, not its effects. The cause is the control of institutions globally, especially financial institutions, by an oligarchy committed to its own power at the expense of the majority of mankind. It can only be defeated by a reassertion of the *republican* principle of human creativity, exercised on behalf of all mankind through advances in science and technology. The specific measures then become obvious.

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