

# EIR

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Ebola Outbreak Threatens Global Biological Holocaust  
Obama Follows Cameron, Inciting More Illegal Wars  
Egypt Sets New Course: Will It Join the BRICS?

**A Global Coalition Emerges:  
Productivity, Not Money!**





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# EIR

## From the Editors

Leading nations around the world are moving rapidly to set up a new world economic system, based on the real values of physical productivity, the productive powers of labor, and scientific advance. We focus on those exciting developments in this issue of *EIR*—especially the stunning developments in Egypt. But that’s only part of the story.

The British financial empire is in a *war* to prevent the establishment of this new system, and it is utilizing every asset it can find, going as far as to threaten global war. The sanctions war against Russia, for example, is ripping Europe apart economically. The Ukraine developments are even more dangerous (*International*).

But to succeed, the British need to control the U.S. Presidency. Their tool Obama is willingly complying—violating the U.S. Constitution without any effective challenge from Congress, and driving toward that confrontation with Russia (*National*).

At the same time, Obama’s protection of the predatory financial system is leaving an open field for *genocide* globally. In this issue we have our first coverage of the Ebola outbreak now creating a holocaust in West Africa, and threatening the planet. Lyndon LaRouche and *EIR* forecast just such a development as early as in 1974, warning that toleration of IMF austerity conditionalities would lead to global pandemics. Without overthrowing the IMF/Wall Street/London system, this scourge, and others like it, can’t be stopped. But Obama brought shame on the nation by turning his back on the enormity of the desperate crisis, during his recent “summit” with African leaders.

How do we stop such atrocities? LaRouche this week demanded that the first step be the immediate ouster of Obama’s biggest protector, House Speaker John Boehner. Boehner is elected by the full House, and a privileged motion by one member can “call the question” for the election of a new Speaker, immediately. That clears a major impediment to impeaching Obama, passing Glass-Steagall, and other crucial steps.

Our *Science* feature this week focuses on what LaRouche recently identified as the “miracle” of the transformation of China, from a cheap labor source for global finance, to a “knowledge-based economy,” oriented to mankind’s scientific frontier on the Moon and beyond. The story again begs the question: When will the U.S. join the new coalition for progress?

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*Construction site (2010) in Egypt, of the New Valley project under the Toshka spillway.*



Creative Commons/stefflheffl

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By almost any indicator, China is moving as quickly as it is able to meet its goal of becoming a knowledge-based economy. The labor-intensive, export-oriented policies of the last three decades are being superceded by advances in science, translated into new technologies, directed to transform the productive workforce of China, through education, and a transformation in the standard of living, and the cultural level, of the population.

## Editorial

### **46 Scandal: 'Markets' Attack Food Supply**

# A Global Coalition Emerges: Productivity, Not Money!

by Nancy Spannaus

Aug. 18—“The world has suddenly changed for mankind,” Lyndon LaRouche said on Aug. 12. The old values and alignments, ensconced in the dying trans-Atlantic financial system, are being abandoned, and China, Russia, India—and many other nations—are falling into line with a new system, of which the developments around the new institutions established by the BRICS (the organization of Brazil, Russia, India, China, and South Africa) are emblematic. At the core of this is a new system of value, based on the productive powers of labor, and a new platform of productivity, with the future power of a helium-3-fueled fusion economy.

The new system emerging starts with recognizing that valuation by money and the markets is dead. As LaRouche put it during his Aug. 15 webcast ([www.larouchepac.com](http://www.larouchepac.com)), “So, all of these things about worrying about money: Don’t worry about money! Money is often more a *disease* than it is anything else. What we’re going to have to do, is we’re going to have to make a fundamental change in our entire economy. And this is being done now. . . .”

To complete the transition, peacefully, requires bringing in the United States, through actions that begin with implementing Glass-Steagall, and the rest of LaRouche’s Four Laws of physical-economy (see *EIR*, June 13, 2014). That is the challenge that now faces political leaders in the U.S., in the form of removing the obstacles to that transition—starting with House

Speaker John Boehner, President Obama, and then, the whole Wall Street system.

## A New Coalition

The pulling together of this new coalition, which offers hope for all mankind, did not begin with the BRICS Brazil Summit on July 14-16, but that Summit represented a turning point. Particularly important was the establishment of the de facto alliance between nations of South America, especially Argentina, with the BRICS grouping, around both defensive actions against threats from the British system, and for breakthrough infrastructure projects, such as a transcontinental railway and a new Central American Isthmus canal, this time through Nicaragua (see *EIR*, July 18, 2014).

Over the past month, the significance of the shift underway has been reflected in a series of rapid changes in orientation in many nations around the planet, from accommodation to the British imperial diktat, to a perspective of collaboration for physical economic development. Most dramatic have been the developments in Egypt, which we summarize below, but the same kind of commitment to sovereign national development—considered *verboten* by the IMF/World Bank system and its geopolitical mindset—has been demonstrated elsewhere as well.

“I think we are going to have to look at a coalition of nations,” LaRouche stated Aug. 17. “We have Russia;



LPAC-TV

Lyndon LaRouche: “I think what we are going to have to do is really go out to create a global coalition to crush the British Empire out of existence.”

we have China; we have India; we have the countries of South America and so forth; we have what’s going in Egypt now; we have other things of the same nature. I think what we are going to have to do is really go out to create a global coalition to crush the British Empire out of existence. That’s the only solution. Otherwise, you are going to have a piecemeal kind of warfare, and you don’t want that. So you have to say that the people who *don’t* do that, are the criminals, because they are causing a war by their actions, and since they are causing a war, they are to be blamed, and held to account for it. If someone comes in to intervene to cause warfare, they are guilty of warfare.”

### The Fraud of Money

During the Aug. 15 webcast, LaRouche laid out the broad parameters of the change in values required.

“We now have to institute *a new institution of economy*,” he said. “We’re going to have to start doing it now. The whole thing will be based, actually, on the power which is lodged in nearby space. That has never been touched before. It has never been effectively touched before. It is now *going* to be touched; it’s going

to be used, now. And therefore, we’re going into a completely new system, and you’ll find everything—all of the people you hated, or should have hated, we’re going to be rid of them—not kill them, but just be rid of them. You’re going to find out that the wealthiest people in the United States are worthless—the *most* worthless. . . .

“Major financial interests of the United States and elsewhere—have been *selling out* the system. They’ve given a new system of values. Those new values are the ones that are going to be used. These are the same values that are going to be picked up in South America, the same values that—Egypt is a part of this—the same values that are represented in Russia, the same things that are represented in China! *These* are the values. There’s where the power lies.

“You want to *create* something? Make it! How do you make it? You create it.”

LaRouche’s emphasis should not be foreign to those familiar with the history of the American political-economic system, which was uniquely based, including within our Constitution, on credit system, based on continuous scientific and technological progress, *not* “free markets.” Indeed, the system being put into effect by the BRICS nations is “more American” than what is current being done by the government of the United States!

In following up on LaRouche’s remarks, *EIR*’s Dennis Small underscored LaRouche’s point about the fraud of money, and an economy based on it, with a short update on the state of such an economy.

The current dying system, Small pointed out, is measured in *money*. And the amount of money is growing rapidly. Take those gambling debts called derivatives. They are growing at a rate of 22% a year, creating upwards of \$1 quadrillion “worth” of “value.” (One could also mention another area of growth of worthless value—a stock market surge based on companies buying up their own stock in order to make paper profits.)

Look at what is happening to societies that live, and make decisions, based on this money system, Small said. “Take the economy in Europe: Youth unemployment in the worst countries is over 50%. . . . The real unemployment rate in a country like Italy, which has

important industrial capabilities, is over 25%.”

Add to this the impact of Europe’s accession to the economic sanctions against Russia dictated by the EU and NATO, and you have a whole new level of disaster, within the productive economy, including agriculture.

And, contrary to everything the Obama Administration has uttered, the U.S. economy is not far behind, when actually measured in physically productive terms.

### The Alternative Takes Shape

At the center of the BRICS coalition lie three of the planet’s most populous and powerful nations—Russia, China, and India—each determined to follow a pathway of sovereign development, despite being under sustained attack from the trans-Atlantic nations. While the new institutions which the Brazil meeting formally established—a New Development Bank and a Contingent Reserve Arrangement, initially capitalized at \$50 billion and \$100 billion, respectively—will not go into effect for a number of months, the political process of collaboration, both in preparation for new projects and defense against financial warfare, has taken off.

The Western nations and financial institutions have taken note of the BRICS Bank as a potential competitor, although officially, the BRICS have denied that intent. In an Aug. 12 wire, the Voice of America cites an Indian analyst noting that the BRICS can bring down the whole scheme of controlling other nations by sanctions. The wire also quotes a professor at Beijing University’s Center for African Studies, celebrating the fact that developing countries “finally ... got some alternative sources to get funding for infrastructure, and they do not come with conditionalities.”

The professor was referring to the standard IMF and World Bank “strings” attached to every loan, strings that include austerity and privatization—and usually preclude investment in the kinds of major high-technology infrastructure projects desperately needed throughout the world. By contrast, the new BRICS institutions, and the parallel Asian Infrastructure Investment Bank being established by China, have no such conditions attached.



Russian Presidential Press and Information Service

*President of China Xi Jinping and Russian President Vladimir Putin celebrate the signing of the huge contract for natural gas supplies from Russia to China, May 21, 2014. The two countries play a key role in the new BRICS coalition.*

Most visible in the immediate post-BRICS process has been the diplomacy between Russia and a number of nations which are bidding to replace the food imports that Russia has now sanctioned from countries that have imposed sanctions upon it (see article in *International*). Russian officials have held high-level discussions on this subject with Turkey, Egypt, China, Ecuador, Brazil, and Argentina. On Aug. 18, a high-level Argentine delegation, including agro-industry executives, arrived in Moscow, with an agenda of rapidly signing agreements to accelerate Argentine exports to Russia.

But most significant for the long haul is the collaboration on the next platform of technological development, defined by the necessary shift to a power source based on nuclear fission and thermonuclear fusion, and the exploration of space. China is taking the lead in this respect, with its lunar program, and its explicit goal of mining the Moon for helium-3, the most productive fuel for a nuclear-fusion based economy (see “China To Industrialize Moon: Realize Promise of Thermonuclear Fusion,” *EIR*, Aug. 15, 2014). Collaboration between China and Russia on space science is already well underway.

A story in the *Russia-India Report* of Aug. 14, gives a picture of how collaboration between these two nuclear nations is expanding beyond just building nuclear power plants. Nuclear scientists are working together on fast breeder reactors, the thorium fuel cycle, blanket acceleration systems, high-current proton and ion ac-

celerators, and controller thermonuclear fusion. In addition, India and Russia are discussing construction of a nuclear facility for distillation desalination systems—which would resolve the problems of clean water supply on India’s coastal belt, and in principle, in underdeveloped areas generally.

The benefits of joining with the BRICS nations, which are developing the advanced technologies needed for the future, and have the ability to provide a safety net for nations in trouble or under attack, obviously make it extraordinarily attractive for others to join. Among those publicly indicating their desire to do so is Iran, where the *Tehran Times* of Aug. 10 published a story on a researcher at the Department of Planning and Budgeting of Iran’s Majlis (parliament) Research Center, who outlined the advantages for Iran, should it join. These include strengthening Iran’s ability to neutralize the burden of sanctions, and making Iran an “official hub of power in the Global South and in the Middle East.”

### LaRouche’s Road to Recovery

No discussion of the current BRICS development would be complete without at least indicating the significant role played in laying the groundwork for it by economist LaRouche. From the early 1970s on, LaRouche and his organization have been putting out ideas to governments, on how to save the world’s population from the hell of the post-industrial, pro-fascist shift, implicit in the destruction of the New Bretton Woods system on Aug. 15, 1971.

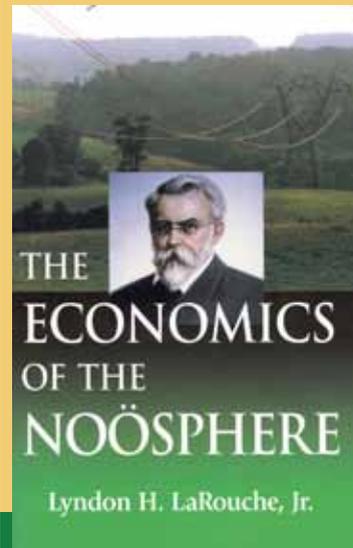
Crucial to those ideas, which have been laid out in books, magazine articles, conferences, and face-to-face discussions, was LaRouche’s central concept that human progress, and economic value itself, depend upon human creativity as expressed in scientific development (a science driver), which increases the energy-flux density of an economy’s power sources, and thus the potential relative population density of a territory. Money, to the contrary, is simply a tool which should be managed in order to facilitate ever higher levels of physical productivity in the economy. It has no intrinsic value whatsoever.

LaRouche’s basic textbook, *So You Wish To Learn All About Economics?*, first published in 1984, has been translated into most of the world’s major languages, including Russian, Chinese, French, German, and Spanish, and circulated widely in the intelligentsia of the relevant nations.

As of the late 1990s, LaRouche began to specifically propose an alliance very similar to the core of the BRICS today, among Russia, China, and India. In his 1999 Presidential campaign program book, *The Road to Recovery*, LaRouche identified the Eurasian triangle of China, Russia, and India as the “Survivors Club.” This grouping, which, in 1997, was beginning to recognize its mutual dependence in the face of monstrous attacks from the British imperial banking system, is “a natural partner of the real U.S.A.,” LaRouche argued then, because it represents a rational approach to cooperation on physical economic development.

That “real U.S.A.” has yet to emerge, although certain high-level forces in the United States have come to the conclusion that the current insane trans-Atlantic financial system can’t last, and are looking to the perspective put forward by LaRouche—his Four New Laws, and cooperation between the U.S. and China with a mission of a helium-3-fueled thermonuclear fusion economy—as the unique solution to the crisis.

To join this “Survivors Club,” the U.S. will have to first dump Boehner, Obama, and the scoundrels now in charge. And then, the real challenge will begin.



The scientific concepts of biogeochemist Vladimir Vernadsky—the initiator of the idea of the Biosphere—whose concept of the “Noosphere,” has been cited and further developed by Lyndon LaRouche.

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# Egypt Sets New Course for Economic Progress; Will It Join the BRICS?

by Dean Andromidas

Aug. 16—Egypt is joining the new economic paradigm emerging under the leadership of the BRICS countries—Brazil, Russia, India, China, and South Africa. Egyptian President and former Army commander Abdel Fattah al-Sisi, who was elected in June, is moving in the spirit of his famous predecessor, Egyptian President Gamal Abdel Nasser (1918-70), who was a founder of the Non-Aligned Movement.

In a matter of weeks, the new President has begun re-orienting his nation away from the catastrophic policies of the British Empire, and has embarked on the road to survival and economic development through expanding cooperation with Russia, China, and Argentina, and through the development of massive infrastructural, industrial, and agricultural development projects, including a “New Suez Canal.” Working within this new paradigm, Egypt could provide the leadership to save a region that is falling into a dark age. This is also the only way to defend Egypt’s sovereignty and heal its internal political rifts.

The shift in Egyptian policy can be witnessed in several moves carried out in the last few weeks: 1) boosting partnership with Russia; 2) beginning negotiations to join China’s New Silk Road policy; 3) joining in solidarity with Argentina against the speculators that are seeking to destroy it; and 4) launching crash programs to expand the Suez Canal and green the desert.

## Diplomacy with Russia, China

After brokering a ceasefire in Gaza that stopped the slaughter of Palestinians, al-Sisi travelled to Sochi, Russia on Aug. 12, where he held a two-day summit with Russian President Vladimir Putin. The two leaders discussed economic, scientific, and strategic cooperation. In an official statement following the talks,



Russian Presidential Press and Information Service

*Egyptian President Abdel Fattah al-Sisi is embarking upon bold new moves to revitalize his country.*

Putin recalled, “The traditional friendship between our two countries dates back to the times of World War II. In the ’50s and ’60s of the 20th Century, thousands of experts helped Egypt to build plants and factories, to build the Aswan Dam, and to create an entire range of other facilities and even whole branches of industry, such as metallurgy. Many of those who now form the political, academic, and cultural elite of Egypt used to study at our universities. This is a good foundation for the development of comprehensive ties at the current stage.”

The two leaders discussed establishing cooperation between Egypt and the Eurasian Customs Union of Russia, Belarus, and Kazakhstan, as well as expanding Russian exports of grain to Egypt (Russia already supplies 40% of Egypt’s needs) and increasing Russian



Wikimedia Commons?Daniel Csorfoly

*A Chinese freighter makes its way through the Suez Canal. China is now the largest user of the Canal, and is keen on expanding it.*

imports of Egyptian fresh fruits and vegetables to replace now-banned European imports. A logistical center will be created on the Black Sea to handle these imports, and there will be Russian participation in free-trade and industrial zones in Egypt. Also discussed was Russian cooperation in the Egyptian nuclear power program, and gas and hydro-power development, as well as in space science. In April, a Russian rocket launched an Egyptian remote-sensing satellite into Earth orbit.

The Russian summit followed on the heels of a visit to Cairo by Chinese Foreign Minister Wang Yi on Aug. 3-4, who was carrying a message for al-Sisi from Chinese President Xi Jinping. While congratulating al-Sisi on his election to the Presidency, the message was also an invitation to join the new order now being created by China, Russia, and others.

Identifying Egypt as “a leading country in the Arab world, Africa, and the Islamic world, and a country that has traditional friendship with China,” Xi reaffirmed China’s strong support for Egypt’s economic development and for joint efforts to enhance mutual trust, promote high-level exchanges, and provide mutual support on issues of major concern.

Most importantly, Xi invited Egypt to join in China’s strategic conception of building the “One Belt/One Road,” which refers to the “Silk Road Economic Belt” and “21st Century Maritime Silk Road,” infrastructure

and trade networks put forward by Xi during his visit to Central Asia and Southeast Asia in 2013. President Xi wrote that this corresponds with Egypt’s strategy of national development, while Foreign Minister Wang urged bilateral cooperation in building up the Suez Economic and Trade Cooperation Zone, as well as in modern industries and agriculture, energy, infrastructure such as highways and tunnels, and aerospace and satellite technologies.

Xi invited al-Sisi to visit China, and the latter accepted, saying he would do so as soon as possible, and that he regards Beijing as an important strategic partner. He invited China to participate in several projects, including the Suez Economic and Trade Cooperation Zone, welcoming Chinese investment in these projects.

### **Solidarity Against the Speculators**

Many of the projects that the Egyptian government is now discussing have been on the drawing boards for decades, but have been systematically blocked by the interference of the IMF and other predatory financial institutions. Thus, it is of enormous importance that President al-Sisi is taking on those institutions, which value money above real value, by joining Egypt’s cause with that of Argentina, the front-line state in the fight against international speculators.

On Aug. Argentina’s Telam news agency released a letter from al-Sisi to President Cristina Fernández de

Kirchner declaring full solidarity with Argentina’s fight against the speculators. The letter was in response to a June 26 letter from Fernández to al-Sisi informing him of the status of Argentina’s debt-restructuring process, on the eve of the vulture funds’ effort to drive Argentina into default.

Al-Sisi wrote, “We, in Egypt, are following with utmost interest the great efforts made by your friendly country to achieve your development, the firm policies and broad economic reforms...” The letter refers to “the speculative funds, which are an obstacle to the debt restructuring efforts made by the developing countries...”

“I wish to attest to the firmness and strength of the ties which unite our brother peoples, and the pride which we feel in the history of our common struggle since the establishment of diplomatic relations between our countries in 1947 in pursuit of freedom and independence.

“We assure you of our full support for your tireless efforts to achieve the well-being of the friendly Argentine people.”

### A New Suez Canal

The most dramatic affirmation of the new paradigm taking hold of Egyptian policy, is the return to great projects in infrastructure, industry, and agricultural development, in a policy shift that recalls the heritage of President Nasser, who over a half a century ago nationalized the Suez Canal and build the Aswan Dam.

At a conference on Aug. 5, al-Sisi announced the construction of the New Suez Canal aimed at doubling the capacity of the current canal, in the first reconstruction of the project since it was built 145 years ago. He also declared his government’s intention to complete the Toshka Project, a mega-project in Egypt’s Western Desert,

FIGURE 1  
The Suez Canal



<http://www.suezcanal.gov.eg/>

begun during the regime of ousted President Hosni Mubarak, of which less than 10% was accomplished during the last 15 years.

These two projects could begin to put Egypt on to the road of real economic development upon which the BRICS countries have embarked. The expansion of the Suez Canal links Egypt directly to the Silk Road Economic Belt, the Toshka Project will expand food production and create new agro-industries and thriving urban centers where empty desert now stands. While these projects alone are not sufficient, they will give the economy the momentum, and the people the hope for a better future.

The Suez Canal is the most important maritime link between Asia and Europe, and to the east coast of North America. The dramatic economic development of China has only enhanced its importance, with China currently the biggest user of the Canal. With new and larger container ships plying the seas between East and West, the Canal’s expansion has become a necessity, since it is now a bottleneck, where ships are experiencing costly delays.

On Aug. 6, within hours of al-Sisi’s speech, hundreds of bulldozers, dump trucks, and no fewer than 7,500 workers began digging the new canal. Bucking the bankrupt policy of privatization and foreign finance, al-Sisi announced that the first phase of the project, building the new section of the canal, will be financed solely by Egyptian citizens and constructed by Egyptian companies.

The specifications of the project are as follows:

Connecting the Mediterranean and the Indian Ocean via the Red Sea, the current canal is 162 kilometers long, but for most of its length, it is only 60 meters wide, allowing for only one-

way traffic. The new canal will in fact be a massive upgrade of the old canal to allow for two-way traffic and larger ships. The project includes digging the new 35-km canal that will parallel the old canal north of Lake Timsah and Bitter Lake; the section of the canal below these lakes will be widened for the length of 37 km.

The second phase of the Suez Canal Development Project includes the development a great industrial and logistical center in the 76,000 sq km (29,000 sq miles) bordering the canal. This will entail building several seaports in cities bordering the canal—Suez and Port Tawfiq in the south, Ismailia in the center, and Port Said in the north—in addition to a seaport in the South Sinai city of Nuweiba, and the development of Sharm al-Sheikh Airport. Six tunnels under the canal, with four designated for road traffic and two for railways, will be built at an estimated cost of \$8 billion. The completion of these tunnels will be key to developing the rail and road links between Africa and the Eurasian continent.

In addition, a “Technology Valley” in Ismailia and a new industrial zone west of the Gulf of Suez are planned.

Last month, in an interview with *People’s Daily*,

Egyptian Ambassador to China Mady Amer underlined cooperation between the two countries on the New Silk Road, which historically had its origins in Egypt; today, he said, there are “understandings” between the two countries for cooperation. He pointed to the “huge development projects in the Suez Canal area—200 km long on the two sides of the Canal,” which are now planned. As the biggest user of the Canal, he said, China is greatly interested in those projects. Chinese companies want to have storage, manufacturing, and transit areas for Chinese products.

The first phase of the project was originally to take three years to build, but al-Sisi has ordered it to be completed within 12 months. To speed things up, the Egyptian Armed Forces Engineering Authority has been ordered to supervise the construction. On Aug. 6, they started digging the new, parallel, canal, dividing the digging process among 33 specialized civilian companies and two Army battalions.

Phase one will be financed domestically and will involve no foreign investment or loans. In order to give all Egyptians the opportunity to invest in the project, the government will issue debt certificates to the general public (only to Egyptian citizens), denomi-



## There Is Life After the Euro!

### Program for an Economic Miracle in Southern Europe, the Mediterranean Region, and Africa

AN **EIR** SPECIAL REPORT

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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

[http://www.larouchepub.com/special\\_report/2012/spec\\_rpt\\_program\\_medit.pdf](http://www.larouchepub.com/special_report/2012/spec_rpt_program_medit.pdf)



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*The Toshka Project, showing the construction site (2010) of the syphon that will deliver water to desert areas.*

nated in Egyptian pounds, which will be offered in three categories: LE10, LE100 and LE1,000, at a 12% interest rate. They will also be issued in U.S. dollars in multiples of \$1,000 at 3% interest. This will involve a coalition of Egyptian banks, private and state-run. These measures are expected to ensure that there will be no replay of 1956, when France and Great Britain, who owned the canal at the time, launched a war against Egypt when Nasser nationalized the Canal, despite the fact that his action was legal under international law.

The entire project will cost about 60 billion Egp-

tian pounds (\$8.4 billion), and officials expect the new canal to boost annual revenues from \$5 billion to \$13.5 billion by 2023.

### **Greening the Deserts**

The second mega-project announced by al-Sisi, the Toshka, or New Valley, project, promises to green the vast wastelands of the Western Desert, the part of the Sahara Desert lying in Egypt. Begun in 1997, the project has yet to be completed due to lack of funding. It envisions bringing water from Lake Nasser, the lake formed by the Aswan Dam, into the desert through a system of canals. The massive pumping station was completed in 2005, but less than 10% of the rest of the project is finished. In July, Prime Minister Ibrahim Mahlab announced that the Toshka project was to be revitalized as a national development project.

Speaking during a tour of the Toshka region, Mahlab said that a thorough study will be conducted to reassess the project, which has cost

more than \$6 billion so far, and includes strong infrastructure and large road networks. Such a mega-project should not be neglected, he said. The government has an emergency plan to reclaim 1 million feddans (more than a million acres), including 103,000 feddans in the Toshka region alone. The Prime Minister said that this would enable Toshka to become a real urban community, and help revitalize the whole region.

The project includes the construction of a hospital in the region, as well as the development of residential areas.

FIGURE 2  
**Proposed Development Projects in Egypt**



*This map shows part of the development corridor proposal of Dr. Farouk Albaz, with a superhighway running west of the Nile from the Mediterranean to Lake Nasser.*

### Only Egypt Can Stop the Empire’s War Policy

President al-Sisi’s decisive shift, to bring his country into this new paradigm, identifies Egypt as the only country in Southwest Asia/North Africa that can take the leadership to stop the British Empire’s perpetual war policy, which is dragging the entire region into a dark age. Support must be given to al-Sisi if the region is to be rescued.

Key players in the region are expressing parallel ideas.

In a commentary entitled “New Strategic Momentum?” appearing in the Egyptian daily *Al-Ahram* (Aug. 13), former Assistant Foreign Minister Hussein Haridy identifies Egypt’s new leadership role. Written on the

eve of al-Sisi’s visit to Saudi Arabia, the author identifies the challenge facing the region from the Islamic State (IS) as one of the major threats to the region, which demands a profound change in political alignments; only Egypt is capable of pulling it off.

This destructive process began, Haridy writes, with the attempt to overthrow the Syrian government of President Bashar al-Assad by “regional powers” that are “responsible for the current situation.” The solution requires de-emphasizing the “sectarian aspect of the current confrontation raging from Lebanon to Syria and Iraq.”

He continued: “The role of Egypt in preparing the ground for the ultimate defeat of IS and other terrorist groups affiliated with al-Qaeda, whether operating in the Levant and Iraq or in North Africa, is of critical importance. In this respect, this role will be the balancer among various opposing forces in the region.

“Cairo is capable of shouldering that responsibility, based on historical precedents as well as the absence of sectarian or religious considerations in Egyptian foreign policy. The new Egyptian leadership has probably the political will to play this role, to facilitate a new Arab core al-

liance, strong and cohesive enough to deal effectively with the new existential threats facing the Arab state system.

“Of paramount importance in this endeavor is that Egypt and Saudi Arabia hold a common perception of what these threats are. This calls for a reordering of Arab foreign policy priorities in the region. A basic question is whether or not this can happen without the cooperation of the Syrian government.”

It is not hard to see how, with the necessary support, Egypt can contribute to defeating such monsters as IS and leading the region out from under the control of the Empire and into the new world that is emerging among countries of Asia, Africa, and Ibero-America.

# ASEAN Says No to U.S. War, Austerity, Yes to Joint Development with China

by Mike Billington

Aug. 18—President Obama sent Secretary of State John Kerry to the annual meeting of the ASEAN Regional Forum (ARF) in Myanmar Aug. 8-10, with the intention of using America's assumed role as "the only superpower" to impose a resolution upon the Association of Southeast Asian Nations (ASEAN), demanding a moratorium on all "provocative" activities, especially development projects, in the South China Sea. The Obama Administration uses the euphemism "preventive diplomacy" as a means of insisting that "no development" is the only basis for "peace" in the region.

Kerry counted on the subservience of the Philippines government as his key ally against China at the ARF meeting. Obama-clone Philippines President Noynoy Aquino has essentially turned his nation into a massive U.S. military base in preparation for a war on China. Explicit wording in the Constitution forbidding foreign military bases on Philippine soil have been ignored.

Kerry received quite a shock, however, at the ARF meeting. This is not the same world of even a few months ago, since the BRICS meeting in Brazil in mid-July declared to the world that the majority of the world's nations—led by China, Russia, and India—were establishing an alternative source of credit and development cooperation to the London-Wall Street controlled IMF and World Bank—emphatically *not* including the political, financial, and green "conditionalities" always associated with IMF and World Bank loans.



*China's Foreign Minister Wang Yi, speaking at the ASEAN forum, underlined China's willingness to resolve disputes in the South China Sea, through bilateral negotiations with the countries involved.*

The U.S. demand for an anti-China resolution was rejected out of hand, and even the Philippines had to restrain itself. ASEAN (Thailand, Malaysia, Philippines, Indonesia, Vietnam, Laos, Cambodia, Myanmar, Singapore, and Brunei) refused to even consider Kerry's proposed language for a freeze on what he called "provocative actions" in the South China Sea. It was clear to all that by "provocative actions" Kerry was referring to China's drilling for oil and building facilities on islands which China considers part of its sovereign territory, but are contested by others in the ASEAN group.

China's Foreign Minister Wang Yi underlined China's willingness to resolve disputes through bilateral negotiations with the countries involved, along the lines of the Declaration of Conduct already established in the region. China has totally rejected demands

from Obama to accept the Philippines appeal to an international tribunal under the UN Convention on the Law of the Sea (which, ironically, the U.S. has refused to sign due to the inherent loss of sovereignty it involves!) to adjudicate the contested islands. While China does not say so publicly, it recognizes that such "impartial" international adjudication is not impartial at all, but dominated by the Anglo-American imperial interests.

Chinese President Xi Jinping has insisted that China is committed to "shelving disputes and carrying out joint development" in the contested areas, to achieve "peaceful development" for mutual benefit, leaving territorial issues to another time. One of the leading Phil-

ippine negotiators with China, Henry Bensurto, speaking at a conference in Washington on July 10, admitted that his Chinese counterpart repeatedly offered joint development, but Bensurto ridiculed the idea as preposterous!

### China-ASEAN Development Cooperation

Despite Obama’s effort to isolate China, the ASEAN forum achieved quite the opposite result, i.e., an agreement between the ASEAN nations and China to deepen their strategic partnership, including emphatically cooperation on President Xi’s policy of a New Maritime Silk Road involving the nine members of ASEAN that border on in the South China Sea and the Bay of Bengal, and cooperation in the development of the Mekong River Basin. This is of special importance, since the last half-century of Western promises of development of the Mekong River region (which includes China, Myanmar, Laos, Thailand, Cambodia, and Vietnam) have produced almost nothing, sacrificed to British imperial “greenie” demands about saving the primitive environment, and preserving the backward conditions of the local population—the “noble savage” mentality so beloved by the British imperial lords. What China will do to unleash the potential of the Mekong is yet to be seen, but it will certainly be substantial, as are all of China’s infrastructure commitments.

China also called on all ten ASEAN nations to join the Asian Infrastructure Investment Bank (AIIB) as founding members, an offer which Thailand and Singapore have already accepted.

Thailand exemplifies the recognition across the region that China’s emergence in the context of the BRICS policies means that real economic transformation of the Southeast Asian nations is finally possible. Ironically, Thailand was subjected to a military coup in

FIGURE 1  
Rail Plan for Southeast Asia



*Rail lines connecting China to Southeast Asia. The broken black lines are existing rail lines; the yellow are those planned for construction. China and Thailand have now agreed to build high-speed lines on the Bangkok to Vientiane line and the Bangkok to Chiang Mai line.*

May, after years of chaos created by royalist mobs protesting the development policies of the governments of former Prime Ministers Thaksin Shinawatra and his sister Yingluck, both of whom were overthrown by the military in the coups of 2006 and 2014.

However, despite expectations to the contrary, the junta under Gen. Prayuth Chan-ocha has firmly embraced the great-projects approach of the Shinawatra governments, reviving and pushing forward on the massive water-control projects being built by South Korea, rice development projects and subsidies for farmers and rural villages, and with high-speed rail projects in cooperation with China.

It appears that General Prayuth is taking the approach of South Korea’s nation-builder, Gen. Park Chung-hee, who took power in a coup in 1961, but won every subsequent election until his assassination

in 1979, transforming South Korea from one of the poorest, to one of the leading industrial nations on Earth.

The instability of the Thai economy during the extreme royalist disruptions before the May coup had induced China to reconsider support for high-speed rail projects in both Laos and in Myanmar, since Thailand is the hub and the core driver of development for its far poorer neighbors. With Thailand now signing on to full-scale development, it will almost certainly revive the Chinese projects with its neighbors.

### The Kra Canal

Most importantly, there is now a significant potential for the Kra Canal project, long championed by Lyndon LaRouche and *EIR*,<sup>1</sup> to finally come to fruition.

1. See Meghan Rouillard and Asuka Saito, “Building the Kra Canal and Southeast Asian Development,” *EIR*, Oct. 11, 2013.

FIGURE 2

## The Kra Canal in Thailand

(Artist's concept)



EIRNS/Chris Sloan

*The Kra Canal, together with ports and development zones, would dramatically enhance the cooperation of the nations of East Asia, Southeast Asia, and the Indian Subcontinent, in developing all of Asia to its full potential.*

The proposed canal across the Isthmus of Kra would both save shipping time and alleviate the severe congestion in the Malacca Strait (as well as the strategic danger that the Strait could be blockaded in a war against China, cutting off crucial oil and other imports to East Asia). The Canal, together with ports and development zones on either end, would dramatically enhance the cooperation of the nations of East Asia, Southeast Asia, and the Indian Subcontinent in building

Asia as a whole to its full potential.

Thailand, with support from Japan, the U.S., and others, was close to initiating the Canal in the early 1980s, but the process was sabotaged by a combination of internal conflicts, opposition from the British and Singapore, and the 1990s “Asian Financial Crisis” induced by the Western hedge funds.

Now, with Japan still interested, and with China now both interested and capable of providing substantial support, the combination of the BRICS’s New Development Bank, and China’s initiation of the Asian Infrastructure Investment Bank, with Thailand as a founding member, the Kra Canal has become a prime target for rapid development. The fact that Nicaragua has proposed building a second canal across the Isthmus of Panama, with Chinese, Russian, and Korean support, and Egypt has begun construction of a second Suez Canal, to be completed within one year, serves as a powerful impetus for Thailand to proceed with this great project.

### Obama’s Intentions

Secretary Kerry exposed the Obama Administration’s real intentions for Asia in a speech at the East West Center in Hawaii on Aug. 14, a few days after the ARF meeting. Praising Asia’s economic development (with no mention of China’s crucial role in that development), Kerry said that the U.S. policy was to “turn today’s nationalism into economic growth” through the U.S.-instigated Trans-Pacific Partnership (TPP)—a free-trade pact intended to force submission of member

nations to “free market” dogmas in exchange for (highly “conditioned”) U.S. investment, while confronting China and China’s policy of nationally directed credit, and unconditional infrastructure investments abroad.

Kerry could not leave out the “climate change” hoax, arguing that Asia must submit to primitive energy policies, based on wind and solar power, rather than follow the leadership of China, South Korea, Russia, and others with nuclear power as a driver for real devel-

opment. Kerry attempted to dismiss oil, coal, and nuclear altogether as “19th- and 20th-Century solutions,” ignoring completely the actual 21st-Century solution of fusion power, championed today by China, through its intention to eventually mine helium-3 from the Moon, as an abundant source of fuel for the thermonuclear fusion-driven economy of the future.

### **The British Empire’s Response**

In the days following the rejection of the U.S. confrontation policy toward China at the ARF meeting, the Center for Strategic and International Studies (CSIS) in Washington, D.C., on Aug. 11, published two articles by “China scholars” from the diplomatic and defense establishments in the U.S. and Australia, David Brown and Carl Thayer, respectively, calling for military confrontation with China, without consideration that this could lead to thermonuclear war. The irony, of course, is that while the Obama Administration is launching yet another war on Iraq (without even pretending to follow the constitutional requirement that only the Congress can declare war), and pushing for a military confrontation with Russia, these “scholars” are denouncing China as an “aggressor” for pursuing development in the South China Sea.

This followed on the heels of a forum at the same thinktank on July 10, in which Rep. Mike Rogers (R-Mich.), the head of the House Intelligence Committee, demanded that the U.S. pursue deterrence by providing Japan with state-of-the-art weaponry” to counter China’s “aggression.” He ranted that “we must stop normal diplomatic approaches, be more direct, more aggressive, empower our friends—now is the time to confront China’s gluttonous, naked aggression.”

Brown and Thayer expanded upon Rogers’ threat in their CSIS articles. Brown, a 30-year U.S. foreign service officer, proposed a “Counter to China’s Paramilitary Juggernaut.” He claimed that the U.S. had mistakenly “bought into the notion that China would be a peacefully rising new superpower,” and that “it has taken time for the scales to fall from our eyes.” He said this supposed China threat “can be broken if the United States leads a preemptive, cooperative counter to a Chinese show of force.” He called for the U.S. to “organize extended multinational cooperation exercises in the waters between the Paracels and the Spratlys” (two of the contested island groups in the South China Sea), with the intention of preventing any Chinese activities in the region, “simply by getting in the way.”

Australian strategist Carl Thayer (who notably headed a “Regime Change Project” at Australian National University in the 1990s), in a response to Brown’s proposal, went further to argue that the U.S. must “create circumstances where China would have to accept the status quo or escalate.” He stated that the intention is to “deter China,” positing that the U.S. must engage Japan, Vietnam, and the Philippines to deploy naval forces in the South China Sea, so that “this strategy puts the onus on China to decide the risk of confronting mixed formations of naval vessels and aircraft involving the United States, Japan, the Philippines, and Vietnam.”

One of the loudest voices in Asia speaking for the British view, Philip Bowring of the *Asia Sentinel*, was furious over the results of the ASEAN meeting in Myanmar, focusing his rage on Malaysia and Indonesia. “Malaysia and Indonesia,” he wrote on Aug. 12, “seem to imagine that the only thing that matters is staying in the good books of China in order to attract investment, trade and payoffs to venal politicians. . . . Apart from Vietnam, and belatedly the Philippines, the Southeast Asian littoral states follow policies which entirely fit with Chinese ones. . . . But politicians in Jakarta and KL [Kuala Lumpur] care little about the longer term, and their diplomats love to believe their own meaningless words about peace and regional cooperation.”

Indeed, to the British, discussion of “peace and regional cooperation” are a *casus belli*.

Mustapa Muhamed, Malaysia’s Minister of International Trade and Industry, told Xinhua on Aug. 12 precisely why Malaysia views China as a close ally: “Forty years ago, there was hardly any trade or investment between the two countries,” he said. “But now China is Malaysia’s biggest trading partner, while Malaysia is China’s biggest trading partner in ASEAN.” He added that the close relations extend to trade, culture, education, and more, and that Malaysia was “looking to establish closer ties in many areas.”

Recall that the operative Obama strategic policy in Asia, the “Air-Sea Battle” doctrine, calls for a first-strike assault on all Chinese defense capacities in the case that, in the view of the U.S. President, China has acted to deny American access to the sea lanes of the South China Sea. It is easy to see how any confrontation manufactured by these British imperial strategists could be interpreted as “area-denial,” unleashing global thermonuclear war.

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# Is Argentina Moving Toward New, ‘War Economy’ Measures?

by Gretchen Small

Aug. 19—Argentina is playing hardball.

After having raided the Buenos Aires headquarters of HSBC last week—London’s notorious Hongkong and Shanghai Banking Corporation, which for decades has been the central bank of Dope, Inc.’s international drug trade, and is charged with being a “criminal enterprise”—and this week filing criminal charges against the vulture fund-owned Donnelly printing company in Argentina, for fraudulently filing for bankruptcy and shutting down its operations, and warning local subsidiaries of the foreign banks (e.g., Citibank) that their bank licenses are contingent on their operating under Argentine law, the Fernández government let loose a powerful broadside against Royal Dutch Shell in the country.

Planning Minister Julio De Vido took to the radio airwaves on Aug. 15 to charge Shell with “speculating rather than producing,” saying that it “doesn’t invest anything to produce natural gas and oil in our country,” but prefers to find “areas for speculation, as if they were a real estate investment, rather than a productive investment. Shell should invest in the production of hydrocarbons in the areas assigned to it,” he threatened, “rather than keeping them idle.” De Vido made it clear that the oil multinational should invest at least \$1 billion in expanded production, or face the consequences.

## What Consequences?

Some informed observers believe that Argentina may well be planning stepped-up “war economy” measures to deal with the financial warfare being launched against the country, led by the vulture fund assault, with backing from the U.S. Supreme Court. President Cristina Fernández de Kirchner has reminded her fellow citizens in recent days that the driving motivation of the vulture funds is not merely greed, but rather, a strategic policy of the world’s financial centers to forcibly re-indebt Argentina, as the means by which to then seize control over its sizeable natural resources, crush its scientific, technological, and industrial capabilities, and drive its people back into the Stone Age.

“They want to see us on our knees. Well, with me as the President, they are not going to see us on our knees,” she assured her fellow citizens on Aug. 14.

## Better Understand Your Enemy’s Mind

Those, like the City of London’s *Financial Times*, who console themselves that President Fernández is a “pragmatist” who will, sooner or later, agree to negotiate with the nation’s enemies, are fools. But Fernández has made it abundantly clear that she recognizes, that if they are not crushed, the British imperial interests behind the vulture assault (Wall Street included) are fully prepared to carry out *genocide* against nations which assert their sovereign right to industrial development.

Visiting neighboring Paraguay on Aug. 13, Fernández compared the assault by the speculators’ vulture funds on Argentina today, to the British Empire’s genocidal war against Paraguay in the 19th Century. “The colonial countries fought the development and patriotism [of Paraguay’s President Francisco Solano López] with arms, with ships.... Today, in the contemporary world, it is not necessary to resort to invasions, attacks, or war; emerging countries ... such as that Argentina which knew how to indebt itself up to its eyeballs, and now when we are unequivocally getting out of debt, when we are growing... they come back at us” (see box).

The Argentine government is also cognizant, as it often states, that Argentina has no reason to bow in fear before the bankrupt British financial empire and its U.S. appendages. After the mid-July BRICS Summit (see *EIR*, July 25, 2014), and the discussions around it, the British system is no longer the only game in town, and Argentina is not the only government which is acting accordingly. Argentina has allies internationally which are prepared to defend it—prominent among them being U.S. statesman Lyndon LaRouche, and the leaders of Russia and China, among others.

Backed by that changed correlation of forces, and understanding that it is fight or die, Argentina’s government is making it clear that it is prepared to assert, with



*Argentine President Cristina Fernández and Paraguayan President Horacio Cartes, confer in Asunción, Aug. 13, beneath a portrait of Paraguay's heroic President Francisco Soloano López (1862-70).*

actions, the principle that the government has the right and the obligation to defend the general welfare of its people and their posterity, taking such measures as required to crush the power of the attacking foreign enemies. That is a principle which Americans can recognize as embodied in the U.S. Constitution.

New laws have been introduced to better regulate business pricing and control cartel formations. If Argentine history is any guide, if the financial warfare is not called off, the other measures could well include:

1. Nationalizing all or part of the private banks, especially foreign-controlled banks, that participate in financial warfare against Argentina;
2. Fully re-nationalizing YPF oil company, which was partially privatized by earlier neoliberal Argentine governments. A step back toward national control was taken earlier this year when the Spanish Repsol company was forced to sell its shares back to YPF;
3. Nationalizing or drastically regulating foreign trade, especially in vital food exports, both to guarantee supplies to new customers such as Russia, as well as to take further control over dollar flows in and out of the country; and
4. Strengthening existing exchange controls to prevent capital flight and other forms of financial warfare.

Such measures are the “patriotic reflex” that Argentin

tina will tend to have, and all of these measures—and others—are fully consistent with nationalist policies adopted historically by Peronist governments in Argentina; the current government is also Peronist.

### **Obama, the Empty Suit**

As Franklin Roosevelt understood well, it is when nations and peoples give up their fear, that empires crumble. Argentina’s aggressive defense of its sovereign rights has the London-Wall Street crowd nervous. Paul Singer’s vulture lobby, American Task Force Argentina (ATFA), sputtered incredulously in an Aug. 13 ad published in newspapers, that “Argentina’s leaders have completely alienated the U.S. government,” by filing against the United States at the International Court of Justice at The Hague on Aug. 7. The

suit charges that the U.S. has violated its “international obligation to respect the sovereignty of the Argentine Republic, particularly its sovereign immunity.”

Chief of Staff Jorge Capitanich and Foreign Minister Héctor Timerman held a press conference on Aug. 19 to demand that the Obama Administration give an official reply. Timerman emphasized that the suit “is directed against the United States, in the context of a conflict between States, not against the vulture funds,” or the courts. Judge Thomas Griesa’s rulings seek “to provoke economic and political measures to force the will of a member-state of the United Nations,” such that Argentina won’t be able to meet its debt obligations, affecting decisions on its sovereign debt restructuring.

Timerman compared the attack on Argentina today, to the European military assault on Venezuela in 1903, to forcibly collect its debts to European bondholders. That incident gave rise to the Drago Doctrine, he explained, authored by then Argentine Foreign Minister Luis María Drago, whose memorandum to the Teddy Roosevelt government asserted that sovereign foreign debts cannot be collected by force.

Meanwhile, President Barack Obama has become the brunt of Argentine humorists. “Is President Obama afraid of vultures?”, the president who is supposed to be most powerful man in the world, is afraid of vul-

tures?, Argentine public TV's 6,7,8 *Informes* show asked in a recent rollickingly funny clip mocking Obama, local economists who work for the vulture funds, and the vultures themselves.

6,7,8 interviews investigative journalist Greg Palast, author of *Vulture's Picnic: In Pursuit of Petroleum Pigs, Power Pirates, and High-Finance Carnivores*. Palast asks: Why doesn't Obama act to stop the predatory vulture funds, when he says he supports Argentina? He could use the separation of powers clause of

the Constitution, under which the President sets foreign policy, to override the U.S. courts' backing for the vultures. Is Obama, the U.S. President, afraid to take on Paul Singer, the most influential political donor in the U.S.? Even George Bush, Jr. acted to stop the vultures' assault on Africa, Palast pointed out.

For her part, in an Aug. 7 address to the nation, President Fernández recounted with disdain how Obama in 2008 submitted to what his government officials admitted was "extortion" by the same Singer who is now at-

## Cristina in Paraguay: Vultures Are the World's Problem

Aug. 15—"The fight against speculative capital, the vulture funds, is not only Argentina's problem. It is the world's problem," Argentine President Cristina Fernández de Kirchner reminded a group of young Paraguayans who greeted her as she arrived for a state visit to that neighboring country on Aug. 13. Fernández gave them a lesson in real patriotism, and a message of hope:

The attempt today by the vulture funds to crush Argentina "has happened to African countries; it happened to Peru. It is happening also to a lot of countries in Europe. We just learned not long ago that France, also, a developed nation, just fined these vulture funds for having speculated on stock sales. France, no less. . . .

"As we see, the world is beginning to wake up, and it will wake up, because there is no other solution. Either we wake up, arouse ourselves, open our eyes and basically exercise our rights—we are not discussing empty flag-waving, but a nation with rights, because we have the right to grow; we have the right for our people to live well; we have to have the right for young people to study. We have to have the right for our workers to earn good salaries, to have health care, housing, so that they do not have to emigrate to another country because their country leaves them no opportunities. . . .

"We want to exercise the rights we have as the sovereign nation which we are, while some are trying still

to return us to the Argentina, or the Latin America, of the colonies back in the 19th Century." She urged the young people "to ensure that the future, your present, and the future of your children, is not the same as the past which we have all had to live through."

Accompanying Fernández to Paraguay were her foreign, economic, and planning ministers, the head of Argentina's National Atomic Energy Commission, and six provincial governors. Bilateral economic and other matters were on the agenda, but Fernández singled out an "act of historical recognition" as central to her visit: the repatriation of belongings of Paraguay's great national leader, Francisco Solano López, which had been seized as war booty during the 19th-Century British-directed, genocidal war known as the "Triple Alliance."

Argentina, under the control of authorities "manipulated from abroad," participated with Brazil and Uruguay in that war, in which three-quarters of Paraguay's male population were killed, and the nation reduced to ruins from which it is still recovering today.

Fernández made the point in her speeches that the deindustrialization and destruction wreaked upon Paraguay by the colonial powers who orchestrated brother countries to crush it was *intentional*, just as it is the *intention* of speculative capital's assault today. "No one made a mistake when they came here to destroy Paraguay," she said. "They wanted that industrial Paraguay—which produced locomotives, rail lines, and had iron foundries—to become merely a producer of raw materials, with a slave- and cheap-labor force. This is what they always wanted for our countries," she stated during the accord signing ceremony with Paraguay's President Horacio Cartes.

"There were no mistakes here, but clear and deliberate policies that we do not share and we come here to amend."

tempting to extort Argentina. But while Argentina refuses to give in, she said, Obama handed \$12.9 billion over to Singer, to get his auto industry bailout through.

Popular support for the President's decision to fight is soaring. Posters depicting Griesa's head on the body of a vulture with the caption, "Griesa wants your house, your job and your food! It's Argentina or the Vultures!", are going up. No politician can afford to be heard arguing the vultures' case, and former IMF chief economist Claudio Loser, who admitted that he collaborates with Singer's ATFA, found himself declared *persona non grata* in his native Mendoza.

### The New Game in Town

Russian-Argentine collaboration on mutual defense measures against the insane attacks being thrown at both countries by the same imperial interests, exemplify the potential for the global alliance of nations to crush the British empire which LaRouche has called for.

The spirit of that collaboration is evidenced in a lively seven-minute video report on the prospects for Russia-Argentina cooperation on food supplies, farming advances, and science, which Russian state television, Rossiya-1, broadcast on Sunday, Aug. 10 (available with English subtitles at [www.youtube.com/watch?v=6Er6rRY\\_GrQ#t=15](http://www.youtube.com/watch?v=6Er6rRY_GrQ#t=15)). These governments are not concerned about their stock markets, but physical economy!

Rossiya-1's report begins by asserting that while the Argentine stock exchange may be falling under the imposed default process, Argentina has nothing to fear; it has a huge grain potential and technological advances in farming—very long plastic grain bags which can store crops for up to two years directly on the field; no-till farming, in which the seed is drilled down directly through the prior crop's residue in the unploughed field.

In discussing the plans to increase exports of Argentine beef to Russia, the reporter asked the head of the meat exporters: "So, you will not allow Russia to die of hunger, as many people now seem to be afraid of?" He replied, "No, no, no!" But he did caution that Argentina will send chefs to Russia, to teach Russians how to cook that fine Argentine beef.

More than food exports are on the table between them. Argentine Minister of Science, Technology and Productive Innovation, Lino Barañao, told Rossiya-1: "The developed world wants Argentina only as a food and natural resources pantry. We believe that this does not guarantee an improvement in quality of life of our



Wikimedia Commons

*On Aug. 15, Argentina successfully tested the second of a series of experimental rockets, which are prototypes of the Tronador II satellite launcher under development (shown here), produced entirely in Argentina with 100% domestic technology.*

population... We seriously aim at adopting technologies that would add value to the exported products. Therefore, the union with Russia is strategic."

Argentina is moving forward, as it fights. On Aug. 15, it successfully tested the second of a series of experimental rockets, which are prototypes of the Tronador II satellite launcher under development, produced entirely in Argentina with 100% domestic technology.

Planning Minister Julio De Vido summarized the significance of the achievement: "All of these 100% national developments will allow us to carry out a complete satellite launch on our own, that is, the construction of the satellites and placing them in orbit; and that will also allow us to launch satellites of third parties, converting Argentina into the only country in the Southern Hemisphere, and one of only 11 in the world, with that capability. With this initiative we are deepening the process of the industrialization of Argentina in high value-added and advanced technology sectors."

# Ebola Outbreak Threatens Global Biological Holocaust

by Douglas DeGroot

Aug. 16—On Aug. 8, Dr. Margaret Chan, director general of the World Health Organization (WHO), declared the West African Ebola outbreak an international health emergency:

“This is the largest, most severe, most complex outbreak in the nearly four-decade history of the disease. I am declaring the current outbreak of the Ebola virus disease a public health emergency of international concern. Countries affected to date simply don’t have the capacity to manage an outbreak on this scale on their own.”

The day before, an emergency hearing was held in the U.S. House of Representatives—despite Congress being in August recess—where lawmakers heard testimony from disease experts, who gave chilling first-hand accounts of the situation in West Africa, backing up their assessment that the epidemic is “out of control.” The stark reality of their testimony flew in the face of the official line that the crisis could still be contained, which was otherwise presented to the lawmakers by top officials of the CDC (Centers for Disease Control and Prevention) and USAID (U.S. Agency for International Development), who repeated the story that the disease can be “contained” in Africa, even though no proper international mass-mobilization of resources to combat and control one of the most virulent viral diseases known to man is being undertaken.



*In Sierra Leone, 32 nurses, and an unspecified number of doctors, died from Ebola between May 24 and Aug. 13. Shown: an Ebola patient being treated in Sierra Leone.*

Among notable cases of failure to act against this emergency is President Barack Obama, who, in the midst of his grandstanding at his Africa Summit Aug. 4-6, made only passing reference to the disaster—at a conference which should have been the basis for mapping out emergency action to save lives.

For example, Dr. Thomas Frieden, Director of the CDC, averred that there is a significant crisis, but that it could be contained in Africa, and that there was no danger of it spreading to the United States. The same view was given by the representatives of the State Department.

What is involved in this crisis, simply, are two basic features:

- First, the microbe—filovirus genus (which has

five varieties) in the filoviridae family—is virulent, and has been known for 38 years, but there is no vaccine against it and no known cure. Ebola has never been prioritized for vaccine development;

- Second, to contain the outbreak—whose prior occurrences were predominantly in less-populated areas in central Africa that were not near larger cities—in-depth public-health measures such as quarantine, tracking of contacts, haz-mat handling equipment and treatment, are required. None of this equipment is readily available on the scale required in West Africa.

As of today, 1,145 people have died of Ebola in West Africa, three in Nigeria, and the rest in the three main victim countries—Guinea, Liberia, and Sierra Leone. The official infection case roster is 2,127.

### **Biological Holocaust**

The Ebola outbreak poses the reality of impending biological holocaust, as a result of enforced primitive economic conditions, such as the austerity imposed by the IMF and World Bank’s Structural Adjustment programs. The countries being hit are among the poorest in the world, with no public-health systems and minimal modern infrastructure. Under the breakdown of the world economy, Africa-style conditions are spreading—and disease will follow.

Lyndon LaRouche forewarned of the genocidal results of these policies beginning in 1974, when he set up a task force to study the worldwide biological-ecological breakdown, and emergence of new diseases that would ensue if the “zero-growth” economic policies then being imposed upon Africa, were maintained and came to prevail more widely. As of the 1980s, such consequences were already unfolding. A report of the task force was published in 1974.

On July 1, 1985, LaRouche’s Biological Holocaust Task Force released an “EIR Special Report: Economic Breakdown and the Threat of Global Pandemics,” presenting handbook-style documentation of microbial disease threats. It detailed the scenario of a potential “biological holocaust,” of new and re-emerging human, animal, and plant diseases, if economic growth policies were not restored. HIV/AIDS, newly identified, was in the forefront. Seventy percent of the world’s HIV/AIDS victims are now in Africa.

### **Emergency in Action**

On Aug. 15, the WHO released its second statement on Ebola in less than a week. It stated that the magni-

tude of the outbreak has been vastly underestimated, and that “extraordinary measures” are needed if the disease is to be contained.

Already, in a press briefing Aug. 13 in Geneva, WHO Director Chan had said that 1 million people are affected by the disease, and need help, including food, on a daily basis. The efforts to contain the hotspots with high numbers of infected people, by isolating them from the non-infected areas, by means of *cordons sanitaires*, has further disrupted the economies of the victim countries, resulting in lack of food supplies in infected and non-infected areas. WHO is also working with other agencies, including the World Food Program, to feed about 1 million people quarantined in villages in Guinea, Liberia, and Sierra Leone. She emphasized:

“There is no early end in sight. This is an extraordinary outbreak that requires extraordinary measures for containment. This is a severe health crisis, and it can rapidly become a humanitarian crisis if we do not do more to stop transmission.”

Chan added that “the outbreak is unprecedented in its size, severity, and complexity. Cases are occurring in remote rural areas that are difficult to access, but also in capital cities.” She also said that every city with an international airport has been placed at risk of an imported case.

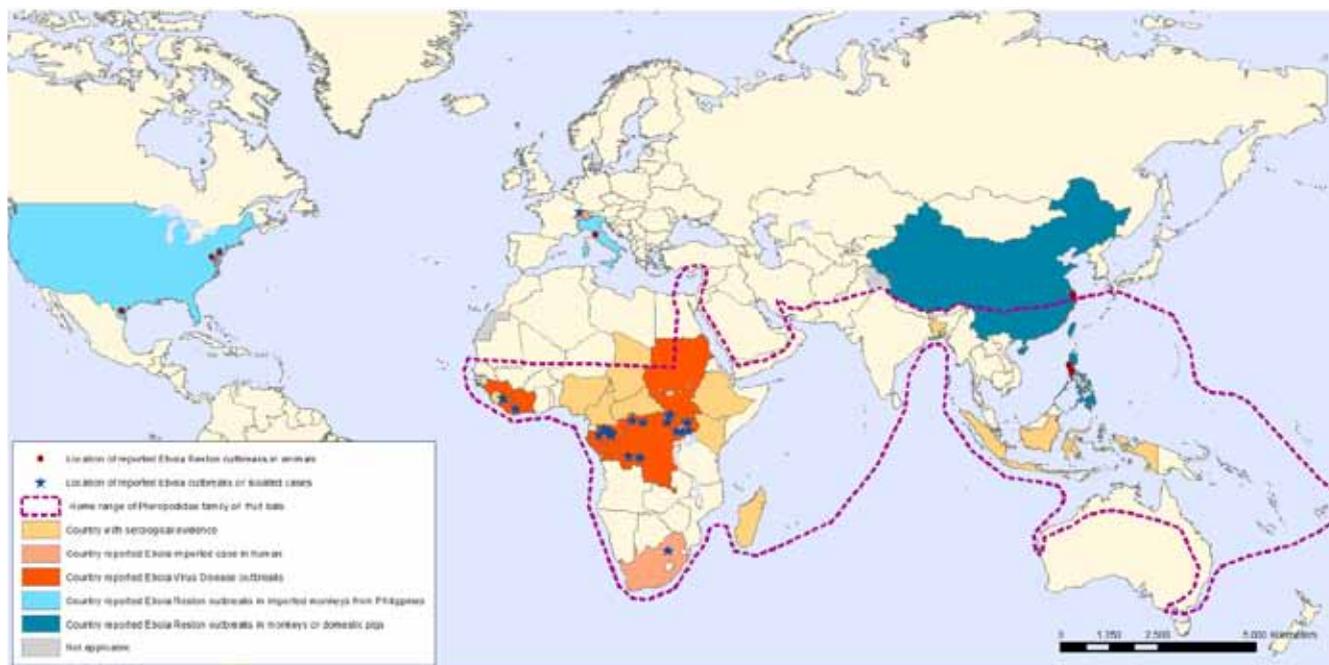
A Doctors Without Borders (Médecins Sans Frontières, MSF) spokesman said the disease is now spreading faster than they can keep up with. MSF is the only international institution that is providing patient care services in Liberia at this point. Samaritan’s Purse, which had previously been there, intends to return. People who have been involved in the efforts of containment report that the atmosphere in the affected areas is dominated by fear, like a war zone—you don’t know where it will strike next.

In reality, it’s impossible to know what the actual toll of the rampaging disease is. The actual death rates are higher than those official counts announced by health officials and caregivers because people living in the countryside or small villages away from towns, are not able to get to a health-care facility, or they avoid the tiny part of the health-care system that still functions, because everybody they have heard about who went, has died. The fatality rate is much higher in these areas because if people do get treatment, it is so late in the infection process, that their chances of surviving are small.

After the Aug. 7 hearing of the U.S. House Foreign

FIGURE 1

**Geographic Distribution of Ebola Virus Disease Outbreaks in Humans and Animals**



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Affairs Subcommittee on Africa, Global Health, Global Human Rights and International Organizations, Chairman Rep. Chris Smith (R-N.J.), said simply, that at this point, delay in dealing with the situation is denial.

**The Virus and the Outbreak**

Ebola kills 50-90% of its victims. There is no cure, but the earlier an infected person gets treatment, the better are his chances of survival. A majority of the higher death rates occur when people die in place, often infecting family members who care for them, and who then suffer the same fate. Two Liberians who emigrated and live in the United States have reported that their entire families of eight and nine people back in Liberia died from Ebola in this manner. This is just an example of a process that has repeated itself many times.

The virus is transmitted by means of contact with the bodily fluids of an infected person. This is a relatively less effective vector than through droplets in the air, but still very dangerous. Health-care workers, both doctors and nurses, have been especially victimized by Ebola. Sierra Leone disclosed Aug. 15 that 32 nurses died from Ebola while performing their duties between May 24 to Aug. 13. The doctor leading the fight against Ebola there, Sheik Umar Khan, died of the disease, as did another leading Sierra Leone doctor.

The present Ebola epidemic is thought to have started with the death of a boy in Guinea in December 2013, which was not recognized as being caused by Ebola at the time. The number of deaths started increasing in February, and the virus was identified as Ebola in March.

Ebola hemorrhagic fever begins with flu-like symptoms, which can quickly become internal hemorrhaging. The incubation period before symptoms appear is usually 6-12 days, though it can vary from 2-21 days. Before symptoms appear, the virus spreads rapidly in the body, without the victim being aware that he or she is infected. Once a person is symptomatic, he or she is contagious.

The media are twisting the fact that since the virus is transmitted through direct contact with bodily fluids—blood, sweat, urine, etc.—and not through air droplets, this means it is hard to transmit. In reality, it’s only *relatively* hard, as compared with aerosol transmission. If you are in direct contact with bodily fluids, you will almost certainly get the virus.

The disease, which is a level-four pathogenic disease, requires the highest-level containment facilities, which also makes it harder to study.

The microbe—Zaire Ebolavirus—is a single-stranded type of RNA virus, which creates more possi-

bilities of mutation, and therefore makes it more difficult to make a vaccine. There are five strains of the Ebola virus, four of which have caused disease in humans. The Zaire Ebolavirus strain now running rampant in West Africa was discovered in 1976 in the Democratic Republic of Congo (then called Zaire) and Sudan. In the Zaire case, 280 died near a river named Ebola in Zaire.

In the Zaire case, the virus was discovered, and later identified, after an uncontrollably bleeding trader arrived at Yambuku Hospital, run by Belgian nuns, near the Ebola River. In a matter of days, 40% of the nurses had an unknown infection; 150 of the staff ultimately died. One infected nurse went to a hospital in the capital, Kinshasa, where doctors found the disease to be similar to the Marburg virus, which originated in eastern Kenya, which led to its identification as a hemorrhagic fever virus.

Since then, there have also been 20 lesser outbreaks of Ebola virus elsewhere in the DRC and Sudan, as well as Uganda, Congo Republic, Gabon, and Ivory Coast.

### **Expert Testimony**

The two expert witnesses gave an on-the-ground picture of the horror to Congress on Aug. 8: Ken Isaacs, who works with the NGO Samaritan's Purse, which is active in the West Africa crisis zone, and Dr. Frank Glover, Jr., a Johns Hopkins-trained M.D., who also has a doctorate in public health.

Glover, who has been in and out of Africa for 20 years, said that the situation was already out of control, that there would be an untold number of victims, and decisively brought home the reality of the catastrophic potential for a biological holocaust. Isaacs had previously had a long career in USAID's Office for Disaster Assistance and has worked in disasters in many countries. He and Glover reported that death rates from the Ebola outbreak will be at an unimaginable level. Whole families are dying.

Isaacs testified that from 1976, when the disease was discovered, to outbreaks in 2008, there had only been 2,232 infections, in various outbreaks in central Africa, and a little more than 1,500 killed.

The present outbreak, he noted, is in densely populated areas, in the cities of Liberia, Guinea, and Sierra Leone, and has arrived in Lagos, Nigeria, with a population of 25 million. It is spreading rapidly. He said that the infection and death rates of this present outbreak

will quickly surpass the combined total of all previous outbreaks.

Isaacs said, "We believe the reported numbers only show 25-50% of the cases."

He pointed out that the Ministries of Health in Liberia, Guinea, and Sierra Leone do not have the capacity to deal with these crises in their countries. He also said that developing countries could be destabilized by the effects of the epidemic, which could lead to further global complications. If a mechanism is not found for the international community to become directly involved, "then the world will be relegating the containment of this disease that threatens Africa and other countries to three of the poorest nations in the world." Attention only began to be paid to the epidemic, he noted, after the American doctor and nurse of his NGO contracted the disease.

Isaacs emphasized that local doctors and health-care workers didn't realize the deadly character of the disease, and didn't have the equipment to determine who was infected and who was not, so they themselves got infected while treating people they didn't know had Ebola. The infected health workers then inadvertently spread the Ebola virus to patients who were seeking care for other diseases; this then led to the infection and death of those patients, as well as to the caregivers themselves. The virus presents with symptoms that are similar to 50% of the other diseases the caregivers normally come into contact with (fever, joint pain, diarrhea, and vomiting). Isaacs said that more medical labs are urgently needed, and called for a coordinated international response. He characterized the international response thus far as a failure.

### **Liberian Medical System Has Collapsed**

Dr. Glover has spent four months a year in Liberia over the last few years, and presented chilling first-hand evidence. He testified that he had visited most of the health facilities in the country of 4.2 million, noting that they are all under-staffed and under-equipped. Fewer than 200 doctors existed prior to the epidemic. After the outbreak, the number of doctors involved in clinical care went down to 50. This was the result of the exodus of 95% of the expatriate doctors.

After the outbreak, the epidemic began claiming the lives of nurses, who did not have adequate protective gear, not even gloves. As a result, they fled the hospitals. Once a few doctors died of Ebola, all of the gov-

FIGURE 2  
Confirmed Cases of Ebola



ernment hospitals essentially closed. Even patients refused to go into the hospitals. Nurses say they will return when they get protective gear, such as gloves, goggles, and gowns.

Glover’s shocking report showed that, in the middle of this enormous medical crisis, there is hardly any medical care available in Liberia. At the only hospital in Monrovia which treats Ebola, and which has five African doctors, there is only space for 25 patients; others are turned away. The emergency room at this hospital has been shut down because there is no protective gear. Yesterday the government began to expand this Ebola treatment center, which is one of only two in the country.

Glover noted that most patients with Ebola are dying in their communities, and when family members care for them, they also get the infection. To make things worse, people are dying of treatable diseases, such as malaria, typhoid, pneumonia, and surgical illnesses, because no facilities are functioning because of health-care workers’ fear of being infected by a person seeking treatment.

Glover said that many people die within 24 hours of presentation of symptoms, and that there is no way to count all the people who are dying. Conditions for spread of disease have been magnified due to the fact that many rural people who have moved to the cities seeking employment live in extremely crowded conditions, and travel in public transport that is packed with

people who may be infected.

He said that the only way to contain any infectious disease is to reach every person that an infected person has come into contact with, a number which may be in the hundreds, but Liberia does not have the capabilities to do this. Thus, victims’ contacts are not being tracked down. He reported that, to work in these conditions, health workers need to have their skin entirely covered, and such equipment is just beginning to trickle in.

Glover also said the death rates are going to be at a level nobody can imagine.

Isaacs reported that burial practices in Liberia have contributed to the spread, because of veneration of the dead. This includes kissing and washing of the deceased, in which family members contact body fluids which transmit the virus.

### PTSD: A Further Complication

In addition to the effects of poverty in Liberia and Sierra Leone, the situation has been significantly worsened by 14 years of protracted internal conflict in Liberia, and 11 years in Sierra Leone, wars which made the states ungovernable. As a result, as the witnesses pointed out, for that period, there was no education, which is greatly complicating the efforts to inform the populations about the nature of the disease, and what has to be done to prevent it from spreading. Seventy-five percent of the Liberian population is illiterate as a result of the internal war.

As a result, the two nations are ready-made petri dishes where epidemics can easily develop.

The witnesses also said that a great part of the population of Liberia (and the same holds for Sierra Leone) suffers from Post-Traumatic Stress Disorder (PTSD) because of horrible things they saw, or that happened to them, during that period. In Sierra Leone, for example, a significant number of adults and children had limbs hacked off.

## Set Up To Spread

The danger is that the conditions created by the wars in Liberia and Sierra Leone have turned them into incubators from which Ebola can spread elsewhere in West Africa, and beyond. Nigeria, the most heavily populated country in Africa, is setting up a special hospital 200 km north of its largest city, Lagos, in hopes of preventing a serious outbreak there. A traveler from Liberia died of Ebola there, one of his hospital caregivers has subsequently died, and other hospital workers have been infected or are in quarantine.

The UN estimates that by 2015, Lagos, which presently has a population of over 25 million, will be the world's third-largest megacity, after Tokyo and Mumbai. A serious insurgency in northeastern Nigeria would also make it more difficult for Nigeria to deal with the infection, if it gets out of control.

WHO warned that Kenya is also at high risk for the disease, because it is a transport hub. Seventy flights a day arrive there from West Africa. British Airways has suspended flights to Liberia and Sierra Leone, and regional airlines have begun suspending flights from the three main hotspots. Chad has suspended flights from Lagos.

Other continents are not immune. Serbia already has 14 people under observation as potentially having the disease. Southern Europe is also extremely vulnerable, since there is massive migration from Africa, on the order of 75,000 refugees since the beginning of this year. Although most come from countries not yet known to have Ebola, the danger is clear—and concern is spreading.

## International Resources Needed

While any real solution requires crash programs to build infrastructure and economies, an immediate mobilization is also needed on the health-care front. Epidemiologist and public-health expert Dr. Michael T. Osterholm is calling for a broad international mobilization



EG/ECHO

*Despite the valiant efforts of in-country health providers, educators, Doctors Without Borders (MSF), WHO-organized public-health agencies, and Red Cross and Red Crescent, the geographic spread of the disease and shortage of personnel make it impossible to implement an effective control strategy. Here, health workers prepare to aid Ebola patients, April 2014.*

because there are not enough front-line providers of medical care. He says that despite the valiant efforts of country health providers and community educators, Doctors Without Borders, WHO-organized public-health agencies, and the Red Cross and Red Crescent, who are dedicated and heroic, and have helped stop outbreaks in the past, an MSF spokesman told him, the geographic spread of the disease and shortage of personnel will make it impossible to implement an effective control strategy.

Osterholm notes that the three countries that make up the center of the outbreak, have a population of 22 million people in a 165,000-square-mile area. Given that the victim countries do not have the capabilities now, the small number of personnel that the WHO can mobilize is not sufficient.

As he put forward in an opinion piece Aug. 3, Osterholm advocates a two-pronged approach for the immediate period: a mobilization by the United States, Canada, Germany, Britain, France, Italy, and Japan to deploy hundreds of infectious disease experts, in addition to medical and technical assets to map the epidemic. In addition, hundreds more personnel will be

needed to establish treatment centers, as well as to work with local leaders and educators to help people learn how to stop virus transmission.

In addition, there needs to be a strong commitment from the three governments to stop the epidemic. The three leaders—Presidents Ellen Johnson Sirleaf (Liberia), Alpha Condé (Guinea), and Ernest Bai Koroma (Sierra Leone)—have declared states of emergency, but their efforts have to be coordinated with the WHO and the NGOs. This is crucial to stop the fear and panic.

Osterholm warns that if such an all-out mobilization is not made, West Africa could be further politically and economically destabilized. Already some crops are not being harvested, he reports, because of unrest resulting from the outbreak. His assessment is that the situation is at a critical point, and if the international community doesn't respond adequately, there could be a dramatic and dangerous shift in West Africa's future.

The world paradigm-shift represented by the BRICS offers the real promise for Africa as well as for the planet. But problems such as Ebola, which has gotten out of hand because Africa has been prevented from

being able to develop; and the anti-government warfare being conducted by proxy British financial empire-steered militias, are being used to sabotage the BRICS Africa initiative.

### LaRouche Warned

In LaRouche's 1974 warning of a potential biological-ecological holocaust, he accused the IMF and other international financial institutions of carrying out an intentional policy of genocide through the imposition of austerity aimed at depopulating the planet.

As of the 1980s, such consequences were already unfolding, as was especially evident in the AIDS pandemic, which devastated the African continent.

In 1983, LaRouche wrote of "the threatened resurgence of epidemics and perhaps even pandemics now that endemic potentials are arising from collapsing economies in both the industrialized and developing nations." *EIR's* 1985 Special Report detailed the scenario of a potential "biological holocaust"; in February 1986, an updated report was published, "An Emergency War Plan To Fight AIDS and Other Pandemics."

In a presentation on Aug. 30, 1997, LaRouche stated: "With the [Rwandan and Ugandan] invasions around the Ebola districts in Africa, we're in danger of an Ebola breakout internationally, as well as other diseases, which turn up from obscure places, and can tend to become pandemic—epidemic and pandemic—for which humanity has no present immune potential; can kill off whole masses of people in very short periods of time, under these kinds of Four Horsemen of the Apocalypse conditions."

To prevent the danger of pandemics, he advocated for Africa in particular, as well as the rest of the world, water, power, and infrastructure so that productive economies could be built, and modern, in-depth public health, and sanitation systems installed, and medical care established. Such developments would prevent the continent from being turned into a breeding ground for and victim of pandemics.

An estimated 1 billion persons today lack safe drinking water, and 2.5 billion—a third of the planet's population—lack water for sanitation. Considered on the crudest basis of volume of water available per capita, ratios in many parts of the world are below that needed for minimal personal use, and far below per-capita requirements that would reflect levels of water usage consistent with modern economic activities of industry, agriculture, power production, and public health.

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—Lyndon LaRouche, Feb. 11, 2013

# Italy at a Crossroad: European Nightmares or Glass-Steagall

by Claudio Celani

Aug. 12—Since the July 1 inauguration of its European Union chairmanship, the Italian government has shown positive action on Russia and other foreign policy issues. The pro-war front led by Great Britain, the U.S., and the EU Commission, has reacted by striking at Italy's weak flank: the economy. Italy's poor economic figures have been used as pretext to threaten a takeover of the Italian economy by the Troika (IMF, European Central Bank, World Bank), Greek-style. This, in turn, has increased support among the opposition, for a break from the euro and a Glass-Steagall reform.

On Aug. 1, Italian Prime Minister Matteo Renzi nominated Foreign Minister Federica Mogherini to replace Catherine Ashton as EU High Representative for Foreign and Defense Policy.

Mogherini's appointment would bring about a shift from the line pushed by Ashton, who has been a spokesman the British imperial policy on Ukraine, etc. Mogherini is a strong supporter of involving Russia in decisions on Eastern Europe, and, at the beginning of July, she went on a diplomatic mission to Kiev and Moscow, achieving a deal for Russian participation in negotiations for the EU-Ukraine Association Agreement.

The war party is trying to sabotage Mogherini's appointment with all means at its disposal. Both the Polish and Romanian governments pushed their own candidates, and George Soros pulled together a group of former heads of governments and foreign ministers to sign onto an anti-Mogherini manifesto, calling on EU current leaders to choose, on Aug. 30, "the strongest candidate, and not detour from short-term interests, proportions, and quotas."

"In view of the airplane shot down over the Ukraine, a further escalating security situation in the Near and Middle East, and growing tensions in Asia, this is not the time for apprentices," the statement said, implying that Mogherini is not experienced enough for the job.

Besides Soros, prominent signatories include Wolfgang Ischinger (Munich Security Conference), Hans Eichel (former German Finance minister), Karel



Creative Commons/Mikael Sjöberg

*Italian Foreign Minister Federica Mogherini has been nominated as EU High Representative for Foreign and Defense Policy. She is a strong supporter of involving Russia in negotiations between Ukraine and the EU.*

Schwarzenberg (former Czech foreign minister), and former ministers and heads of governments of Poland, Denmark, Spain, Lithuania, and Austria.

The manifesto was published Aug. 1 in the Berlin daily *Tagesspiegel*, as a message to Germany.

Then, on Aug. 6, U.S. Secretary of State John Kerry gave an interview to *La Stampa* to pressure the Italian government to stop its "Putin-friendly" activities. "The tragedy of the MH17 flight," Kerry said, "has made clear what we had long warned against: There are consequences for the escalation which go beyond the Ukrainian borders. The European Union closes ranks against Moscow because Putin is responsible for the support given to separatists: he must pay."

## Joining the Fight Against the Vultures

While the Italian government has not answered these threats, a consequence of those pressures was visible on another front, Argentina.

Mogherini was scheduled to visit Buenos Aires on Aug. 5, to show solidarity with the Argentinian government in its fight against the vulture funds. (She cancelled her trip at the last minute, using as a pretext, a hearing of the Parliament Foreign Policy Committee.) She had been backed by a parliamentary petition initiated by members of her party, in the context of a general public concern for the way the vulture funds and U.S. courts have dealt with a sovereign country (see *EIR*, July 18, 2014).



*Antonio Maria Rinaldi, an economics professor and chairman of the newly founded Riscossa Italiana, warns against an ECB dictatorship.*

Also reflecting this concern, was a statement by Italian members of the European Parliament, warning that those same vulture funds are buying up debt assets in Europe, getting ready to use the Argentinian precedent to seize public and private and properties.

Marco Zanni, head of the M5S (Five Star Movement) faction in the European Parliament, and Marco Valli, a member, like Zanni, of the Finance and Monetary Committee of the EP, published such a statement on their Facebook page (see box).

### **Draghi: Surrender Your Sovereignty**

But the strongest attack came from the ECB, in a replay of the ultimatum that led to the fall of the Berlusconi government in 2011. Based on new data showing a GDP drop for two quarters in a row, thus placing Italy officially in recession again, ECB head Mario Draghi said that Italy should surrender its sovereignty to the EU, implying that the Troika should run the government.

Draghi claimed that the GDP decline is due to lack of private investment, which in turn is due to lack of “reforms,” and that such reforms should be carried out by Brussels (EU headquarters).

“There is one further area which has acquired, if anything, even greater importance during the crisis, which is the area of structural reforms,” Draghi said. “And that’s where I said several times that it’s probably high time now to start sharing sovereignty in that area as well, taking the structural reform area in the marketplace, product reforms, single market legislation, implementation and labor market reforms, under common union dis-

cipline—in other words, trying to replicate our success in the budgetary area also in the area of structural reforms.”

Draghi’s arrogance is all the more unfounded, as he claims that EU budget policies have been “successful,” whereas, in fact, they have failed totally, after having devastated Greece, Spain, Portugal, and now, Italy.

That is what Antonio Maria Rinaldi, an economics professor and chairman of the newly founded Riscossa Italiana (Italian Revolt), told Draghi in an Aug. 10 article in *formiche.net*.

Draghi pushes for supranational dictatorship because he is aware that his policies have failed, Rinaldi wrote.

“I am perfectly convinced,” he wrote “that even if the ECB adopted overnight the same mandate as the Fed [U.S. Federal Reserve] by cut and paste, it would nevertheless fail in its intent. In fact, past LTRO [long-term refinancing] operations and direct purchases of assets under the OMT [outright monetary transactions] program were barely effective, and similarly, he could implement all possibly imaginable QE [quantitative easing], creating all possibly imaginable liquidity beyond the QEs, monthly implemented by his American and Japanese colleagues, without succeeding in pulling the European economy out of the grip of deflation.”

That is why Draghi exceeded his mandate. “Nowhere in the statute or the rules for the ECB,” Rinaldi wrote, “can one single syllable be found, allowing the ECB chairman to call for waiving sovereignty, even partially, of member states.” Evidently, Draghi sees such a waiver as “the last gasp, before the ultimate implosion of Euro.”

“I would like to loudly remind chairman Draghi that European countries, Italy in the first place, succeeded in securing democracy and self-determination through the blood shed by millions of individuals, after centuries of wars and conflicts, and therefore, they are absolutely not willing to renounce rights and principles which are inalienable and non-negotiable, in favor of non-elected, clearly partisan bodies.”

According to Rinaldi, Prime Minister Renzi, although formally rejecting a Troika takeover of the Ital-

ian government, is going to use such a threat in order to implement the same “insane policies” in the short term. In fact, in interviews with *La Stampa* and the *Financial Times* on Aug. 10, Renzi acceded to Draghi’s demands. “Draghi’s statement is: If Italy does not push through reforms, the country is not attractive for foreign inves-

tors. Well, this is also my and [Economy Minister] Padoan’s view. We agree, no problem,” Renzi said.

It has been reported that the government plans to introduce a compulsory levy on private wealth (bank accounts), i.e., “bail-in,” in order to find the missing EU20 billion to balance the budget in September.

## Vulture Funds Role in Europe Revealed

*Here is the statement issued on Aug. 7 by Marco Zanni and Marco Valli of the Finance and Monetary Committee of the EuroParliament. The statement has been covered by the Rome newsletter Osservatore Politico Internazionale.*

The U.S. Supreme Court decision in favor of US hedge funds NML Capital and Elliott Management, causing Argentina’s default, sets a very dangerous precedent. However, there has been too little attention to the effects that such a decision could have in Europe and Italy. Not many know that the same predatory vulture funds that have gotten a green light from the Obama Administration and the Supreme Court of the United States to foreclose on the nation of Argentina have been quietly positioning themselves over the last 18 months to buy up tens, if not hundreds, of billions of dollars of bad debt on the books of Europe’s leading banks, for 3-4 cents on the euro, to then turn around and use their corrupt court systems to forcibly collect full face value.

Paul Singer’s NML Capital, and its parent, Elliott Management—the lead vulture fund in the current assault on Argentina—over the course of 2013 bought up at least EU1.3 billion in non-performing loans from Europe’s largest bank, Banco Santander, and associated Spanish financial institutions such as Bankia. The total cost to Elliott was a mere EU50 million, less than 4% of the face value of the loans. Elliott also purchased the Spanish “debt recovery” firm Gesif at the end of 2013, to convert it into its operational base in Spain for the expected surge in “business” in 2014.

The vulture funds are buying up large quantities

of distressed debt, not only in Spain but also Italy. Last year, Unicredit sold almost EU1 billion (EU950 million) worth of bad consumer loans to Cerberus for less than the market value of EU80 million. Currently, Unicredit is selling its entire bad loans unit, Unicredit Credit Management Bank (UCCMB), with a portfolio of over EU40 billion, accounting for 32% of the entire Italian market of non-performing loans.

It is reported that former Goldman Sachs/Merrill Lynch, and now UBS banker Andrea Orcel, will broker the sale. Orcel is the man who advised Monte dei Paschi di Siena in the purchase of Antonveneta Bank from Santander. There are six vultures bidding for the deal: Apollo Global Management, Fortress Investment Group, Lone Star Group, Cerberus, a division of the Italian Cerved Group, as well as a group participated by Goldman Sachs, Deutsche Bank and TPG Capital.

If on one side these operations help the major banks pass the stress tests which the European Central Bank is currently conducting, on the other side speculative funds would have an enormous power in their hands; imagine the consequences if some European court of justice takes a decision similar to the U.S. Supreme Court on Argentina. If speculative funds were recognized as having the right to be reimbursed for the nominal value of credits they bought for a dime, and the right to seize debtors’ assets, what would be the consequences from an economic-social standpoint?

To prevent the continuation of such speculation on the life of citizens, it is necessary to discuss not only at the European, but at global level, rules on state bankruptcies. In fact, there is no precise legislation that regulates defaults of states (and therefore of sovereign debt), as is the case for companies and individuals (i.e., Chapter 11 in the U.S.). We will propose for Europe a negotiation of a law or a mechanism with clear and precise rules that regulate state bankruptcies, like those regulating individual and firm bankruptcies.

## Glass-Steagall and Euro-Break

Italy would not survive another round of the same policy which has been implemented since the ECB coup in Summer 2011. Deadly austerity policies inaugurated with the Mario Monti technocratic government, and continued under the EU “autopilot,” have intensified the economic desertification of Italy. The country has lost one quarter of its manufactures since 2008, and since the beginning of this year, over 4,000 firms have closed shop.

Most dramatic is the yearly report by Svimez, the Association for the Development of Industry in the Mezzogiorno (Southern Italy), showing that the region has been thrown back 40 years.

The Mezzogiorno “is sliding more and more into backwardness: In 2013, the gap in GDP per capita [compared with Northern Italy] has fallen back to the levels of ten years ago,” says the introduction to the Svimez report. “In the 2008-2013 period household consumption has collapsed by almost 13%; industrial investments by 53%; university enrollments are back to the early 2000s, and for the first time, the employment figures have fallen below the psychological threshold of 6 million, the lowest level since 1977. The region is threatened by industrial and human desertification, with continued emigration, falling birth rates, and impoverishment. In five years, absolutely poor families have increased by two and a half times, from 443,000 to 1.14 million. Forecasts for 2014-2015 contained in the Svimez report confirm the negative trend.”

It is clearer than ever that the country must reverse its course and go for an investment and development policy. With real unemployment at 25%, Italy is in a situation similar to the U.S.A. in 1933, when Franklin Delano Roosevelt took office. FDR-style policies must be adopted, starting with the banking separation reform, i.e., Glass-Steagall, and full government sovereignty over national affairs—which means a break out of the euro system.

Popular support for this policy is increasing, and some legislators are feeling the pressure. An example of this is a new draft bill for a strict Glass-Steagall reform, introduced on Aug. 6 by Manfred Schullian, a representative of the South Tyrol Popular Party, in the Chamber of Deputies. The bill is based on the one passed by the Regional Parliament of Tuscany on July 2. That bill was drafted by Regional Councilman Gabriele Chiurli, and presented with the explicit inten-

tion of clearing the air with respect to the Glass-Steagall “lite” bills and proposals that have been made by the Italian Democratic Party, and others that reflect the influence of the “reforms” under discussion at the EU level.

The text of the bill is not yet available, but the introduction—written with input from Movisol, the LaRouche movement in Italy—is said to deal specifically with the need to combat efforts to water down the strict separation between commercial and investment banking, as required by the original Glass-Steagall law.

With the Schullian and Tuscany measures, there are at least three Glass-Steagall bills in the Italian Chamber of Deputies, and six in the Senate (scheduled for discussion in the Banking Committee).

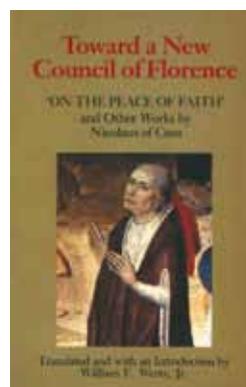
Stressing the urgency of the reform, Movisol has issued a call to all labor and industrial associations to support a Glass-Steagall reform as the way to free the economy from speculative debt and eliminate the main dynamic towards a world war. The call was issued by Movisol chairwoman Liliana Gorini and Movisol economic expert Massimo Lodi Rizzini.

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FROM THE VINEYARD

## Obama Follows Cameron, Inciting More Illegal Wars

by Jeffrey Steinberg

Aug. 18—President Barack Obama returned briefly to Washington today from his two-week vacation on Martha's Vineyard to confer with Administration officials on two of the myriad crises he faces: the ongoing protests in Ferguson, Mo., and the dire situation in Iraq.

There are no indications that the President plans to remedy the fact that he is in violation of the War Powers Act and Article I, Section 8 of the U.S. Constitution, giving Congress exclusive authority to declare war, by requesting authorization for his actions.

Obama has persistently lied to Congress and to the American people about the scope of U.S. military operations in Iraq, and has, in effect, launched a third Iraq war.

Obama's actions are in tandem with British Prime Minister David Cameron, who has escalated British military operations against the Islamic State (IS/ISIS). Cameron published an op-ed in the Aug. 17 *Sunday Telegraph* announcing an expansion of British military operations against IS, which he accurately labeled "warped and barbaric," and which is moving rapidly to consolidate a "terrorist state" in Iraq and Syria. Ever the hypocrite, Cameron, who speaks for the British/U.S. imperial forces that *created* IS in the first place, wrote that IS must be defeated now, "Because if we do not act to stem the onslaught of this exceptionally dangerous terrorist movement, it will only grow stronger until it can target us on the streets of Britain. We already know that it has the murderous intent" (see following article).

More honestly, and ominously, Cameron echoed

Tony Blair's perspective of a "long war"—in effect, a permanent war with no peace strategy in sight. President Obama's numerous statements have echoed that perspective.

### **Mission Creep, No Exit Strategy**

Obama has ordered an increase in the bombing, now identifying the Mosul Dam as a priority target for recapture from IS. In the past week, under Obama's expanded bombing orders, the number of U.S. bombings has doubled since the start of the bombing campaign on Aug. 8. In an interview with the *New York Times* a day before the bombings began, Obama had lied that the United States would not become the air force for the Kurdish Peshmerga or the Iraqi Army. Yet, that is precisely what has happened in the intervening ten days.

At the very first White House briefing on the U.S. intervention, senior Administration officials stated that the American mission would include protection of Iraq's "vital infrastructure."

In a presentation at the annual Aspen Security Forum in July, Gen. Martin Dempsey, Chairman of the Joint Chiefs of Staff, had identified IS as a strategic threat. However, he cautioned that the nations of the region on the front lines of the battle had to take the lead and work together to defeat the jihadist threat over a prolonged period of time. He emphasized that there had to be cooperation with Iran in the effort, and that the United States could not take the lead.

According to Washington sources, Dempsey warned President Obama that IS was on the verge of overrunning the Kurdish region and capturing its capital city, Erbil. He warned that if IS did succeed in taking the Iraqi Kurdish region, its next likely target would be the Kurdish region of Iran. Given the support that has flowed to IS from the Sunni Gulf states, Dempsey told the President that Iran was a far more likely target of IS than Saudi Arabia. If IS did launch operations against Iran, this would lead to a regional war and possibly worse.

According to the sources, Dempsey also demanded that the Obama Administration develop a clear plan of action, and an exit strategy, before any further action. The sources indicated that one reason that Obama was adamant about *not* going to Congress is that the Administration in fact has no strategy for dealing with the Iraq-Syria crisis, IS, or any other element of a genuine regional security plan. Obama and his inner circle are clearly committed to expanding the President's unitary executive powers, and this is another reason why the Administration has no plans to seek Congressional authorization for the creeping "long war" that the U.S. is entering in Iraq.

## New Questions

The first Obama justification for military engagement in Iraq, the so-called "humanitarian" mission to rescue 40,000 Yazidis, a religious minority, trapped on Mount Sinjar, is now being called into question. Last week, when the Iraq mission reached Day 60, triggering the War Powers Resolution, President Obama abruptly announced that the rescue mission had been completed, and nearly all the Yazidis had escaped from the mountain. *New York Times* reporter Allissa Rubin, who was on the scene, wrote that "the Yazidis feel so betrayed by the Arab neighbors they had lived among for so many years; they all turned on the Yazidis when ISIS came. Many of the atrocities were carried out not by the militants but by their own neighbors."

Writing in antiwar.com, Jason Ditz was even more explicit: "So to sum up, President Obama started a war to save 40,000 trapped Yazidis from ISIS, and there weren't 40,000 of them, and they weren't trapped, and now it turns out ISIS also wasn't nearly so involved as previously indicated. America was lied into the first Iraq War in 2003 on some mighty flimsy pretexts but it seems the administration didn't learn any of the lessons, even bad lessons like keeping your lies less trans-

parent, and the whole pretext collapsed in just over a week. The war, however, will go on much, much longer."

The idea that U.S. and British military action in Iraq—action by the very players who created the current crisis with their two previous wars—could solve any problems in the region, of course strains credulity. In the context of the current warlike stance of the same nations against Russia, such action is doubly dangerous.

## Backing Nazis in Ukraine

Again following Cameron's lead, Obama continues to support the Ukraine regime in its brutal campaign of murder against its own citizens of the eastern and southern parts of the country, in clear violation of the April 17, 2014 Geneva accord that was signed by Secretary of State John Kerry, Russian Foreign Minister Sergei Lavrov, and their Ukrainian, French, and German counterparts.

Despite verification by the International Committee of the Red Cross that the Russian truck convoy carrying humanitarian aid to the besieged cities of eastern Ukraine is only carrying food, blankets, and other vital humanitarian survival material, the Ukraine government continues to stall on providing the agreed-upon security assurances to allow the caravan to cross the border into Ukraine.

On Aug. 18, German Foreign Minister Frank-Walter Steinmeier hosted another round of negotiations in Berlin among Russia, Ukraine, France, and Germany to reach an agreement on a ceasefire, the humanitarian aid deliveries, secured borders, and the long-promised political reforms. As the diplomacy has sputtered along, Ukrainian forces have continued the brutal bombing and artillery shelling of cities in the east, sending a flood of refugees across the Russian border. Every time that the so-called Ukraine National Guard, comprised almost exclusively of Right Sector self-professed neo-Nazis, commits an atrocity against civilians fleeing the bombings, the Kiev government blames either Russia or the Russian-speaking minorities in eastern Ukraine who are seeking autonomy. And Washington obligingly joins in the propaganda fest in a daily ritual of demonizing Russian President Vladimir Putin.

The outcome, unless the Ukraine crisis can be de-escalated, is that NATO and Russia are headed for a direct confrontation, a confrontation that no one is likely to survive.

# ISIS Is the Effect, Not the Cause, of The New Dark Age!

by Hussein Askary

Aug. 13—In an op-ed published today in the Swedish daily *Svenska Dagbladet*, Prime Minister Fredrik Reinfeldt and Foreign Minister Carl Bildt called on the UN Security Council to unite their efforts to “prevent genocide” in northern Iraq, which the terrorist Islamic State in Iraq and Syria (ISIS) is threatening to perpetrate against Christians, Yazidis, Kurds, and other ethnic and religious groups.

I have to react immediately against both Reinfeldt and Bildt, in spite of the tragic reality that is engulfing my people in my country of birth, Iraq; not because I don't want Sweden to help the victimized people, but because for the two to capitalize politically on this situation without pointing out or admitting the real causes of this humanitarian crisis, and without changing the policy that created it, we will never be able get out of this hell of a New Dark Age. We will soon be in exactly the same situation, either in Iraq or in another country in Southwest Asia and North Africa. To fight ISIS in Iraq, but support them and other so-called rebel groups in Syria, is not only hypocritical. It is criminal.

My case against Reinfeldt and Bildt is that the existence of ISIS and its expansion is the result of their own support, and the support of other European Union and NATO nations and their friends in Saudi Arabia, Qatar, and Kuwait to the British-American “regime-change” policy that started in Iraq (2003), and continued in Libya (2011), and Syria (since 2011). That policy was pronounced by Tony Blair in 1999, and defended by him in 2004, as the end of the Westphalian Treaty system of sovereign nation-states.<sup>1</sup>

It was the assault on those nation-states' sovereignty and independence, and the destruction of their rela-

tively modern state institutions such as the army, police, and security forces, and relevant general infrastructure, that created the chaos and vacuum later occupied by such terror groups as al-Qaeda, Ansar al-Sharia, Jabhat al-Nusra, and the Islamic State which has metamorphosed from ISIS.

There has been a conscious and clearly defined policy in the U.S. and Britain to allow these groups to get control, weapons, financial, and media support either directly through the American CIA, British MI6 and Special Forces (SAS), or indirectly, through the agents and clients of the U.S. and Britain in the region, such as Saudi Arabia, Qatar, other Gulf States, Jordan, and NATO-member Turkey.

For example, following the murder of Libyan leader Muammar Qaddafi in October 2011 by Libyan jihadists who were assisted by NATO's and Sweden's air forces to take over the country, a cooperation process was initiated between the Western intelligence agencies and the al-Qaeda-connected Ansar al-Sharia and Libya Shield militias in the eastern Libyan city Benghazi. That collaboration also involved Saudi Arabia, Qatar, and Turkey. This collaboration entailed terrorists and jihadist recruits and weapons seized from Qaddafi's arsenal being flown by Qatari and Turkish airplanes to Turkey, and later, across the border from NATO-member Turkey to Syria, to fight the Syrian army and Bashar al-Assad's regime.

This collaboration created a security gap in Benghazi through which the al-Qaeda-connected militias approached the U.S. Consulate and CIA offices without being detected on Sept. 11, 2012, and killed the U.S. Ambassador and three CIA officers. The same militias who were given a security clearance to “defend” the U.S. outposts, obviously attacked the U.S. officials rather than “protecting” them. That issue is still a matter of heated political disputes and legal processes in the U.S., as the Obama Administration clearly lied about the nature of the attack in Benghazi, the perpetrators, and the whole purpose of the existence of the CIA and such a high representation there, rather than in the capital, Tripoli.

Sometimes, the support for the terror groups in Syria was indirect, through such groups as the so-called Free Syrian Army (FSA) rebels, who were considered “moderate” and non-terrorist by Sweden and other Western powers. But in many cases and situations, many members and factions of the FSA defected with their weapons to Jabhat al-Nusra and ISIS.

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1. See “London's Blair Pushes Post-Westphalia Chaos,” *EIR*, Jan. 18, 2008.

## Truth Shall Set Thee Free!

Without confessing that the Western world and Sweden's operations and policies in Libya and Syria to remove Bashar al-Assad through supporting the various so-called rebel groups, have created a fertile field for al-Qaeda and ISIS in Syria and Iraq, nothing will really change on the ground. Such a confession would require that the policy changes, too. You cannot get rid of ISIS in Iraq when you support it in Syria! The theater for the New Dark Age we witness in that region was inaugurated by Tony Blair's and George W. Bush's invasion of Iraq in 2003. The entire state apparatus of the Iraqi nation was demolished. This allowed al-Qaeda to open shop in Iraq.

The British-American argument that is used by Reinfeldt and Bildt in their op-ed today, that "the Western community's failure to react in time to prevent the bloodbath in Syria has pulled Iraq into a violent quagmire," is worse than absurd. What they mean by "timely reaction," is overthrowing the Assad regime in Damascus through military intervention. In Libya, the Western community represented by the UN, NATO, and Sweden reacted "in time" to remove Colonel Qaddafi from power through military support to the "rebels." What has been the outcome? You answer me!

Well, al-Qaeda's brothers in arms, and ISIS's ideological Takfiri twins are wreaking havoc in Tripoli and Benghazi now. Who in Sweden's government, opposition, and mass media is coming forward now and taking responsibility for their actions in 2011? "I just wanted to help her, and get her to stop screaming," says the man with a bloody axe in his hand to the police about the woman who is lying lifeless at his feet. Who is going to take responsibility for creating the new Somalia on the shores of the Mediterranean? I would not be surprised if Reinfeldt and Bildt come out tomorrow to demand bombing the Libyan "rebels" this time around.

Last but not least: How could Reinfeldt and Bildt have the guts to ask the Security Council, where Russia is a key factor, to unite against the ISIS, when Sweden, like the U.S. and the EU, is supporting a Nazi regime in Kiev that is involved in a genocide against Russian-speaking people in eastern Ukraine?



*The horrors now being perpetrated by ISIS are the result of its support by the EU, NATO, the U.S., and their friends in Saudi Arabia, Qatar, and Kuwait, for the British-American "regime-change" policy that began in Iraq in 2003. Here, an ISIS convoy rolls into Fallujah, earlier this year.*

It is time to stop the hypocrisy, Bildt and Reinfeldt! Change the policy that led to this catastrophe or face accountability for your actions!

### **Knew or Should Have Known!**

In his closing statement at the Nuremberg Trials against German Nazi leaders in 1946, U.S. Justice Robert Jackson insisted that Nazi officials who were hiding behind their office desks, were actually as guilty of crimes against humanity committed by organizations and groups created and led by them. "These are rules which every society has found necessary in order to reach men, like these defendants, who never get blood on their hands, but who lay plans that result in the shedding of blood," he stated. Responding to protests by such Nazis as Hermann Göring that they had no idea of atrocities were committed by their subordinates, Jackson replied: "They do protest too much. They deny knowing what was common knowledge."

The Nuremberg Tribunal set a new legal standard to prevent genocide by powerful nations and groups: "Knew or should have known." The same standard has to be applied today against the powers and individuals who created the conditions for the genocide in Syria, Iraq, and eastern Ukraine, if we are to live in a human world community worthy of the name.

*The author is the chairman of the Swedish European Labor Party (EAP).*

# EU Sanctions Against Russia Are a Boomerang

by Rainer Apel

Aug. 16—Apparently, those parties who participated in the recent Brussels decision for enhanced EU sanctions against Russia were so arrogant that they did not anticipate that there would be a harsh Russian backlash. European aviation lines may no longer use the cheap direct route to Asia via Russian airspace as they did before, and Russia's import ban on agricultural goods from the EU will saddle European farmers with losses in the billions.

In Poland and the three Baltic states, where agricultural goods such as fruit, vegetables, and dairy products comprise a large share of recent exports to Russia, it is feared that at least EU1 billion may be lost; Spain, Italy, and Greece also are each likely to see a decline of EU500 million to 1 billion, in the export of fruits and vegetables. Even in Germany, whose agricultural goods only account for 2% of total exports to Russia, there will be an impact of more than EU1 billion.

Russia is the largest importer of agricultural goods from the EU, accounting until recently, for example, for 20% of the demand for pork and 30% of that for beef from Europe. Thus there is a substantial EU dependence on the Russian market, and the sanctions act like a boomerang against Europe's own agricultural exports. Particularly critical is the situation in the EU regions such as Andalusia, a center of Spanish agriculture, especially in fruit and vegetable production, where the official unemployment rate is now at 35%, or the peach-growing regions in Italy and Greece, with very substantial export quotas to Russia.

Unlike in Russia, where the sanctions will lead to more domestic production of meat, vegetables, fruit, and dairy products, little help for farmers is to be expected in Europe in the context of the EU's recent disastrous agricultural policy. Thousands of agricultural enterprises will be ruined by the impact of sanctions, and some hundreds of thousands of jobs in the food industry are threatened. No one will benefit from sanctions in

Europe except those stubborn EU bureaucrats who are already of the opinion that there exists "excess capacity" in the agricultural sector.

There is also no telling whether the sanctions, as is still maintained in Berlin, in particular, will be "fixed-term" for, at most, 12 months, since Russia will not yield and will certainly not withdraw from the Crimea. There will come a point at which Europe will lose all its markets in Russia to competitors from other countries. Turkey, as President-elect (and former prime minister) Recep Tayyip Erdogan has announced, wants to increase its agricultural exports to Russia significantly, and China has doubled its supplies of poultry meat to the Russian side, while Egypt wants to increase its deliveries by 30%. According to Russian Minister of Agriculture Nikolai Fyodorov, Egypt alone can deliver about half of the potatoes, onions, garlic, and oranges previously imported from the U.S. and the EU nations. Also, Russian authorities have issued import permits to about 100 Brazilian food-exporters in recent days.

## Effects in Europe

The Russian food embargo against EU imports in retaliation for U.S. and EU sanctions, is creating rage against the EU among farmers throughout its 28 member-nations, especially in those countries already suffering from harsh austerity imposed to save the bankrupt European financial system, such as Greece, Cyprus, Spain, Austria, and Portugal. All wishful thinking that Russia might not implement its own sanctions against food imports from the EU evaporated, as 3,000 trucks with Greek peaches and nectarines were turned back at the Russian border. Greek producers are demanding compensation, which the government response has said it will provide, but few believe it. The Greek government puts the farmers' losses at around EU50 million, an absurdly low figure, since the Russian market has previously absorbed up to EU500 million of Greek agricultural exports.

In Cyprus, the export volume affected, including citrus, fish, vegetables, dairy, and fruit, was around EU13.5 million in 2013. Cyprus farmers' union EKA General Secretary Panikos Hambas said: "Producers will be forced to sell their goods extremely cheaply, because the market knows they are desperate and have no other option. The EU hotshots who green-lighted the sanctions against Russia now must dig into their pockets and find a way of compensating the farmers affected by this ban." He also warned that the entire citrus indus-

try will be destroyed. “Packaging factories will close down and jobs will be lost. We must keep in mind that factory workers are almost exclusively Cypriots,” he said.

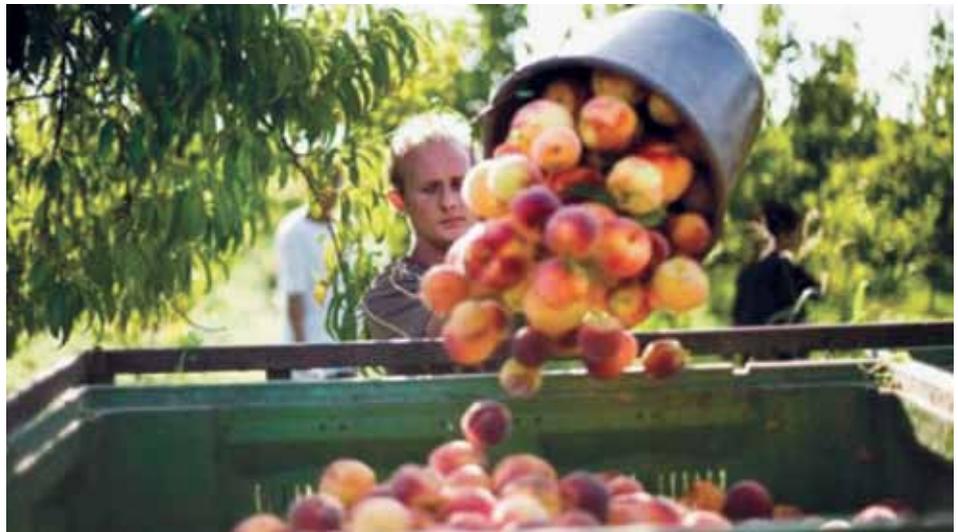
In Russophobic Poland, there is also outrage against the EU: Poland is the world’s largest exporter of apples, 56% of which (EU438 million worth) had heretofore gone to Russia. Tomasz Solis, deputy head of the Polish Fruit Growers Association, was quoted by Reuters as saying, “The political situation in Ukraine would sooner or later have affected our relations with Russia. Russia is one of our prime target markets, with 60 or perhaps even 70% of our exports going there.”

Firing an additional shot into their own feet after the recent round of Russia sanctions, the Poles now plan to ban imports of Russian coal, the Russian daily *Kommersant* reported, quoting Foreign Minister Radoslaw Sikorski as saying, “We are thoroughly considering the possibility. There is nothing else I can say.”

### Putin Does Not Want an Escalation

One can already see how, especially among the five BRICS countries (Brazil, Russia, India, China, and South Africa), in the industrial and agricultural sectors, economic relations will now be stepped up even faster than was the case prior to the Western sanctions against Russia. And in addition to Argentina, there are other South American countries that are ready to expand their trade with Russia. What started as sanctions a few months ago has grown into global economic warfare, in which especially the Europeans are being hit by heavy losses.

It is instructive to read what the Stefan Dürr, the largest milk producer in Russia with his German firm Ekosem Agrar, said about the situation, in an interview with the German weekly *Die Zeit*. Unlike most Western politicians who currently do not have any direct contact with Russian President Vladimir Putin, Dürr met with him in Moscow on the day before the Russian decision to counter the sanctions, and reported: “My impression



EPA/Attila Balazs

*Any idea that Russia might not retaliate for U.S./EU sanctions, with its own actions against food imports from the EU, evaporated as 3,000 trucks with fresh Greek peaches (like those in the photo) and nectarines were turned back at the Russian border.*

was that Putin doesn’t want the escalation of the crisis, and it affects him deeply. Putin is not the tough guy that he is always depicted as in the West. On the other hand, he is also the last person who would back down in the current conflict.”

Interestingly, Dürr supports Putin against the EU. “I advised Putin on the sanctions. Precisely because I campaigned hard for good German-Russian relations, I bore the brunt of their collapse. I believe that countermeasures will open the eyes of the West to how much we depend on each other in many areas.”

If Putin, according to Dürr, were to impose sanctions against European automobile companies, that would bring little advantage for Russia, because the development of an extensive automotive production capability for Russia itself is not yet in the works. On the other hand, the agricultural sector will now be massively expanded, using state support from Moscow. For years, arguments against such a policy have dominated the discussion in Moscow, but now the situation will change, says Dürr.

Although he sees the EU as the main culprit in this conflict, Dürr said he very much hopes that constructive discussions between the EU and Russia will resume: “I still hope that the tensions of the Ukraine crisis will die down, that Russia will become a completely normal country in the European community, and that it doesn’t wind up on the wrong side of the fence with China.”

WHERE'S BOEHNER?

## Obama Violates Constitution With Expanding Iraq War

by Edward Spannaus

Aug. 18—President Obama is deploying the U.S. Armed Forces in Iraq in violation of both the War Powers Resolution (which requires withdrawal of forces after 60 days unless Congress has authorized their deployment), and the U.S. Constitution itself, which states that only Congress can declare war.

That's no surprise. Even in his original June 16 notification to Congress, Obama insisted he was acting *on his own*, according to the Cheney-Bush view that his powers as Commander-in-Chief, not Congress, permitted this action. So, where is the so-called Republican leadership? Where are the anti-war Democrats?

The key to the success in stopping ongoing wars, and adopting an actual peace policy, is thus to throw both Obama and House Speaker John Boehner out of office. On Aug. 17, Lyndon LaRouche issued a call to remove Boehner at once.

### War Powers Act Violated

As of Aug. 16, Barack Obama was not only in violation of the Constitutional separation of powers on declaring war, but of the War Powers Resolution.

On June 16, President Obama sent a notification to Congress, described by the White House as “consistent with the War Powers Resolution,” stating that he had deployed 275 U.S. military personnel to Iraq. Under the terms of the War Powers Resolution, adopted by the 93rd Congress in 1973, he is required to withdraw the troops on the 60th day, unless Congress has specifically

authorized the use of Armed Forces (or has “extended by law” the 60-day period). In other words, there is no wiggle room. Congress was required, by its own law, to have made a decision by no later than Aug. 15.

On June 26, June 30, Aug. 8, Aug. 12, and Aug. 17, Obama sent letters to Congress notifying it of further measures, including additional troop deployments, and the authorization of airstrikes.

Thus, far from withdrawing the troops he deployed on June 16, Obama has now deployed some 1,000 troops to Iraq, and is escalating U.S. military involvement. And Congress has done nothing.

The idea that it is only “boots on the ground” that triggers the War Powers Resolution, is a myth perpetrated by the White House and the news media. The threshold for triggering the application of the War Powers Resolution is “the introduction of United States Armed Forces into hostilities, or into situations where imminent involvement in hostilities is clearly indicated by the circumstances. . . .” The use of U.S. Armed Forces to fly aircraft carrying out bombing raids, or even deploying military advisors into a war zone, is, for purposes of the the War Powers Resolution, the same as “boots on the ground.”

### Obama's 'In Your Face'

It is a testimony to the craven character of Speaker Boehner and most Congressional Republicans, that while they are planning to file a lawsuit against Obama

for abuse of Executive power, yet a much more flagrant abuse is starring them in the face—and they are doing nothing about it.

In all of Obama’s notifications to Congress, the reference to the War Powers Resolution is almost an afterthought. He tells Congress that he doesn’t need them. “This action has been directed,” Obama declares, “pursuant to my Constitutional authority to conduct U.S. foreign relations and as Commander in Chief and Chief Executive.” Bush and Cheney couldn’t have said it better. Obama is thumbing his nose at Congress, telling it that he can wage war without its consent and authorization. And, with the exception of a handful of members, there has otherwise not been a peep of protest from Boehner and the Republican leadership in Congress, or from the Democratic leadership, against this flagrant abuse of Executive authority and violation of the Constitution’s separation of powers provisions.

### Where’s Congress?

This shameful acquiescence persists, despite the historic bipartisan vote on July 25, in which 370 members of the House voted for HCR 105, stating that the President shall not deploy troops for a sustained combat role in Iraq without specific Congressional authorization. The resolution was sponsored by Walter Jones (R-N.C.), Jim McGovern (D-Mass.), and Barbara Lee (D-Calif.)

Since then, a handful of Congressmen have bucked the Boehner-Pelosi consensus, and are now insisting on a vote on Congressional authorization for Obama’s escalating troop deployments. Among these exceptions to the general cowardice, are:

**Sen. Tim Kaine (D-Va.)** issued a statement on Aug. 12 which stated that “it is now up to the Administration to receive Congressional authorization for the current air campaign against IS,” adding, “This is especially the case since the President has indicated that our renewed military engagement in Iraq could be a long-term project. . . .”

**Rep. Barbara Lee**, in a conference call with reporters Aug. 12, said that she supports the limited objectives of the President’s actions, but added that if they lead into any broader conflict, the Administration should come to Congress and seek a vote.

**Sen. Rand Paul (R-Ky.):** “Constitutionally, [the President] should come forward with a plan to Congress and we vote for it or against it. . . .”

**Rep. Walter Jones** continues to oppose deploy-

ment of troops to Iraq, and contends that any deployment in violation of the War Powers Resolution and the Constitution, is an impeachable offense.

**Rep. John Garimendi (D-Calif.)** was quoted by the *Wall Street Journal* on Aug. 14 as saying that Obama has a “responsibility of going to the American people, and specifically Congress, and laying out the reasons for past involvement and any future involvement. . . .”

**Rep. Alcee Hastings (D-Fla.)** has gone the furthest, in asking Boehner to recall Congress. “I respectfully call upon you to bring Congress back into session so that we may meet our constitutional responsibility to address the ongoing crisis in Iraq,” Hastings wrote in a letter to Boehner on Aug. 14, adding, “Although the current airstrikes may have stopped ISIS momentarily, we still have a responsibility under our Article I powers to delineate and impose a timeframe for these efforts as we move forward.”

On Aug. 17, *The Hill* noted that some Democrats in both the House and Senate have called for Congress to vote on military strikes in Iraq, but that Democratic strategists say it could be disastrous for Democratic candidates in tough races this year. *The Hill* quoted Celine Lake, a Democratic pollster and strategist, saying: “The base doesn’t want airstrikes and Democratic swing voters who tend to be more blue-collar don’t want re-involvement in Iraq. So I think many Democrats would face a challenge voting for this thing.” *The Hill* article also cites:

**Bruce Braley**, a Democrat running for Senate in Iowa, who says one of his primary concerns is that Obama has not sought Congressional approval for the strikes: “I remain firmly opposed to another long, open-ended commitment that places our troops in harm’s way and am deeply concerned by the recent decision to redeploy troops in Iraq.”

**Sen. Bernie Sanders (I-Vt.)**, who told *The Hill* on Aug. 15 that Congress should have a full debate on whether to continue military action in Iraq. “I do not want to see us caught again in a ground war,” Sanders said. “I do believe there needs to be a heck of a lot of discussion in the Congress as to what our long-term plans are in Iraq and in the region.”

**Rep. Brad Sherman (D-Calif.)**, who noted that many in Congress don’t want to take up the issue. “A member of Congress is always most politically safe if they limit their activities to riding in parades,” Sherman acknowledged. But, he said, “We do have a Constitution, we ought to [have a vote] in a non-partisan way.”

# China's Path To Becoming A Knowledge-Based Economy

by Marsha Freeman

The contrast between the collapse of the degenerate, profit- and crime-driven bankrupt trans-Atlantic financial system, and the government-vectored, science- and technology-driven growth of Asian nations, could not be more dramatic than by comparing the United States and China. President Obama's insipid remarks about China's "cheap labor" economy just shows how stupid, or lying, he (and too many other Americans) are. China sees its future economic growth driven by advancements in the leading fields of science and technology. Space exploration and advanced nuclear- and fusion-energy technologies have been leading areas of focus.

While the American System of economics, upon which the world leadership of the United States was based, has been discarded here, it is alive and well in China. If China continues on its present path to becoming what it calls a "knowledge-based economy," where there is a national mission, supported by national investment, and driven by meeting the most challenging aims of mankind, there is little question as to where leadership will be in the near future.

In July 2014, the U.S. National Academy of Sciences published a study titled, "China's rise as a major contributor to science and technology," in its *Proceedings of the National Academy of Sciences*. This follows two earlier reports by the Academy, which asked the questions: Is the United States losing its scientific leadership role? And will this lead to negative economic

consequences?<sup>1</sup> The most recent study answers those questions, documenting the accomplishments of China's science and technology enterprise over the past 20 years, in comparison to the stagnation and decline in the U.S.

Hand-wringing in despair, or alternatively, carrying out a vilification campaign and punitive sanctions against China, are hardly winning strategies. Trying to isolate China has only helped encourage closer relationships and joint projects among nations in Asia; increased the urgency and deepened the commitment for the financial integration of the BRICS nations (Brazil, Russia, India, China, and South Africa); and isolated, not China, but the U.S. and the European nations that are clinging to a modern version of rule by a feudal oligarchy.

By almost any indicator, China is moving as quickly as it is able to meet its goal of becoming a knowledge-based economy. The labor-intensive, export-oriented policies of the last three decades are being superceded by advances in science, translated into new technologies, directed to transform the productive workforce of China, through education, and a transformation in the standard of living, and the cultural level, of the population.

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1. *Rising Above the Gathering Storm: Energizing and Employing America for a Brighter Economic Future* (2007); and *Rising Above the Gathering Storm: Rapidly Approaching Category 5* (2010); National Academy of Sciences, National Academy of Engineering, and Institute of Medicine; National Academy Press, Washington, D.C.



EIRNS/Marsha Freeman

*The scientists and engineers who will create China's future are the young people, now in colleges and universities, who will create a "knowledge-based economy." This university student showed off his design for a Moon rover at an international lunar exploration conference in 2006 in Beijing, just as China was starting its lunar exploration program.*

China's path relies upon 1) educating succeeding generations of scientists and engineers; 2) repatriating the talent that left China and went overseas in the past decades, along with encouraging contributions from foreign experts; 3) planning and executing the great projects, such as in fusion and space exploration, which in the past played a seminal role in building a scientific capability in the U.S., and which are inspiring to young people and the general population; and, 4) facilitating the integration of scientific and technological breakthroughs into the physical economy of the nation.

### **Educating New Generations of Scientists**

At the end of the 1970s, the Chinese leadership was faced with the task of rebuilding what had been destroyed during the Cultural Revolution—in education, culture, history, and science. One legacy of the Cultural Revolution was the absolute decline in the number of natural scientists from 1982 to 2000, through the loss of a decade of the training of new scientific talent, and the retirement of scientists who had been educated before the Cultural Revolution.

To refocus national priorities, and organize the pro-

cess of creating a pathway to a knowledge-based economy, in 1977, Deng Xiaoping announced that the State Science and Technology Commission would be restored, and a 1982 government document declared that economic development should rely on science and technology. Project 863 (March 1986) outlined seven areas that would be the focus of a national program to upgrade science and technology: automation, biotechnology, lasers, new materials, space, information technology, and energy. Project 211, in 1995, was promulgated to upgrade research capabilities in 100 universities.

In March 1997, Project 973 was initiated to focus on basic research; and in 1998, the more ambitious Project 985 was declared, to build world-class universities. President Jiang Zemin, in a speech for the 100th anniversary of Peking University, proposed that "several world-class universities and a number of universities with worldwide reputation" be established in China. The Ministry of Education selected Peking and Tsinghua Universities as its first targets, investing \$300 million in each of them, between 1999 and 2001. The project was eventually expanded to include 39 universities. These initiatives have produced dramatic results.

In 1982, only 0.8% of Chinese young adults between the ages of 25 and 29 had a post-secondary-school education. Through a concerted three-decade effort to expand public education, that figure rose to 20.6% in 2010. In 1998, the government decided to dramatically expand China's higher education system, focused largely in the science and engineering fields, and *doubled* the number of institutions offering post-secondary courses, to 2,263. In addition, the existing institutions were restructured, upgraded, and enlarged.

As a result, today, China is the world leader in bachelor's degrees granted in science and engineering, with 1.1 million in 2010, or more than four times the U.S. number. In 1993, China's number of science and engineering doctoral degrees was only 10% that of the U.S. In 2010, China *exceeded* the number of doctoral degrees granted in the U.S. by 18%.

But considering that the population of China is more than three times that of the United States, it is not that surprising that China is producing a larger number of scientists and engineers than the United States. Therefore, as the study published by the Academy points out,

it is the proportion of science and engineering graduates to the total number of graduates, and future trends, that are indicative. In 2010, 44% of the undergraduate students in China majored in science and engineering disciplines, as compared to 16% in the U.S. And that gap has been increasing since 1998.

This educational emphasis, along with incentives for talented young people to enter science and engineering fields, has produced concrete results in terms of the manpower available to the Chinese economy.

In 1982, China's scientist/engineer labor force was 1.2 million, about 80% of the U.S. figure of 1.5 million. By 2010, that number had grown to 3.2 million in China, with the U.S. at 4.3 million. Although the growth rates were similar for both countries, comparing engineers alone, there were 2.4 million in China, and 1.4 million in the U.S. in 2010, indicative of China's determination to translate its scientific advances into applications in its economy.

### Repatriation of Scientific Talent

There is a large diaspora of Chinese-origin scientists, the Academy report states, with significant numbers in the United States. China has had a very focused effort to encourage them to return. A report released on Aug. 7 by the China and Globalization and Social Sciences Academic Press in China, reports that overseas Chinese constitute the largest expatriate community in the world, with an estimated 2.4 million people in the U.S. alone, more than 800,000 in Europe, and so on. Although the report claims that China should be doing a better job of overseas recruitment, it states that many of the overseas professionals identify themselves as Chinese who see themselves able to help the development of China.

To address the repatriation of this indigenous talent, the Changjiang Scholars Program began in 1998, offering incentives for short-term visits by overseas Chinese scholars. The Thousand Talent Program, or the Recruitment Program of Global Experts, was launched in 2008, with the goal of, over a decade, recruiting up to 2,000 senior-level scientists residing in foreign research institutions. Aided by the global financial crisis, the Academy of Sciences article states, by April 2012, 2,263 scientists had returned to work in China. Some of the returning scientists were so prominent that the U.S. sci-



CCTV

*During the Shenzhou-10 mission in June 2013, astronaut Wang Yaping conducted science experiments inside the Tiangong laboratory, which were watched by an estimated 30 million students. Economic incentives are offered to students who choose science and technology fields of study, but inspiration from great projects create the drive to excel.*

ence community was taken by surprise.

This is an approach that could be well utilized by the Russian Federation, as well. Large numbers of the former Soviet Union's scientists emigrated in the early 1990s, to find opportunities abroad, as federal support for scientific programs and institutions all but disappeared. That talent could significantly upgrade major projects underway, such as the reform of Russia's aerospace sector.

There is another fruitful potential source of young science and engineering talent that can augment China's human resources. In 2012, there were 4,217 Chinese doctoral engineering and science students studying in the United States. Chinese citizens represent 28% of the total foreign graduate student body in the U.S., and more than 8% of all of the doctoral science and engineering students in U.S. colleges and universities. Although in the past, many of these young graduates did not return to China, it is no longer assured that the majority of these newly minted scientists and engineers will stay in the U.S.

Chinese-born scientists are not the only ones leaving the U.S. for China. Forbes magazine reported last October that one-fifth of American scientists had been planning to move overseas since the previous Spring, due to the possibility of a U.S. government shutdown. One newspaper article quoted a professor from George

Mason University saying that his laboratory could be shut down, unless he moved it to China.

In the fusion program, there is close cooperation between U.S. and Chinese scientists, in which the U.S. has the theoretical knowledge and decades of experience, and the Chinese have a growing program that is advancing into new areas. American fusion scientists, who have been unable to build new experimental facilities, and are, in fact, faced with the shutdown of the shrunken fusion program that exists today, have teamed up with leading research institutions in China for joint experiments, and the sharing of scientific results. If the situation does not radically change, American fusion scientists may find themselves packing their bags and moving to China.

The unilateral U.S. prohibition on cooperation with China in space exploration does nothing either to protect America's disappearing leadership in space, or to hamper China's ambitious programs. As the U.S. has lowered its sights in its exploration goals, our traditional partners in exploration, in Europe and Russia, are turning to China for cooperation in the most challenging future projects.

If there is not a radical change in U.S. policy, it can be expected that more of America's most talented engineering and scientific cadre will go where they can make contributions in science and technology.

### **The 'Apollo' Effect**

While governments can encourage young people to pursue scientific studies and careers through the availability of world-class research facilities, economic incentives, and higher social status, it is the challenge to accomplish great projects that have not been attempted before, that inspires young people.

Throughout the decade of the 1960s, the challenge of President Kennedy's goal of landing a man on the Moon created more scientists and engineers than any other U.S. program, before or since. Ask most leading space scientists today what inspired them to undertake a career in Mars exploration, lunar development, manned space missions, or any number of other fields, and they will say it was the Apollo program.

The legacy of the Apollo program is most profoundly the creative talent that was developed, not only for the space program, but which fanned out in to every leading field of science and technology, from nuclear energy to advanced manufacturing, to new materials, medicine, and biology.

China's two leading scientific programs, in space exploration and fusion, are attracting the talent that will create the breakthroughs of the next two decades. The Chang'e lunar exploration program, carried out with maximal public exposure and involvement (such as the contest to name the lunar rover) has created widespread recognition, enthusiasm, and pride in China's accomplishments. Similarly, the science lessons taught from orbit by astronaut Wang Yaping a year ago aboard China's Tiangong-1 orbiting module, captured the attention and imagination of more than 30 million Chinese students.

China's accomplishments have also increased its confidence to take on a leadership role in international fora, focused largely in cooperation with Asia's less-developed nations. The First China-South Asian Countries Science and Technology Ministers Meeting convened in Kunming on June 6. Participating were ministers and senior officials from Afghanistan, Pakistan, Sri Lanka, Bangladesh, Maldives, Nepal, and India. Discussions included setting up joint state-level laboratories and research centers, encouraging young scientists to work in China, technology-transfer programs, and cooperation in specific areas, such as agricultural technology.

To engage a more diverse group of nations, China has proposed that there be established a BRICS framework for Science, Technology, and Innovation. A broad array of potential projects has been suggested for the initiative, which includes applications of space technology, as well as in astronomy.

The Apollo program demonstrated the leadership of the United States in an endeavor that captured the imagination of the entire world. As it has gained confidence, China has dramatically opened up its space exploration program to widespread public exposure and a concerted education campaign. This will inspire not only China's youthful population, but those of many countries that are aspiring to become spacefaring nations.

### **From Science to the Economy**

The pursuit of scientific excellence and advancement in China is not seen as an academic exercise but as a necessary public good. Unlike the Soviet Union, which was not very successful in transferring groundbreaking technology from its civilian space and military programs to the civilian economy, China is deliberately placing science and technology at the center of its planned transformation to a knowledge-based economy.



EIRNS/Marsha Freeman

*A knowledge-based economy will only be successful if the educational and cultural level of the nation's entire population is uplifted. Exhibits, such as the Shenzhou-1 space capsule, at the Beijing Science and Technology Museum, shown here, capture the imagination of visitors of all ages.*

In 1982, reversing the ideology of the Cultural Revolution, the Chinese government declared that “Economic development should rely on science and technology.” In 1986, the National Natural Science Foundation of China was established, modeled on the National Science Foundation in the U.S. The 863 Program, or State High-Tech Development Plan, followed, to stimulate the growth of high-technology enterprises.

In the late 1980s, China began establishing high-tech zones, with the goal of shifting the mode of economic growth. After two decades of development, these targeted development zones encompass 78,000 enterprises with 14 million employees. They are contributing more than 10% of China’s gross domestic product. Strategically important high-tech industries represent 37% of the total number of registered enterprises, employing 7 million people.

The Beijing Zhongguancun innovation demonstration zone, approved for construction in 2009, illustrates China’s approach to applying scientific advancements to economic development. There are 20,000 enterprises in the zone, with industry clusters which include communications, satellite applications, biomedicine, energy conservation, and rail transportation. But what creates the conditions for the industrial park to become a leader in innovation, is that it encompasses 41 higher educa-

tion institutions, including the prestigious Peking and Tsinghua Universities, 206 national research institutes, 67 laboratories, 55 national engineering research centers, 29 university science parks, and 34 overseas student pioneer parks. More than 6,000 enterprises have been started by 20,000 repatriated Chinese from overseas. The high-tech zones function to translate the scientific breakthroughs in universities and research laboratories into new economic platforms for the nation.

In March 2013, the Ministry of Science and Technology issued an action plan for the high-tech zones, which includes expanding pilot projects that have been successful, particularly near Beijing, to other areas. The plan emphasizes that an important goal is to accelerate the commercialization of achievements in research. The focus is on the technological upgrading of traditional industries in regional economies, and creating entirely new industries based on technological advancements.

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### ‘Benefiting the Entire Human Race’

One might expect that an article published by the U.S. Academy of Sciences would take the parochial, supposedly “American” point of view, that competition from China in fields of science and engineering is a “threat” to this country. On the contrary, the conclusion of the report states: “In the past three decades, China has become a major contributor to science and technology. When science in China and other fast-developing countries improves, it greatly expands the scale of science and thus speeds up scientific discoveries, benefiting the entire human race.”

The Apollo 11 astronauts left a plaque on the Moon, stating that they “came in peace for all mankind.” This approach is echoed by the Chinese in their great projects, such as lunar exploration, which officials have also acknowledged is “for the benefit of all mankind.” It is the approach that must come to replace that of the dying Western economies immediately.

# *Scandal: ‘Markets’ Attack Food Supply*

Farmers throughout the U.S. cornbelt, from Ohio to Nebraska, report that this year may be their most beautiful, biggest crop ever. Then, they add: “We will suffer for it.” Why? Corn prices to the farmer are plummeting, despite the intense need for food and feed crops, for all uses, such as rebuilding herds of meat animals, and processing emergency food-relief supplies for West Africa, stricken by Ebola. The same situation is affecting soybeans.

Corn prices to the farmer have plunged 13% so far in 2014, over last year, when they dropped 40% from 2012, a year when drought cut the corn harvest drastically.

The price drop doesn’t represent supply-and-demand dynamics—that’s a pretense. It reflects out-of-control speculation on agro-commodities, centered on the Chicago Board of Trade (CME Group), and also that Wall Street and City of London succeeded in eliminating the Federal parity-pricing system for farmers, which, from the 1930s to the early 1960s, had kept farm prices in a steady range, for the benefit of security to the national food supply, by keeping farm producers going.

Total U.S. farm income this year, from all types of production, is expected to drop 30% from last year, according to the U.S. Agriculture Department projections. State revenues in the farm belt are expected to fall accordingly.

The price of corn per bushel, at many upper Midwest local buying stations, is under \$3.50 per bushel, less than half the \$8.00 a bushel corn hit at one point in 2012. It costs on average, \$4.50 a bushel to produce the corn. Farmers warn that they can withstand below-breakeven prices for a little while, if they have a cushion from years past, but:

If next year’s crop is equally successful, they will be ruined!

Meantime, consumer market-basket prices are soaring, especially for animal protein foods.

Farmers are forgoing plans for land, water, and equipment upgrades. On Aug. 15, John Deere, one of the two largest U.S. farm machinery manufacturers, announced 600 layoffs at two of its Midwest assembly plants: 425 workers will lose their jobs as of Oct. 20 in East Moline, Ill., at the harvester plant; 35 workers will lose their jobs at the seeding and cylinder factory. Last week, Deere reported a 15% decline in its Q3 profits, compared to same time in 2013, reflecting the decline in orders for its agriculture machinery.

Add to this, the fact that much of the food produced cannot be shipped in a timely fashion, due to the clogging of the rail lines with shale-oil gas from the destructive, lunatic fracking craze, and the irony of record production of life-sustaining grain, turning into disaster for producers and eaters alike, gets even more severe.

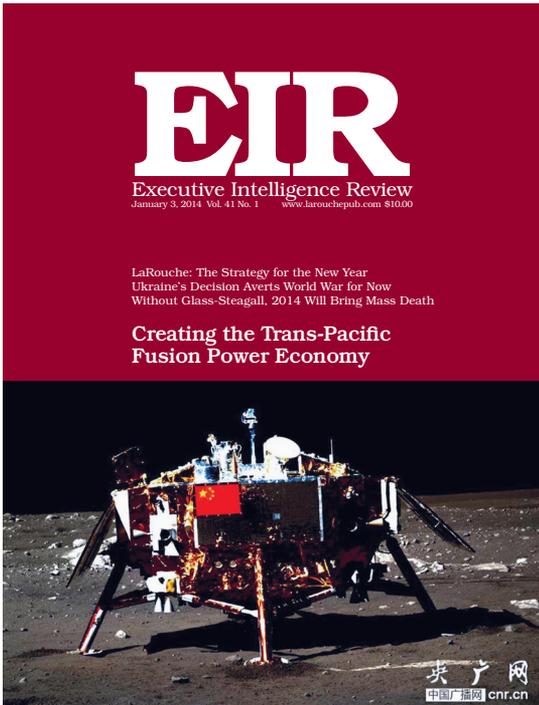
This is a fraud, commented Lyndon LaRouche. It’s a scandalous example of the way that the “markets,” “money,” and Wall Street cause the destruction of the physical economy, even when all the conditions for prosperity are available. When the cost of food goes up, the price paid to farmers must go up. Providing a secure food supply to the nation means protecting its farmers, and falls directly under the Constitution’s commitment to the “general welfare.”

It’s time to dump “money” as a standard. The appropriate approach is defined in LaRouche’s Four New Laws To Save the U.S.A., which begins with Glass-Steagall (to get rid of Wall Street predators), and asserts man’s productive role in the universe—for the benefit of all.

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