

EIR

Executive Intelligence Review

July 31, 2020 Vol. 47 No. 31

www.larouchepub.com \$10.00

Save Our Republic Mob/Surveillance State Means World War III



Founder: *Lyndon H. LaRouche, Jr. (1922–2019)*
Editor-in-Chief: *Helga Zepp-LaRouche*
Co-Editors: *Marcia Merry Baker, Paul Gallagher,*
Robert Ingraham, Tony Papert
Managing Editor: *Stephanie Ezrol*
Editorial Staff: *David Cherry, Charles Notley*
Technology: *Marsha Freeman*
Transcriptions: *Katherine Notley*
Ebooks: *Richard Burden*
Graphics: *Alan Yue*
Photos: *Stuart Lewis*
Circulation Manager: *Stanley Ezrol*

INTELLIGENCE DIRECTORS

Asia: *Michael Billington*
Economics: *Marcia Merry Baker, Paul Gallagher*
History: *Anton Chaitkin*
Ibero-America: *Dennis Small*
United States: *Debra Freeman*

INTERNATIONAL BUREAUS

Berlin: *Elke Fimmen*
Copenhagen: *Tom Gillesberg*
Lima: *Sara Madueño*
Melbourne: *Robert Barwick*
Mexico City: *Gerardo Castilleja Chávez*
New Delhi: *Ramtanu Maitra*
Paris: *Christine Bierre*
Stockholm: *Ulf Sandmark*
United Nations, N.Y.C.: *Richard Black, Leni*
Rubinstein
Washington, D.C.: *William Jones*
Wiesbaden: *Rainer Apel*

ON THE WEB

e-mail: eirms@larouchepub.com
www.larouchepub.com
www.executiveintelligenceview.com
www.larouchepub.com/eiw
Webmaster: *John Sigerson*
Assistant Webmaster: *George Hollis*
Editor, Arabic-language edition: *Hussein Askary*

EIR (ISSN 0273-6314) is published weekly
(50 issues), by *EIR News Service, Inc.*,
P.O. Box 17390, Washington, D.C. 20041-0390.
(571) 293-0935

European Headquarters: E.I.R. GmbH,
Bahnstrasse 4, 65205, Wiesbaden, Germany
Tel: 49-611-73650
Homepage: <http://www.eir.de>
e-mail: info@eir.de
Director: Georg Neudecker

Montreal, Canada: 514-461-1557
eir@eircanada.ca

Denmark: EIR - Danmark, Sankt Knuds Vej 11,
basement left, DK-1903 Frederiksberg, Denmark.
Tel.: +45 35 43 60 40, Fax: +45 35 43 87 57. e-mail:
eirdk@hotmail.com.

Mexico City: EIR, Sor Juana Inés de la Cruz 242-2
Col. Agricultura C.P. 11360
Delegación M. Hidalgo, México D.F.
Tel. (5525) 5318-2301
eirmexico@gmail.com

Copyright: ©2020 EIR News Service. All rights
reserved. Reproduction in whole or in part without
permission strictly prohibited.

Canada Post Publication Sales Agreement
#40683579

Postmaster: Send all address changes to *EIR*, P.O.
Box 17390, Washington, D.C. 20041-0390.

Signed articles in *EIR* represent the views of the authors,
and not necessarily those of the Editorial Board.

Save Our Republic Mob/Surveillance State Means World War III

Cover This Week

Riot in
Minneapolis,
Minnesota, USA,
May 29-30, 2020.



CC/Hungryogrephotos

Save Our Republic MOB/SURVEILLANCE STATE MEANS WORLD WAR III

I. There Was No Russian Hack

- 3 SOVEREIGN REPUBLIC OR IMPERIAL
SURVEILLANCE STATE?
**William Binney Makes His Case to the
World: There Was No Russian Hack**

Archived Internet News Conference
Thursday, July 23, 2020

Former NSA Technical Director William Binney
Makes his Case to the World:

**‘Neither Flynn nor Stone Was Guilty,
Because There Was No Russian Hack’**

WATCH:

<https://schillerinstitute.com/blog/2020/07/20/william-binney-makes-his-case-to-the-world-there-was-no-russian-hack/>

9 Lyndon LaRouche Challenged the Swedish Model and Was Proven Correct

by Ulf Sandmark

17 LaRouche Was Victim of East German Lie

by Marsha Kokinda Mallouk

18 China’s Mars Exploration Mission Will ‘Leapfrog’ Space Development

by Marsha Freeman

20 Japan Got the ‘China Treatment’ When It Tried to Launch Development in Africa

by Michael Billington

II. How to Solve the Economic Crisis Now

27 Infrastructure, Not Money, Fosters Development of Nations

by Lyndon H. LaRouche, Jr.
February 23, 1998

I. There Was No Russian Hack

SOVEREIGN REPUBLIC OR IMPERIAL SURVEILLANCE STATE?

William Binney Makes His Case to the World: There Was No Russian Hack

PROLOGUE

“There are no mysteries, there is only blindness.” So, once remarked the ancient Greek composers of classical tragedy, and classical grand strategy, as well. “Russiagate” was not only a hoax, but a multiply-connected, multi-national intelligence operation deployed against the Trump Presidency even prior to the nomination of Donald Trump to represent the Republican Party. The recent demand by the President, that “former” British intelligence agent Christopher Steele be extradited to the United States, to be then tried and, if convicted, sentenced to jail, deserves not only consideration, but vigorous action in pursuit of the truth.

Consider the case reported five years ago by two German psychologists, Bruno Waldvogel and Hans Strasburger, of a patient identified only by the initials “B.T.” The patient was first said to suffer from cortical blindness, possibly as the result of a traumatic accident. “Her health records from the time show that she was subjected to a series of vision tests—involving lasers, special glasses, light shined across a room—all of which demonstrated her apparent blindness,” Sarah Kaplan of the *Washington Post* reported.

The problem, however, was that nothing was actually physically wrong with her eyes. There was another factor. The patient suffered from multiple personality disorder, and upon further investigation, it was found that when she, a woman in her late thirties, took on the personality of a teenage boy, she could see quite well. Her mind had constructed a psychological “light switch” so powerful that she had even used a seeing eye dog for years, but that condition of “physically objective” blindness was able to be

changed, once the root psychological causes were discovered.

“Why do you keep blaming the British?” Even with all that has been identified, by *EIR*, otherwise through various documents, including the roles of British Military Intelligence employees like Christopher Steele, Sir Richard Dearlove, Robert Hannigan, Sir Kim Darroch and others, many Americans, perhaps even the majority, are “perplexed” by the role that the British are playing in this latest episode of their seventy-five-year-old assault on the Presidency. They just can’t “see it.” To enable them, and all others so perplexed, to see the truth, and therefore see what they must do about it, is our purpose in presenting the work of William Binney, Barbara Boyd, and Kirk Wiebe “in conference,” Thursday, July 23.

What follows should allow you, after you have read it, and as you speak with others and reproduce in them, what you have come to know, to help the truth to ascend to its rightful place in the consciousness of all Americans, and all people throughout the world. It should also allow you to determine: Is it because of a lack of the presentation of the truth, or is it because a personality change is required on the part of our citizens, that the Constitution of the United States has been allowed to be threatened by a foreign force, as expressed in what Mark Carney, former Governor of the Bank of England, lyingly referred to as “financial regime change” in Jackson Hole, Wyoming, one year ago? To paraphrase: “You shall know the truth, and the truth shall let you see.”

The following is the edited transcript of the opening remarks at the [press conference](#) by William Binney, Barbara Boyd, and Kirk Wiebe on July 23, 2020.

William Binney: The problem is that I can't seem to get the forensics evidence into a court, or into the mainstream media—the evidence for refuting Russiagate. The point is that we looked,— in the Veteran Intelligence Professionals for Sanity (VIPS), we've a bunch of technical people, including Kirk Wiebe and I, and some others, and some affiliates that were in the U.K., who also joined the analysis process. And we were looking at the files posted by WikiLeaks, because the allegation from the beginning was that Russia hacked the DNC [Democratic National Committee] and gave the emails to WikiLeaks to publish—which they did, they published. So, we looked at those emails to see if there was something there that might give us some idea of how WikiLeaks got that data.

Well, in all the 35,813 emails that they posted, in the three batches, one downloaded, according to last modified times, on the 23rd of May, and another on the 25th of May, and one on the 26th of August of 2016. Now, all those files, all 35,813 had a last modified time that was rounded off to an even second. So, they all ended up in even seconds. Now, if you know anything about data processing and data storage and things of that nature, there is a program, that was quite common in the past, using what's called FAT file formatting, File Allocation Table formatting, which is a processing that, when doing a batch process of data and transferring it to a storage device, like a thumb drive or a CD-ROM, it rounds off the last modified time to the nearest even second. So that's exactly the property we found in all that data posted by WikiLeaks. Now, that said, very simply, this data was downloaded to a storage device, a CD-ROM, or a thumb drive, and physically transported before WikiLeaks could post it. So that meant it was not a hack.

So, no matter how you look at it, we're looking at the forensic evidence that says the DNC emails were not hacked, they were downloaded and physically transported to WikiLeaks.

And then we had the other issue with Guccifer 2.0. Now, Guccifer 2.0 came out shortly after Julian Assange announced that he had emails on Hillary Clinton and so on, and the DNC. Well, when you looked at the material, which we did, looked at all the material that



Schiller Institute

William Binney

Guccifer 2.0 posted and said, “here are the hacks that I did on the DNC”; he claimed he did one on the 5th of July and one on the 1st of September 2016. When you start looking at that, and we looked at—the files he posted gave you a series of files with file names, the numbers of characters in the file and a time-stamp at the end of the file; then the next file, the number of characters, and time-stamp and so on, for I don't know how many files, thousands of files. We looked at all those files and said, OK, we ran a program to calculate the transfer rate of all that data, be-

cause all you have to do, is look between the two time-stamps, the file name, and the number of characters in the file, and take the difference between the times, and that's the transfer rate for that number of characters. We found that the variations ran from something like 19 to 49.1 MB/sec—that means 19 to 49 million characters per second. And that, we said, the international web and the worldwide web would not support that rate of transfer, not for anybody who's just a hacker coming in across the net trying to do it; it won't support that kind of transfer.

And some people thought that that was wrong, that it could be done, and so, we said, “OK, we're going to try it.” We organized some hackers in Europe to try to transfer a data set from the U.S. over to Europe to see how fast we could get it there. And we tried it from Albania, and Serbia, a couple places in the Netherlands, and London, a data center. Well, we got various rates, but the highest rate we got was between the data center in New Jersey and one in London, and that was 12 MB/sec, which is a little less than one-fourth the rate necessary to do the transfer at the highest rate that we saw in the Guccifer 2.0 data—which meant: It didn't go across the net!

So, in fact, the file rate transfers were nowhere near the maximum rate that we could do. And so, we said, “OK, if anybody has a way of getting it there, let us know, and we'll help you try to do that.” And so far, no one has ever come forward to dispute either the facts on the DNC data last modified file times, nor the transfer rates for the Guccifer 2.0.

Plus, there's another factor,—there's two more, actually: With Guccifer 2.0 data, the 5 July data and the 1 September data, if you ignored date and hour, they could merge like you're shuffling a deck of cards. The

holes in the 5 July data timing were filled by the data from 1st of September! That said, to us, that Guccifer 2.0 was playing with the data, separating them into two files, saying he made two different hacks and doing a range change on the date and the hour on the one file. So, that to us was also an indication of fabrication on the part of Guccifer 2.0.

Then, there was another factor: When Guccifer 2.0 put out some files on 15 June of 2016, with the signatures saying it's a Russian hack, our fellows in the U.K., looking at the data, found five of those files at a minimum—I don't know if they are through looking yet—but they found five files that Guccifer 2.0 posted on the 15th of June, with Russian signatures, saying the Russians did this, because of the signatures. They found the same five files posted by WikiLeaks from Podesta emails—and they did not have the Russian signatures. So that meant, that Guccifer 2.0 was inserting Russian signatures, to make it look like the Russians did the hack.

Well, if you go back to the Vault 7 release from WikiLeaks again, from CIA, and you look, they have this Marble Framework program that will modify the files to look like someone else did the hack. And who were the countries for which they had the ability to do that in the Marble Framework program? Well, one was Russia, the others are China, North Korea, Iran, and Arab countries. Well, to us, then that means that the fabrication of the insert of Russian signatures, means that somebody modified the file to make it look like that, which fits the Marble Framework definition of doing that kind of activity, which thus says, all of this Guccifer 2.0 material is pointing back now to CIA as the origin of it.

That's the basic evidence we have, and none of it points to Russia. In fact, we can't even find anything that points to Russia. When in fact the Mueller report and the Rosenstein indictment named some, what they call, trolls for the Russian government, the IRA, the Internet Research Agency out of St. Petersburg, in Russia, they named it in a court document, and well, the IRA over there said we are not in any way associated with the Russian government, and so they sent lawyers in to challenge that in a court of law, here in the U.S.! And the court charged the government to prove it. And they couldn't. They couldn't even prove anything. And so, the judge basically reprimanded them, and said you are never to mention the IRA as any way affiliated with the Russian government again! So, their whole case was falling apart! Everything. It looked like the Guccifer 2.0 data was a fabrication, the alleged hack and so on,

all fabrications.

And even if you looked at some of the testimony that came out from the CrowdStrike CEO, I think his name is Shawn Henry, he said, we had no indications of exfiltrating the data, but we had evidence that it was exfiltrated. Now, if he's talking about the last modified times, as an indication of exfiltration—which it was, but it wasn't from a hack, it was from a download. So that download, then, is an indication that it was done locally, as were the Guccifer 2.0 data, that couldn't go across the net—it was a download locally—all that stuff happened locally. In fact, some of the data on the Guccifer 2.0 material had all the timestamps indicating it was done on the East Coast of the United States; we had one in Central Time, and one on the West Coast, but most of it fell on the East Coast. So that implied that all this stuff was happening on the East Coast, and that really pointed, for us, pointed right back at CIA as the origin of all this fabrication.

Dennis Speed: OK, thank you very much, Bill. And so, everybody knows, there is going to be a time for people to ask questions, and we'll extend that as long as we can do that in this format.

I next want to introduce Barbara Boyd, who's an author and researcher for the LaRouche Political Action Committee (LaRouche PAC). Let me say something about this, Thirty-seven years ago, Lyndon LaRouche was involved in a back-channel negotiation with the Soviet Union. The discussion led to a policy being adopted by the Reagan Administration, called the Strategic Defense Initiative. Now, despite the fact that the senior director of the National Security Council, Norman Bailey at that time, had met with LaRouche, and had described LaRouche's organization as "one of the best private intelligence services in the world," shortly after that policy was adopted, LaRouche was put through a fierce federal investigative process by the Department of Justice—and former U.S. Attorney General Ramsey Clark described that prosecution as a "broader range of deliberate and systematic misconduct and abuse of power over a longer period of time, in an effort to destroy a political movement and leader, than any other federal prosecution in my time or to my knowledge." Now, that might not be pertinent to you today, except for one fact: One of the key persons involved in that prosecution, at that time, was a man by the name of Robert Mueller.

Barbara Boyd is author of LaRouche PAC's 30-

page [report](#), “Robert Mueller Is an Amoral Legal Assassin: He Will Do His Job If You Let Him.”

Barbara Boyd: Well, with that introduction, let me just highlight some of the things Bill said, and some of the things which I think are really significant for our audience today.

Here we are in this summer which we could call “the summer of our discontent”: Our cities are aflame, we have a COVID pandemic, and yet, here we are, and we keep coming back to something which happened in the summer of 2016. And we keep pointing to it and saying, this is what you have to really look at. And the reason for that is simple: Once you go through something like this—I assume that General Flynn feels something like this right now; the LaRouche prosecution was like this; Roger Stone has just been through something like this—where the apparatus of government is aligned against you and your reputation is torn to shreds, and you’re accused of all sorts of things, just like the President has been accused right now, which are a lie, it’s very rare that you actually get the chance to come back on it, and you can dissect it and can show what the lie is.

And this particular lie, that Russia hacked the DNC, has been the sort of untouchable thing which nobody has wanted to get into around the Russiagate investigation. You see that we’re all satisfied with tearing apart Christopher Steele in several directions, the British agent who fabricated the dirty dossier; we’re not really satisfied in looking at *this* particular situation. Just think about it: All the things that have interceded ever since the summer of 2016, think about what was the content of what was in those WikiLeaks leaks—can you remember what was said in the actual documents? Or is your mind somehow transfixed in an argument about whether Donald Trump is an agent of Putin or not?

Basically, what’s happened here is that the VIPS, from December 2016, really, have been yelling about this, and saying, this makes no sense! Think back to December 2016, what was happening? The Obama Administration had declared that the alleged election interference was an act of war by Russia. John McCain was running around saying we should invoke Article 5



Schiller Institute

Barbara Boyd

of the NATO treaty; we should go to war over this. Barack Obama says, or has claimed, that the Obama Administration, as a retaliation for this, put a cyberworm into Russian infrastructure, which is probably, by most accounts, an actual act of war.

Bill Binney said from the beginning, if there was a Russian hack, the NSA would have it. Where’s the evidence? It has never been produced. And then, come May of this year, we finally get to look at what the Congressional testimony was

about this, way back in 2017—that is before Robert Mueller, that is before the continuation of this lie for over two-and-a-half years, and the beginning of this same lie being replicated right now into the same type of hacking lie about China. We only learn what CrowdStrike President Shawn Henry said, that the only people—other than Bill Binney—who actually forensically examined this to any extent,— and whether CrowdStrike examined this is a very open question—but what did he say? He told the Congress in December 2017 that CrowdStrike couldn’t see any evidence that files which have been “staged for exfiltration” ever were exfiltrated. They never left the DNC as far as we could find it, he said.

Think about that! That is, in May 2020, we’re just finding out what everybody in Congress and everybody in Washington knew, definitely, as of December of 2017. Barack Obama, Joe Biden, those guys knew this even before, obviously, the Congressional testimony of CrowdStrike’s president.

What did those emails also show? Most people have forgotten completely about that. They showed that Hillary Clinton was stealing the Democratic nomination for President, from Bernie Sanders. They showed that Hillary Clinton was a craven tool of Wall Street. Most people don’t even remember that.

Now, think about the fact that Donald Trump comes in, he goes through all the things he goes through, and he says to Mike Pompeo, who was then director of the CIA, “I want you to meet with this guy Binney and I want you to find out about the Russian hacks.” What happens is, Pompeo does meet with Bill Binney; Bill Binney tells him everything you just heard, and proba-

bly more, and because of what Bill Binney said—that it is just likely that the CIA did the hacking of the DNC or did whatever intrusion was involved there—this thing has been completely, totally covered up. It is an untouchable, in Washington parlance.

So, what we're contending is that any investigation which does not attack this, and expose it, is rotten and self-defeating. It will leave the surveillance apparatus and intelligence apparatus in place, which we contend has left many Americans mentally imprisoned and pacified since 9/11, and particularly since the financial collapse of 2008.

That is why Julian Assange, who is a witness to this, may very well die in Belmarsh prison, as a result of the coverup of this very crime. It's why Craig Murray, who is a witness to the actual handoff—at least, according to what he says—has never been interviewed by any government agency in terms of what he has to say about the so-called "Russian hack." That's why the surveillance state, which is really the imposition of a police state in the United States, which Bill Binney and Kirk Wiebe have opposed ever since Sept. 11, 2001, might very well be imposed completely. This was, after all, what Hillary Clinton's presidency was supposed to be going forward from the continuance and expansion of this type of surveillance during the Obama Administration, after its initial, widespread implementation in the Bush Administration. But it's also why, if this particular lie gets exposed, gets dug into, we have a good chance to overturn the entire, horrible apparatus meant to subdue a population in a failed United States, which is really what the British oligarchy has planned here, why that descent into the maelstrom can finally be halted. And that's what I have to say.

Speed: Thank you very much, Barbara. Now, Bill has a team that he works with, and he's worked with him for a while, and one of the members of that team is with us here. And he, that is, Mr. Kirk Wiebe, and Bill, have a story that goes back way: They at one point decided that they had to leave NSA and they had to do that, in order to do their job. And I'd just like to have

Kirk say something, and then we'll open up the lines for the questions; and let me just say to everybody, if you are on the zoom platform, you just raise your hand, I think you have a direction for that, and then we'll get to you; and then we have also written questions and there'll be a couple of us asking those questions.

Kirk Wiebe: Hello, my name is Kirk Wiebe. I'm a longtime colleague and friend of Bill Binney's and we've been through a few wars together, some adversarial actions taken against us by the U.S. government. Thank God, we survived those. But I want you, the audience to understand the background for Russiagate, and some of the things that have happened, especially, the misuse, the illegal use, of United States government surveillance capabilities, against Donald Trump, as alleged, and other people connected to his administration. And that alludes to the fact that Bill is the part of several affidavits in court cases, one associated with Roger Stone, who's just had his sentence commuted by the President; but was not allowed to testify in court. And I believe I can tell you why.

But you need to understand, in the context of recent, say the last 20 years, what has brought about this situation, that makes it possible for people to misuse or illegally use against us—all of you—very, very powerful surveillance capabilities.

When NSA, and Bill and I, were researching the evolution of communications capabilities, in the '90s, basically this is around 1995, 1996-97 timeframe, it became clear that this thing called the internet was gaining ground, and it was advancing quickly. All kinds of applications, those little icons you find on your computer, your phone or whatever it may be, were flourishing, new means of interacting between people, were being developed almost overnight. And the end result is, we are all very wired people. Many of us have more than one phone in our families, multiple computers; now your refrigerator is even being connected to the internet! Well, there are very positive things about all of this, but there are some negatives. It means, if people can crawl up a wire, which is basically what the internet is, speaking figuratively, they can access your phone,



Schiller Institute

Kirk Wiebe

they can access your computer, they could access your refrigerator.

Now, why would you do this? Well, you want to surveil. You know, back when the United States was fighting for its independence, the King of England wanted to put a soldier in the home of every colonial resident. Why? So that he could monitor and surveil the mood of the colonial structure, those oddballs living in the United States that he wanted to keep under control. And this is one of the factors that led to the United States revolution against England. People want privacy. And that ultimately gets reflected in our Constitution, the U.S. Constitution, in Article 4 of the Bill of Rights. And we believe—Bill and I—raised under the Constitution, and sworn to defend it, that that right should be extended to the general population of the world. In other words, why would you want to spy on innocent people—why? There's no need to! It's hard enough to catch bad guys, why complicate things?

So, when Bill and I were working on ways for NSA to exploit, or use the internet to catch terrorists, identify people planning to bomb things, whatever it may be, we made sure we built in protections for innocent people. Now the thing that allows you to do that, is the technical makeup of the internet. Things don't just fly around in the free space. Just like you have a phone number that is equated to you as a person, or an email address, or anything like that, the internet functions on the same principle: There are IP—internet protocol, or IP—that are associated with every communications device. And

it's monitored and it can be monitored. We use that information to exclude anyone that did not fit the definition of being a terrorist or a known bad person, or a someone under active suspicion of being part of a terrorist or a criminal organization. So, we had a way of separating out the wheat from the chaff, if you will. Unfortunately, Bill Binney was ordered in one night and told to remove that safeguard.

And ever since, NSA's been on a rampant surveillance exercise, collecting everything it can about everyone. Is it literally everything? No. But it's so much, that the odds are that if they want to know about you, they can know about you. This was everything against the principle of privacy under the United States Constitution, but they didn't care. The ability to do it was too seductive. And this is how people, this is how mankind goes wrong. They always tend to screw things up, and they did here.

If Bill Binney's protections had been built into NSA surveillance programs 20 years ago, *we would not be even talking about surveillance* and FISA and all of these words you're hearing being used against the Trump Administration. People wouldn't have been able to surveil innocent people. But the government made a conscious choice not to build that in. And they don't want you to know that! They don't want a national uproar, they don't want a global uproar—that it's all fixable with a simple, couple steps. This is not hard to do, you just need the will to do it.

And so, that's the backdrop against all of this, that I wanted to pass along and make sure you understood.



The Jan. 27, 1989 Jailing of Lyndon LaRouche Defined an Era, Which Now Must End

[Watch](#) The LaRouche Case video

[Watch](#) the LaRouche Memorial video

[Sign](#) the **Petition** to Exonerate LaRouche
at lpac.co/exonerate

Lyndon LaRouche Challenged the Swedish Model and Was Proven Correct

by Ulf Sandmark, *EIR* Stockholm Correspondent

July 26—References to the so-called “Swedish Model” have long been used to justify anti-technology and suppressive policies in Europe and the United States. This “model” is a false narrative. Swedish industry and welfare were built not with those suicidal policies, but with other policies more like the American System of Political Economy, founded in a long tradition of industrial and engineering development in alliance with a young industrially oriented labor movement. Out of a very poor country, which had lost a third of its population due to emigration prior to World War I, these forces built railways and hydropower—paving the way for a full set national industrial economy. This industrialization continued through World War II and into the postwar period when the social democratic government, with high growth rates, could build housing and welfare protections ahead of all other European nations that had been devastated in the war.

Only after World War II were the sterile, existentialist, antigrowth ideologies of the Swedish Model superimposed on this now relatively wealthy society, and then advertised as the reason for the Swedish success story.

Lyndon LaRouche early in the 1970s efficiently challenged the Swedish Model for which then Prime Minister Olof Palme was the poster boy. The background was LaRouche’s almost prophetic warning in 1971, when President Richard Nixon had disconnected the dollar from the gold reserve standard, that the monetarist floating exchange-rate system would lead to a resurgence of fascist economic policies. LaRouche at

that time intensified his exposure of the various tricks used by the big banks to hide this fascism behind “a democratic face.”

He especially exposed the methods of the billionaires, like Rockefeller, to support all kinds of counter-gangs to deflect any real political change. These counter-intelligence studies have been the hallmark of this magazine, *EIR*, continuously from its founding in 1974

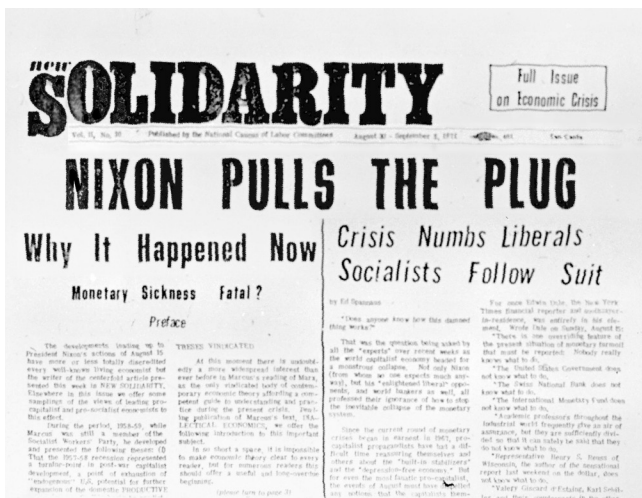
until today when the members of the Wall Street billionaires club have become well known for pouring money into all kinds of “social” projects and election stunts benefitting themselves. Very soon the British colonial and psychological warfare methods, especially those of the Tavistock Institute, were exposed as fully active in the West in peacetime, and very often advertised as part of the Swedish Model.

The early 1970s expansion of the LaRouche movement into Western Europe was intentionally directed to the most industrialized areas of the main European nations, but also to the relatively small nation of Sweden, to find out more

about, and challenge the Swedish Model. Just as with many other European nations, it was American organizers with some local connection, or who were just volunteers, who came to Sweden in 1972. In 1973 the Swedish social researcher Tore Fredin returned home from a study and work period in Chicago, where he had met and joined the LaRouche movement. With contacts from the early organizing, Fredin started the first Swedish study group based on articles by LaRouche, who challenged the ongoing shift towards the green para-



Beginning in the early 1970s, Lyndon LaRouche challenged the Swedish Model, a corporatist, anti-growth form of government of which Prime Minister Olof Palme, seen here, was then the standard bearer.



The LaRouche movement's U.S. newspaper accurately reported a fundamental reorganization of the financial-economic system away from the production of tangible wealth, August 30, 1971.

digm by the British oligarchical institutions and their billionaire groups.

The Green Swedish Model

The flagship event of the Swedish Model and of the prime ministership of Swedish Socialist Olof Palme was the first United Nations Environmental Conference in Stockholm, on June 5-19, 1972. This UN conference is considered the launching point for the environmental movement internationally.

In his main [address](#) there, as the prime minister of the host nation, Palme said:

Some years ago, public discussion—at least in the industrial countries—centered around a probable future of affluence and abundance. This optimistic view was rooted in the experiences of the first postwar decades with their unparalleled technical and economic progress ...

Nowadays, the debate centers around a future of scarcity on this one Earth. Progress continues, yes, and world production increases. But we have been becoming increasingly aware of the fact that our natural resources are limited. We have come to discuss more and more the inter-related problem areas of population, poverty, and pollution. And we realize that just as we could not afford a laissez-faire economy, we shall not afford a laissez-faire technology....

How much national sovereignty are we in each instance prepared to give up in the interest of interdependence and international solidarity?

In the field of environment, the case is in some respects simpler.¹

Not much has changed since Palme began to popularize this type of rhetoric, down to today's Swedish green poster girl, Greta Thunberg. Palme went further and had zero energy growth made official government policy in a parliamentary decision, an extreme policy of Palme which is never mentioned in Sweden, especially not in the context of today's energy crisis. In the Social Democratic Party Program of 1975, it said:

The first pillar in a Swedish energy policy must be a conscious intention to hold back consumption.... The Swedish energy policy must have the conscious goal of slowing down consumption. We are orienting ourselves towards a two per cent increase on average in the period from 1973 to 1985, with the intention to reach zero growth in 1990.

Posing as a radical reformer, Palme promoted the non-development of industry and welfare, which favored the financial sector. Especially targeted were the developing nations. Their minuscule electric power production was to be kept low “to conserve nature.”

1. <https://www.youtube.com/watch?v=zB0eXIKmAlA&list=PL3D4267C33E785127&index=3> at 1 minute, 57 seconds.



Palme's call for zero energy growth put a dead hand on the Swedish energy system, leading to the closing of three of twelve nuclear power plants. Shown is the Barsebäck Nuclear Power Plant in Skåne, now scheduled for demolition.



Public domain

The young Swede, Ingmar Bergman, an admirer of Adolf Hitler. The soulless existentialism in his influential films promoted an anti-technology culture.

Indira Gandhi directly challenged Palme at the UN Conference.

As we know today, the industrialized nations like Sweden were targeted. Soon Palme orchestrated the roll-back of the impressive Swedish nuclear power program. It was a tricky policy to implement, as his own labor party, the Social Democratic Party, was pro-nuclear.

One participant in the first LaRouche study group was the engineering student Göran Haglund, who had been active among all the leftist organizations protesting the antigrowth policy of that UN conference. While most of the left soon betrayed the growth policy, he and some of his friends did not, continuing in the LaRouche movement and as a long-time editorial board member of *EIR* in Europe.

Palme's Green agenda provoked much resistance in his own party, but the Green paradigm shift took over the Center Party, the farmers' party, to which Palme lost the election in 1976, ending a record-breaking 44-year rule of his Social Democratic Party. He returned to office in 1982, primarily with the tactic of orchestrating a referendum on nuclear power in 1980, which created a split among the nonsocialist parties but at the same time boosted the antigrowth environmentalist movement in Sweden, making possible the birth of the extremist Environmentalist party. The LaRouche movement in Sweden grew in influence, taking the lead in defending nuclear power against Palme's antigrowth paradigm,

which was being massively promoted by the monolithic public media controlling Sweden's only two TV channels and the three radio channels.

The entire industry producing Swedish nuclear power plants was dismantled. The domestic uranium mine was closed and with that the Swedish uranium resources, which had an energy potential comparable to the oil in Saudi Arabia. That resource could have made all of Western Europe energy independent.

Palme's call for zero energy growth has put a dead hand over the Swedish energy system ever since, and led to the closing down so far of three of twelve nuclear power plants without replacing them. By 2018 this program had led to a *power deficiency*, blocking the establishment of new productive industries in southern Sweden. This summer, 2020, an oil-powered plant, that is normally reserved only for very cold winter periods, had to be started up to stabilize the Swedish power system, which used to be so reliable that it could be used to keep clocks calibrated. This is but one example how the Swedish Model is crashing.

The Cultural Fascism of the Swedish Model

The LaRouche movement started to study and expose the Swedish Model whose anti-technological



The founding conference of the Congress for Cultural Freedom in West Berlin, June 1950.

rock, sex, and drug "culture" was promoted with the aid of an extreme kind of soulless existentialism, best exemplified by the films of Ingmar Bergman. Bergman openly admitted in his autobiography that he was an admirer of Hitler for ten years and a card-carrying youth member of the Swedish Nazi Party.

How could this nihilistic Nazi ideology be allowed to be promoted so soon after World War II?

Answer: After the war, all of Western European cul-

ture, especially the Swedish state-controlled media, was brought under the supervision of the Congress for Cultural Freedom (CCF), a Cold War (NATO) outfit founded in 1950 in West Berlin, established to control Western “culture” against Communism. In the name of anti-authoritarianism, a concept developed by Hannah Arendt of the Frankfurt School, all principled standpoints were rejected as “authoritarian,” including religious and scientific arguments against fascism. What was left over to be considered as anti-communist and anti-authoritarian “free” standpoints, were the radical nihilist liberal ideas allowing everything. Thus, the “anti-authoritarian” campaign of the CCF turned culture upside down, allowing nihilistic Nazi ideas but banning classical western values as “authoritarian.”

The existential fascist culture propagating “cultural freedom” was (is) a typical example of “Fascism with a Democratic Face.” Another was (is) the pseudo-democratic ruling form, similar to the corporatist model of the Italian fascist Benito Mussolini, in which the people were represented in parliament, not by elected persons, but by persons from different fascist organizations, “corporations,” from all parts of society, such as workers, farmers, industrialists, fishermen, women, youth, seniors, etc. It is only another of the typical, murky oligarchical European ruling systems from which the American Republic and other colonized nations over centuries have fought to free themselves.

The Fascist Ruling System in the Swedish Model

The “Swedish Model” is a corporatist system from the time of many other European experiments with fascist ruling systems in the 1930s. It started in the deal between the employers’ and trade union federations (SAF and LO) in 1938 in the Stockholm suburb Saltsjöbaden. With that deal the labor market policies were removed from the control of the government elected by the public and given to private interest groups. The trade unions and the employers’ associations represent a lot of people, but they do not represent the unorganized unemployed, the self-employed, the youth before their first job, nor the general public at large. In reality it was a deal between the Wallenberg family financial interests running the employers’ federation, and the Social Democratic Party running the trade union federation that shaped the labor market and industrial and financial policies to suit their own interests.

Soon the whole Swedish bureaucracy was equipped with boards, consisting of private interest groups of all

kinds, ruling according to this system. If you did not belong to one of those private clubs, you had very little chance to get decisions in your favor. The power of the real democratic institutions—the parliament and the government—is very weak, as the public bureaucrats are independently responsible for the executive powers, with the private interest groups more available than the government ministers, who are banned from meddling in active cases.

On top of that, the bureaucracy was (is) protected by a separate justice system, in violation of the human rights rules against special tribunals. Ostensibly to protect the rights of the population was (is) the typical “Swedish Model” system of “ombudsman,” an appointed government bureaucrat whose job it is to investigate your complaint on your behalf, but without the due process of a



Wikimedia Commons

Palme became the liaison for Prime Minister Tage Erlander (above) with the head of the secret intelligence service (IB) for spying on workers, before becoming prime minister himself.

trial and without any possibility of appeal.

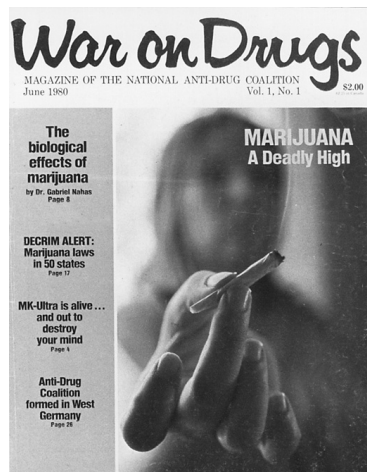
To protect the stability of this system, the employers and trade unions, together with the military intelligence service, in 1957 set up a separate secret Swedish intelligence service later to be known as “IB” (the Information Bureau). About 200,000 trade unionists were enlisted to spy on any workplace opposition from especially communists and to report to their central trade union office. These registrations were shared with military and civilian intelligence services without the knowledge of most of these informants. The central figures setting up this system came from former Nazi activists. Palme became the liaison with IB at the office of the Social Democratic Prime Minister Tage Erlander, meeting the head of IB every week even as the next Prime Minister, until IB was exposed by an inside leak to investigative journalists.

Among the murky operations protected under the Swedish Model was NATO's Operation Gladio system of secret military groups organized to "stay behind" enemy lines in case of a foreign (i.e., Soviet) military invasion and occupation. In many European nations, Gladio functioned as the NATO liaison with terrorist organizations of both the left and the right, for destabilization operations. The Swedish Gladio ran military exercises to protect and hide the King, establishing bases in the mountains under the cover of tourist hotels.

When Lyndon LaRouche launched a "War on Drugs" against the British offshore banking system for drug money laundering, his movement in Sweden exposed the protection of the drug trade and narcoterrorism still continuing, with Swedish support of jihadists in the Bush wars in Asia and Africa. It also exposed the Swedish secret international weapons trade that is protected by the corporatist ruling system, in which it has floated around for decades, unchallenged under the control of "independent" bureaucrats colluding with the private corporative organizations. The India-Bofors scandal was a huge international scandal marked by Swedish weapons trade complicity in regime changes benefitting international weapons cartels. Lyndon LaRouche exposed Olof Palme and his relations to the secret, dirty networks of the Malmö International, the Nazi international organization based in the Swedish city of Malmö, which replaced Hitler's organizations after World War II.

The Massive Opposition to Palme, 1984–86

When Olof Palme came back into power in 1982, he faced a storm of criticism over the many murky scandals under the corrupt Swedish Model system. The industrialists of Sweden gathered the biggest demonstration in Sweden so far on October 4, 1984, protesting a corporatist Swedish Model reform proposal called the Wage-Earner Funds. In the summer there was the biggest farmer demonstration in 70 years gathered in Stockholm. And in October 1985, there was the first officers' revolt in Sweden in almost two hundred years. In the winter of 1985–86 the trade unionists also went out protesting against the government. All these major pro-growth sectors of the population were influenced by the very intense programmatic agitation of the Swedish LaRouche Movement, the European Labor Party (EAP).



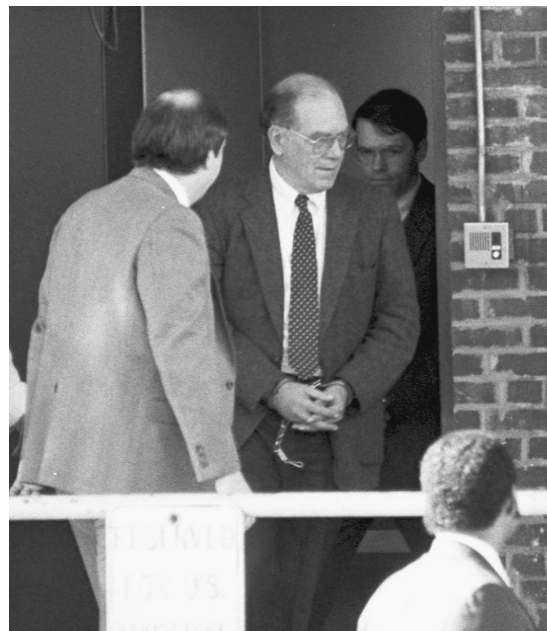
LaRouche's 1980s war on drugs against the British offshore banking system for drug money laundering also exposed the secret Swedish international weapons trade. Shown are the covers of issues of War on Drugs magazine, published by LaRouche's National Anti-Drug Coalition.

When Olof Palme was murdered in the streets of Stockholm on February 28, 1986, all these protests were destabilized. But the significance of the murder was not how it affected Sweden but how it was used against Lyndon LaRouche in the U.S. and internationally. The charge immediately went out: LaRouche killed Palme—placed in the media by influential operatives in Stockholm, London, New York, and Moscow. TV specials, huge spreads in the press, and special diatribes in the Soviet press and TV began to propagate the conclusion that LaRouche did it. There was no evidence. Most Americans did not know much about Olof Palme, but they had heard about Sweden as a successful and reliable country. What was left of the "weight" of the Swedish Model was thrown against Lyndon LaRouche.

The following month, on March 18, two LaRouche associates won state-wide Democratic Party primaries in Illinois—for Lieutenant Governor and Secretary of State. Rather than celebrating and reporting on the



EIRNS/Stuart Lewis



EIRNS/Stuart Lewis

Above: The FBI-led raid on the Leesburg, Virginia headquarters of the LaRouche movement, October 6, 1986. At right: LaRouche leaves the Alexandria, Virginia courthouse on January 27, 1989, after receiving a 15-year sentence.

grass-roots organizing by LaRouche's National Democratic Policy Committee that had by-passed the media and party leadership control over the elections, the party leaders and the media went into a frenzy, using the lie of LaRouche's responsibility for the Palme assassination to drive home other slanders—that LaRouche was a political extremist, a racist, anti-Semitic, a communist, a fascist, a cultist, a demagogue—anything that could scare people away.

The Department of Justice set up a Get LaRouche Task Force to manufacture charges against him and his organization, headed by—take note—Robert Mueller, the same Robert Mueller who would later be appointed to run the equally fraudulent investigation of President Trump. This led to a massive, combined federal, state, and local law enforcement raid on LaRouche's offices in Leesburg, Virginia, and several satellite offices around the country, on October 6, 1986. Years of court cases and “railroad” trials followed, with convictions of LaRouche and several associates on fraudulent charges, putting LaRouche in prison for five years.

Thousands of leading citizens from around the world—politicians, scientists, classical musicians, trade

unionists, civil rights leaders, diplomats—have called for and campaigned for the exoneration of LaRouche. A list of these courageous thousands can be reviewed [here](#).

Palme Murder Investigation Breakdown

On June 10, 2020, the Swedish investigation into the Palme assassination, which had gone on for the past 34 years with no conclusion, was closed down. The leader of the investigation, Chief Prosecutor Krister Pettersson, said that a person who died in 2000 was the “prime suspect.” Asked about other organizations which had been



Polisen

Hans Melander, head of the police investigation into the assassination of Palme, and Christer Pettersson (inset), the prime suspect, who died twenty years ago.

investigated, Petersson answered that there were groups in Sweden at the time, “like ‘stay behind’ and EAP, but we found no connections with them.” In that way it was made clear, as also from the official Swedish police authority, that the accusation against Lyndon LaRouche for having anything to do with the case was a diversion.

In the official press release and at a press conference, Prosecutor Petersson was openly critical of how his predecessors had run the investigation:

To a large extent, we have been at the mercy of the police investigative work that was performed closer to the time of the crime. The current Palme investigation has not been able to repeat such investigative work....

Had the current Palme investigation group been in charge 34 years ago, the suspect would have been remanded in custody had he been unable to provide satisfactory explanations for his movements and actions. My assessment is that there would have been sufficient evidence to have him detained in custody.

At one time we had a reasonable chance of securing the murder weapon as well as other evidence, and of investigating whether he had acted as part of a wider conspiracy. Now this is not possible.

At the end of the press conference, Petersson made public—and quoted at length—a memo from the investigation dated February 9, 1987, which he called “sensational.” The memo was written when the investigation was in its first stage, led by the strange operative Hans Holmér. It mixed up important witness testimonies and arbitrarily concluded that the suspect was of no further interest for the investigation. That clear manipulation of the investigation was written just days before Holmér was removed from the investigation in February 1987.

Petersson also reported that on November 12, 1986, Holmér had made the extraordinary statement to his investigators that “they must go to the bottom [of everything] with [the suspect] S. E. [Stig Engström] before the prosecutors put their claws in him.” Even before



The accusation that Lyndon LaRouche was behind the Palme murder was finally rejected by the prosecutor and the police. Here, Chief Prosecutor Krister Petersson (center) and Hans Melander, head of the police investigation (left), announce the closing of the murder investigation in a press conference on June 10, 2020.

that, the suspect had been kept out of the investigation and only heard from once. That remained the situation until he died in 2000.

Apparently, this prosecutor had sent more inquiries to the Swedish intelligence service, SAEPO, and the Swedish military intelligence, MUST, about the activities that day of certain intelligence networks like the stay-behind groups, and a group of special forces from the military. Petersson never got any additional policemen for his investigation to find out more.

In an answer to reportage in the Stockholm tabloid, *Aftonbladet*, published June 10, Petersson said that the only conclusion about the Swedish stay-behind/Gladio networks was, that they had had their Swedish headquarters in the same office building where the suspect worked—the leading insurance company Skandia. This was not known publicly before, but it was public knowledge that the Director of Skandia, Alvar Lindencrona, was the head of the Swedish Gladio and participated in their international meetings. It was also known that the group “Barbro” of the secret stay-behind operation was active with walkie talkies in the area at the same time as the murder, in what was said to be an action against drug traffickers.

A Clarification Is Needed

The closing of the official investigation is another example of institutional breakdown caused by the Swedish Model with its competing command structures. It was made clear from the press conference that the official investigators had met a great deal of resistance from

higher-ups against really finding out who murdered Palme. What is needed is a clarification of who put pressure on the investigation, including from abroad. Hans Holmér was the head of the police in the Stockholm region but was primarily an operative of the ruling Social Democratic Party. His career included work with the huge secret intelligence network “IB” (the Information Bureau) in which the Social Democratic Party, in cooperation with military intelligence, had trade unionists as spies at the workplaces in the nation.

A democratic inquiry commission should clarify who allowed the Palme murder investigation to be misused by Holmér for political purposes against Lyndon LaRouche and his movement, as well as against many other opponents. This is necessary to clear the justice system of all influences from strange, undemocratic or foreign institutions and straighten out its command structure. Such a commission should also be allowed to open the archives of the Swedish intelligence services and of the many semi-official secret networks in Sweden, such as the paramilitary stay-behind networks and others.

Sweden Is Crumbling Under its ‘Model’

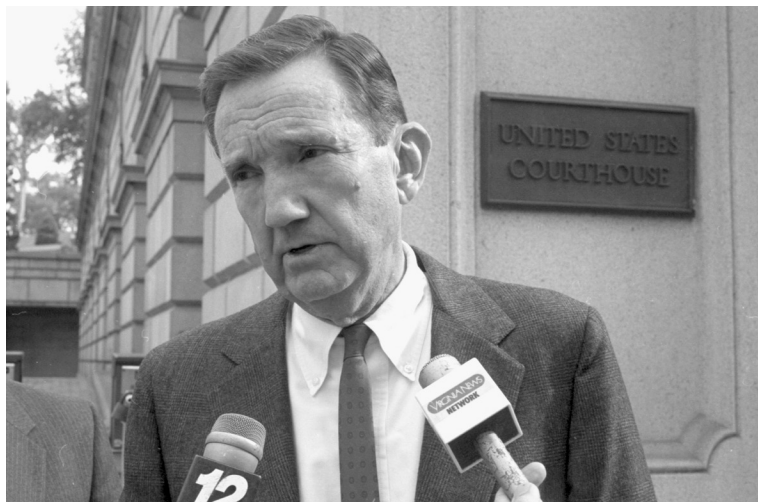
The strong corporatist ruling structures are competing with the democratic institutions in Sweden, as well as with each other. This explains much of the recurring mess in the command system, in which a number of major crises have been mismanaged, such as the Olof Palme murder investigation, but also the sinking of the ferry boat *Estonia* in the Baltic Sea, the Sunda Strait tsunami that caught many vacationing Swedes in Thailand, and the out-of-control forest fires in the hot summer of 2018.

Also now, in the coronavirus crisis, the permanent bureaucrats are running the show with the government on the sidelines. It’s a mess—because the authorities, according to the Swedish governing model, are supposed to make decisions without direct control from the democratically elected politicians. However, at the same time, this permanent bureaucracy is not independent, but operates under the influence of a variety of corporate officials and semi-official interest groups.

With different authorities having different perspectives and goals, there is no overriding responsibility, and the Social Democracy Party is no longer strong enough to control the system through its myriad corporatist in-

terest groups keeping everyone in line with its formerly almighty party standpoint. This means that there are no clear lines of authority for ultimate decision making in Sweden. The corrupt leadership structure therefore breaks down every time, as now in the coronavirus crisis, in what is a much deeper crisis of democracy and justice resulting from the Swedish Model.

LaRouche has been proven right, that the Swedish Model, a type of type fascism with a democratic face, does not work. The growth oriented advanced scientific and industrial tradition that built the Swedish welfare state has to be revived! The world, including Sweden, needs the ideas of Lyndon LaRouche. His exoneration from having had anything to do with the Palme murder is important, but it has to move forward to LaRouche’s full exoneration by President Trump to make his ideas



EIRNS/Stuart Lewis

Ramsey Clark, U.S. Attorney General (1967-1969), and later appeal attorney for Lyndon LaRouche, said that the framing of LaRouche was the most massive bending of justice in the history of the United States.

available for all.

In her June 10 [webcast](#), LaRouche’s widow, Helga Zepp-LaRouche said:

It’s the same thing: If you want to make war against somebody, you have to demonize them first. So, if you look at the demonization against my husband with something which was completely invented, that was part of the legal frameup, which Ramsey Clark, former Attorney General of the United States, who became the appeal lawyer of my husband, said was the most massive case of the bending of justice in the history of the United States. And, in the Swedish media, later, as became known later, a guy

named Herbert Brehmer, a former officer in the East German secret police, the Stasi, said that he was one person in something called Department X of the Stasi [which was responsible for active disinformation operations], and that they planted the story blaming LaRouche for the murder of Palme. And then they played it through the media, and this is how it was orchestrated.

That lesson has to be learned: Regarding a lot of what is now called “fake news,” a really big and very destructive fake news story was this story that LaRouche was responsible for the murder of Olof Palme.

This has now come out, and since it has now been acknowledged that neither my husband nor his organization had anything to do with the assassination of Olof Palme, I demand from the Swedish government that it issue a written statement saying that, and that all the accusations against Lyndon LaRouche and his movement were a mistake, and apologize....

Kjell Lundqvist, EAP Chairman in Sweden, said in a recent statement:

Now as the Palme Murder investigation is closed, it is clear that there was no clear evidence against anyone. Swedish and Western media should apologize for their vilification of the EAP and Lyndon LaRouche.

Lundqvist asked everyone to sign the call for the exoneration of Lyndon LaRouche.

LaRouche Was Victim of East German Lie

by Marsha Kokinda Mallouk

The Baltimore Sun published the following letter from Marsha Mallouk on October 15, 1992. The Sun's editors initially balked at printing it, but when confronted with their own direct role in disseminating the 1986 lies about Lyndon LaRouche, they relented and ran it. The letter was written shortly after the [exposure](#) of the “LaRouche Killed Palme” fraud by Herbert Brehmer, a former agent of East Germany's State Security Service (Stasi).

Beginning approximately one month after the February 1986 assassination of Swedish Prime Minister Olof Palme, major media outlets in Europe and the United States, including the *Sun*, ran literally hundreds of stories alleging that the European co-thinkers of Lyndon LaRouche were being sought as the perpetrators of this vile murder.

Now, one Herbert Brehmer, who served as a leading “disinformation” officer of the infamous East German Stasi, has come forward on Swedish National Radio and in the pages of the Swedish Journalists Association with the shocking admission that the whole story was from the start nothing but a Stasi-concocted hoax!

The implications of Mr. Brehmer's confession are truly staggering. Despite repeated statements by the Swedish police that there was absolutely no “LaRouche connection” to Mr. Palme's death, the print and electronic media on both sides of the Atlantic churned out these wild allegations as though they were revealed truth, up to six months after the assassination.

Mr. LaRouche insisted at the time that he and his associates were being set up for either physical or legal assault through a massive disinformation campaign run by Soviet-bloc intelligence services in cooperation with corrupted elements of the intelligence and law-enforcement “community” in the West.

The press scoffed and gave his charges zero coverage. And even after he was dragged off to prison—on “financial conspiracy” charges every bit as phony as the “Palme assassination” rap—Judge Albert Bryan, who heard his appeal, opined that it was “arrant nonsense” for Mr. LaRouche to ever imagine that his small political organization could possibly be the target of such high-level disruption operations.

With Mr. Brehmer's detailed revelations as to how the Stasi invented and spread the Palme fraud throughout the Western press, we now know exactly who is full of “arrant nonsense.” Perhaps now the real questions can be answered. Why did the Soviet-bloc agents so obsessively target Mr. LaRouche? Were their Western accomplices-in-deception witting—or just witless?

Furthermore, did the same combination of forces behind this particular big lie connive to rig the 1988 operation that jailed Mr. LaRouche?

Most important of all, when will the major organs of the U.S. media repudiate their 1986 role as retailers of Stasi-authored propaganda, and retract their contemptible slander of Lyndon LaRouche as the assassin of Olof Palme?

m_mallouk@yahoo.com

China's Mars Exploration Mission Will 'Leapfrog' Space Development

by Marsha Freeman, Technology Editor

July 28—China's first interplanetary spaceship is now on its way to Mars. Launched in the early morning of July 23, *Tianwen*, or "Questions to Heaven," now has a seven-month cruise to its destination. It will be traveling alongside the small UAE *Hope* orbiter, launched on July 20 and, if all goes as planned, the U.S. spacecraft *Perseverance*, which is now slated for a July 30 departure.

At a time when there is increased tension among nations, leaders of space agencies—along with astronauts and cosmonauts—have stressed that in space, there are no such tensions. Everyone has the same goals—scientific and technological advance—which cannot be achieved unless everyone works together, especially in missions to Mars, which are highly complex.

In an atmosphere in the press largely supportive, if not impressed, with the *Tianwen* mission, and with international attention on China's high-risk Mars mission, NASA Administrator Jim Bridenstine tweeted:

With today's launch, China is on its way to join the community of international scientific explorers at Mars. The United States, Europe, Russia, India, and soon the U.A.E. will welcome you to Mars to embark on an exciting year of scientific discovery. Safe travels *Tianwen-1*!

China's 'Leapfrog'

Every country that has sent spacecraft to other planets has followed a step-by-step approach, minimizing risk and maximizing science return. Planetary exploration in the 1960s mainly consisted of just flying by, taking mostly fuzzy photographs of a planet. By the 1970s, a spacecraft could go into orbit around the planet, staying there even for years, gathering more detailed basic data over time. On Mars, unlike the Moon,

there are seasonal changes and other dynamic characteristics that can only be observed over time. The orbiting satellites provide the data which are crucial for the next step—landing. Finally, the lander can be reconfigured to move, and with some changes, you have a rover. The Chinese, who have never been to Mars, decided to do all three steps on the first try.

There are two classes of goals for *Tianwen*—technological breakthroughs and the science itself. This



CNSA

Launched July 23, 2020, China's Tianwen-1 Mars mission spacecraft is shown here being assembled. The mission includes an orbiter and a lander-rover; its instruments will conduct experiments across more than a dozen scientific disciplines.

first Chinese Mars mission should make "breakthroughs in key technologies," to lay the basis for more complex future Mars missions. These include braking, to allow the spacecraft to be captured by Mars' gravity; entry, descent and landing, described as the "seven minutes of terror" when NASA's *Curiosity* rover came through Mars' atmosphere to land; long-term autonomous management; long-distance communication; and surface inspections by the rover.

Tianwen, both the orbiter and the rover, are outfitted with suites of scientific instruments to allow the spacecraft to meet five scientific goals encompassing more than a dozen scientific disciplines. These include:

- Topography, geomorphology and geological structure of the global area of the whole planet, and of the potential landing area for the rover
- Thickness, composition and distribution of soil planet-wide and in the landing zone
- Groundwater distribution and water ice data
- Detailed investigation of key candidates for landing areas
- Mars' magnetosphere, ionosphere, atmosphere, and its climate characteristics.

Chinese scientists have designed the mission to give the orbiter time to provide a detailed mapping of both global characteristics and those of potential landing sites for the rover. The rover, for its part, will spend up to three months in orbit before it is released to land, increasing the chance for success. (Mars is littered with the 50% of the missions that failed.)

Why Mars?

If there were anyone who would be able to answer questions about the mission, it would be China's most well-known space scientist, Ouyang Ziyuan, the scientist known as the father of Chang'e, China's lunar exploration program. When a number of reporters sat down to talk with the 85-year-old scientist, he told them,

I am very excited.... This is a historic day in the history of China's spaceflight, and a milestone event. It marks China's spaceflight entering the era of planetary exploration. The dream of our generation has finally come true.

The realization of Mars circumnavigation, landing, and roving through a single mission, to achieve leapfrog development, is the characteristic of China's Mars exploration. Although China's Mars exploration started late, it has a high starting point, and achievement.

For decades, Ouyang led the lunar campaign, producing numerous scientific studies and lobbying the government for the Chang'e lunar exploration program. What was his rationale now for missions to Mars? Ouyang explained that if mankind wants to fly into wider space to explore further, the first step is to land on the Moon, and the second step is to explore Mars:

Mars exploration is the current focus of global space exploration. Mars is the sister of the Earth. We are going to study the origin and evolution of Mars. What everyone is most concerned about is whether there is life on Mars. The search for life on Mars has always been the first scientific goal of Mars exploration.

Ouyang Ziyuan said that Mars exploration has always been a high-risk mission. In his view, in the past few decades, mankind has explored Mars 47 times, and the success rate is only half. Scientists have held international conferences to discuss the long-term transformation of Mars and the prospects of establishing a second human habitat in the future, he said. The first step to transforming the Martian environment is to increase the surface temperature of Mars, let the ice cap melt, maintain liquid water on the surface, and create a greenhouse effect. Then plant some low-grade plants to slowly change the structure of the atmosphere, bringing the temperature of Mars closer to that of the Earth. According to current scientific understanding, this process will take about 100 to 200 years. In fact, Ouyang himself wrote a book on this subject, *Recreating an Earth: The Road to Mankind Transforming Mars*.

Engaging the Next Generation

To engage the interest of the public, and particularly young people, China has built a "Mars camp," or simulated base, where primary and high-school students can undergo simulated astronaut training and learn survival techniques in space. Tourists and the media are also welcome to visit.

The camp, which opened in March 2019, is built on an 80-acre site in a Mars-like, desert region in the upper reaches of the Qinghai-Tibet plateau, near Lenghu town. It is separated into a Mars landing site and a camp area with a tent and cabins, or "sleeping capsules." The camp can accommodate 160 people.

The camp teaches astronomy and astrophysics to the young students, but 30 telescopes will also be built there for the use of scientific institutions and universities. The location is ideal for astronomical observing, as the air is dry and the sky always clear. The plan is to make the entire area a venue for scientific research.

"I always feel that a country and a nation must have people looking up at the stars, so that this nation has hope," says Ouyang Ziyuan.

Japan Got the ‘China Treatment’ When It Tried to Launch Development in Africa

by Michael Billington

July 24—Readers of *EIR*, and anyone else with any sense, understand that the massive hysteria against China is of the character of Goebbels’s “Big Lie”—it’s right at the top of the list with Saddam Hussein’s weapons of mass destruction and Russia’s collusion with Trump to steal the 2016 election. Secretary of State, Mike Pompeo repeats, every chance he gets, the lie first launched by British Empire promoter Niall Ferguson, that China intentionally sent planeloads of COVID-19 infected people around the world from Wuhan, after stopping all travel to other parts of China—even though Ferguson himself was forced to admit it was false.

But perhaps the most dangerous lie leveled against China, and the most revealing, is that of the “debt trap”—that China’s Belt and Road Initiative, the New Silk Road, is a devious plot to indebt developing countries, especially in Africa, through the building of massive infrastructure projects which are not “appropriate” to Africa’s “stage” of development (in the terms used by the IMF to deny infrastructure investments in Africa). China’s intention, so it goes, is to take over these countries—that, in fact, they want to take over the world!

It is quite revealing,



Niall Ferguson lied that China intentionally spread COVID-19.

therefore, to review what happened to Japan in the mid-1980s through the early 1990s, when it launched a program to develop Africa through means very much like those of China’s investment policies in Africa today.

A ‘Japan’ in Africa

Speaking at an international Schiller Institute conference on June 27, the former official of the Japanese Ministry of Finance, Kotegawa Daisuke,

described Japan’s effort in the late 1980s and early 1990s to break the neocolonial process in Africa which had kept the formerly colonized nations in a state of poverty and relative backwardness.

The project, led by Kotegawa and Ishikawa Kaoru,



Schiller Institute



Embassy of Japan in Canada

Daisuke Kotegawa in the Ministry of Finance (left) worked with Ishikawa Kaoru in the Ministry of Foreign Affairs (right), to develop a “Japan” in Africa.

a leading diplomat and Africa scholar in the Ministry of Foreign Affairs, was to choose three nations as targets for intensive development of their basic infrastructure, industry, health and education, and technical training both on the ground and in Japan. They were very much aware that this went against the standard operating procedures of the former colonial powers who ran the IMF and the World Bank, and who insisted that the backward state of the African nations relegated them to receive only “appropriate technologies”—better picks and shovels, small scale farms, and some health and education aid, but no large scale infrastructure or heavy industry.

Kotegawa had worked at the World Bank in the mid-1980s, where he found that all the top positions, both division chiefs and deputy division chiefs, where all important decisions were made, were either British, American, or non-German Europeans. In discussion with two of them, from the UK and France, he complained about the slow development of African countries, despite the large amount of aid which was being delivered to Africa. Their answer, he said, amazed him:

Mr. Kotegawa, it is wrong to expect fast economic growth in Africa which can be compared to that in Asia and Japan, because Africa is trying to achieve in 100 years what humanity has done in 2000 years.

Kotegawa’s associate Mr. Ishikawa, in a 1999 book, *Nation Building and Development Assistance in Africa—Different but Equal*, wrote in the Introduction:

In most sub-Saharan African countries, people cannot even earn one dollar a day, and continue to live in conditions where one child out of five dies before reaching the age of five ... half of them cannot read and thus cannot get information, and where girls cannot attend school because they spend half a day walking to fetch water and firewood. Life expectancy is mostly less than 50, and even this is shrinking due to pandemics such as AIDS. Peace and prosperity are important for these countries in order to realize human life with more dignity. Drastic changes are observed in the Japanese approach to international development assistance ...

[other donor countries should] use this new Japanese resource.

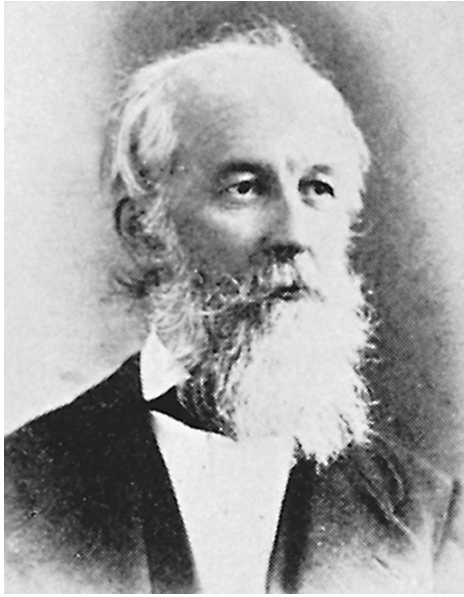
Mr. Ishikawa had served as the Deputy Director-General of the Middle Eastern and African Affairs Bureau at the Japanese Foreign Ministry. As we shall see, the other donor countries not only refused to use this “new resource,” but went to great lengths to stop it. As we shall also see, the lies and accusations thrown at Japan by the European and American political leaders, the press, and the international financial institutions, when looked at today, have an astonishing similarity to the McCarthyite witch-hunt being deployed against China today—and for the same reason: the industrial development of Africa would end the looting of the raw materials and the exploitation of the cheap labor so important to the British “globalization” process of neo-colonialism.

Mr. Kotegawa explained, in his June 27 speech:

When I returned to Japan in 1987, I became the budget examiner in the Ministry of Finance in charge of the budget of the foreign economic assistance. We reviewed Japan’s basic policies regarding economic assistance to Africa, and we started to try to create a country that would become a model for development in Africa, that is, a “Japan” in Africa. I was convinced that it was very important to create a Japan in Africa, because during my days at the World Bank, I realized that Asian countries found in Japan their model and hope, having come to believe that Asian countries can reach the level of Western countries if they work diligently like the Japanese.

Kotegawa is here referring to South Korea, Taiwan, Thailand, and Malaysia, which had adopted strong governments to direct credit toward infrastructure and industrialization, with significant infrastructure investment from Japan, modeled on Japan’s “economic miracle” following World War II. Japan also extended yen loans to China during this period, which learned from Japan’s emphasis on infrastructure during its “reform and opening up” under Deng Xiaoping.

The Western nations, he said, have a fundamentally different approach to economic assistance than Japan:



E. Peshine Smith (left) and Friedrich List (right) introduced the American System to the Japanese government following the 1868 Meiji Restoration. Its adoption gave rise to Japan's dramatic and rapid development into a modern industrial nation.

The underlying idea of Western aid is charity. This leads to the emphasis on “humanitarian aid,” while the idea of economic independence from recipient countries is scarce. On the other hand, the basic idea of Japan’s aid is to aid in the recipient country’s economic growth and independence. This is the idea that flows to the root of Japan since the Meiji Restoration, trying to catch up with and overtake the West, witnessing the plight of Asian colonies under imperialism.

The ideas adopted in Japan following the 1868 Meiji Restoration which overthrew the Tokugawa shogunate were greatly influenced by the Hamiltonian “American System,” introduced in Japan by E. Peshine Smith and Friedrich List, which gave rise to Japan’s dramatic and rapid development into a modern industrial nation.

Before the attempt of Kotegawa and Ishikawa in the 1990s, there had been an earlier Japanese effort to apply such American System methods to global development. In the late 1970s, the Mitsubishi Global Infrastructure Fund (GIF), headed by the visionary leader Nakajima Masaki, proposed a 20-year, \$500 billion program (about \$2.5 trillion today) for “Great Projects” around the world, intended to be taken up by the

such great projects.

Mr. Ishikawa’s 1999 book addressed the failure of Western aid to achieve real development:

We are witnessing aid donor countries carefully watching the implementation of democracy in recipient countries, and their ODA [Official Development Assistance] is more and more subject to the respect of democracy and human rights.... Preaching democracy and human rights as the most important basic value from several thousand kilometers away, while closing one’s eyes in the name of the market economy to foreign economic activities [which undermine the economies, and even the human rights of the recipient countries], is not a recommendable position to take.

With even more precision, he says: “Peace, democracy, human rights, self-help? It is true that all these points are important and necessary in Sub-Saharan Africa. But it is also a fact that eating comes first.” He notes that Kenya and Côte d’Ivoire are both high up in the economic rankings of African nations, “yet their annual GNP equals the wealth produced in less than 17 hours in Japan. This is a reality on the same Earth.”

G7 nations, including such projects as the Kra Canal, damming the Bering Strait, greening the deserts of the Maghreb, and a “New Silk Road” across the Eurasian continent.

Lyndon LaRouche and *EIR* collaborated in the GIF effort to mobilize international support, but, despite strong support from Japanese industrialist leaders, the City of London and the Wall Street financial oligarchy rejected any such cooperation, in favor of “globalization” and speculation. China’s Belt and Road Initiative has provided a new impetus for

Underlying this backwardness, Mr. Ishikawa writes, is the massive deficit in infrastructure:

The main historical handicap was the initial lack of cohesion among the regions. This could have been overcome with fewer difficulties if a fairly dense infrastructure such as mass transportation, telecommunications and electric power distribution had existed and could have established dense transnational contact and interdependency.

This is exactly the fundamental approach taken by China in the Belt and Road Initiative, having learned from their own history that lack of infrastructure is the primary blockage to escaping from backwardness and poverty.

Ishikawa also directly blames the “structural adjustments” imposed by the IMF as a condition of lending, for forcing privatizations and dependence on “market conditions,” without government regulation, and for propagating the idea that poor countries could develop through trade of their raw materials and their technologically backward manufacturing:

Data on sub-Saharan economies show that in the international arena, they would not be able to depend thoroughly on the market mechanisms. During the colonial years, their economy was redesigned to be incorporated in the colonial imperial logic, but not to the multilateral free trade system. A state needs multi-faceted competitive ability to survive, but in the case of sub-Saharan Africa countries, each of the independent states had often been given only the role of supplying raw materials and then buying finished products from their colonizer.

A leading African scholar, Ayokunle Olumuyiwa Omobowale of the University of Ibadan in Nigeria, in his 2016 [report](#), “Tokyo International Conference on African Development: The Context of Japan’s Development Aid to Africa,” writes:

Poverty reduction through trade liberalization championed by the Washington Consensus has failed in sub-Saharan Africa and most other developing regions. Experience during the era of the Structural Adjustment Programme, which emphasized the withdrawal of government from



Wikimedia Commons

Japanese cars for export being loaded into the Swedish Vehicles Carrier ship {Madame Butterfly} at the Port of Shimizu, Japan.

the provision of social services, currency devaluation and laissez faire principles ... resulted in capital flight, economic depression, and mass poverty. [With Japan, to the contrary,] The emphasis on “ownership,” “self-help,” and “partnership” are major peculiar characteristics of Japan’s development aid that puts the design, implementation, and control of development projects under the control of the recipient countries.

Japan chose Ghana, Cameroon and Malawi, said

Mr. Kotegawa, as its target nations for Japan-style development.

We poured all three kinds of economic aid into these three countries, concessional loans with a focus on the construction of economic infrastructure, grants focused on construction of social infrastructure in the medical and educational sector, and technical assistance with the aim of technology transfer through dispatching experts and inviting trainees.... Ghana, in particular, achieved great economic growth, and if we had continued to do so, a “Japan” in Africa could have been realized within the 1990s.



CC BY-SA 4.0

In the wave of “yellow peril” psychosis that swept Europe and the U.S., Edith Cresson, Prime Minister of France, 1991-1992, claimed Japan, in trying to help Africa industrialize, was not only trying to take over Africa, but the whole world!

‘Yellow Peril’

But the neocolonial “masters” were not going to allow such development to take place, said Mr. Kotegawa: “Having watched the success of such Japanese aid, the British and French began to be vigilant.” In 1991, Edith Cresson was elected Prime Minister in France. This outspoken woman (the only woman to have served as a French Prime Minister) unleashed a torrent of racist vindictive against Japan: The Japanese are “yellow ants trying to take over the world,” she said, and “Japan is another universe, which wants to conquer.”

It was not only Africa that Japan was trying to “take over,” said Cresson and many others, but the whole world, as a wave of “yellow peril” psychosis swept through Europe and the U.S. In 1985, the U.S., facing a large trade deficit with Japan (sound familiar?) forced a massive revaluation of the Japanese yen (with help from the UK, France and West Germany) in an agreement called the Plaza Accord, eventually doubling the value of the Japanese yen to the dollar, making Japanese cars and electronics doubly expensive to American consumers. (It did not succeed in its intended reduction of the trade deficit with

Japan—quality had something to do with it, as it does today.)

As early as 1980, a leading Republican presidential candidate, John Connally, told the press:

Don’t they remember who won the war? It’s time we said to Japan, “If we can’t come into your markets with equal openness and fairness as you come into ours, you’d better prepare to sit on the dock of Yokohama in your little Datsun and little Toyotas while you stare at your little TV sets and eat your Mandarin oranges, because we’ve had all we’re going to take.”

Reagan’s Commerce Secretary Malcolm Baldrige said in 1985 that Japan’s policy “had as its objective not participation in, but dominance of, world markets.”

But Ronald Reagan did not join in the Japan-bashing—and won the 1980 and 1984 Presidential elections. Nonetheless, the 1986 midterm elections saw the Democrats take over the Senate through a campaign painting Reagan as soft on Japan. Rep. Tip O’Neill, the Democrat Speaker of the House of Representatives, said that if he were president, “I’d fix the Japs like they’ve never been fixed before.” Walter Mondale, the Democrat candidate for President in the 1984 election, said that if Japan kept outproducing the U.S., “our jobs will consist of sweeping up around Japanese computers and serving McDonald hamburgers.” (Mondale was appointed Ambassador to Japan in 1993, with the explicit assignment to break Japan’s supposed “trade war” against the United States.)

In July 1985, the highly popular presidential historian Theodore H. White published an [article](#) in the *New York Times* titled, “The Danger from Japan.” He wrote:

The Japanese, as Government policy, are undermining one American industry after another. [Allowing Japan into the General Agreement on

Tariffs and Trade (GATT), the predecessor to the World Trade Organization (WTO)] was a terrible mistake.... We could not entertain the idea that some nations would race, like broken-field runners, through the new rules of tariffs and trade; that GATT would be riddled and pock-holed by subsidies, regulations, quotas and barriers that made a mockery of the idea of free trade.

No one today can miss the parallel with the raving of anti-China fanatics such as Peter Navarro, U.S. Director of Trade and Manufacturing Policy, who said, in an interview with Paul Solman on the PBS NewsHour program, August 25, 2016:



Peter Navarro, U.S. Director of Trade and Manufacturing Policy, and an anti-China fanatic: "As soon as a bad actor like China cheats ... it threatens the integrity of the global financial system and the global trading system."

The defining moment in American economic history is when Bill Clinton lobbied to get China into the World Trade Organization. It was the worst political and economic mistake in American history in the last 100 years....

As soon as one bad actor like China massively cheats, they win at the expense of us; they win at the expense of Europe, and over time, it threatens the entire integrity of the global financial system and the global trading system....

White goes on to accuse the Japanese government of unfairly supporting its industries, breaking the sacred rules of "free trade." Targeting the Ministry of Finance and the MITI (Ministry of International Trade and Industry), White wrote that MITI can "coordinate research into arcane technologies—for example, into the fifth generation of computers." The parallel to the massive attack on Huawei today for developing the first (and the best) fifth generation of cellular networks (5G) is truly uncanny.

There are many more direct parallels to the anti-Japan hysteria thirty-some years ago and the anti-

China hysteria today. White writes:

- "The Japanese provoke American wrath because they are a locked and closed civilization that reciprocates our hushed fear with veiled contempt."
- "Their export surplus gives them huge sums to invest ... so that Japanese capital is moving from penetration to control." This is a 1980s version of the "debt trap" as it is used today by the China-bashers.
- "Japanese are beginning to supply venture capital for the seedbeds of American technology, from Silicon Valley to Route 128 in Boston. They hover over the Draper Laboratories in Massachusetts—the national laboratories that devise the guidance system of our missiles, and acquire what patents security lets

free to the public."

- "Japanese markets are protected by a maze of so-called nontariff barriers to trade."
- "The American semiconductor industry is reeling from the assault. The Japanese, without mercy, propose to wipe out our supremacy in this industry, based on our own research and invention." How often are we told that China stole all its technology from the U.S., despite the fact that they are *well ahead* of the U.S. in several areas, including 5G, high-speed rail, and mass construction techniques and equipment.

Like many of our modern-day China bashers, White acknowledges the obvious:

The Japanese are very, very good, better at some things than Americans. They are brilliant, efficient, aggressive people who prize education as much or more than Americans, and have learned to use it.

But the comparison should make it clear to the thinking person—the wild accusations against China today are not only "fake news," but have a very different intention than "stopping unfair Chinese practices."

It is to stop China's Belt and Road Initiative, which is taking China's "lessons learned" from its own truly miraculous development over the past forty years, to the underdeveloped world.

Just as Japan intended to develop Africa in the same manner it had transformed itself, so China is taking its discoveries in economic and social transformation to the rest of the world through the Belt and Road Initiative. Preventing that process, by demonizing China, is falsely described by American and British imperial geopoliticians as "stopping China from taking away our leading role in the world." This is nonsense. The imperial intent is to stop development itself, as the neocolonial policies of the IMF and the Washington Consensus have done in the post-colonial era by denying the former colonies access to infrastructure and industry.

Mr. Kotegawa concluded his presentation on the "Japan in Africa" project:

"Against such criticism, Japan was forced to review its aid policy and had to reduce aid to Africa before Ghana became a Japan in Africa." He said that some basic infrastructure, especially roads, was completed, but it never reached the point of major industrial investments. He added: "Since then, proposals for the UN Millennium 2000 Goals, including debt relief, mainly targeted Japan's yen loans. These policies had been drafted mainly by the UK, and Japan's presence in the world of economic assistance has gradually been lost."

It is unlikely that China's development efforts can be so easily sabotaged today. They are not an "occupied country," as Japan was and still is. Kotegawa, who is often invited to speak in China, has strongly advocated for Japan and the U.S. to join forces with China in the Belt and Road projects, and to join the Asian Infrastructure Investment Bank launched by China in 2015.

Nor is China powerless at the UN, as Japan is, since China has the veto power, brilliantly organized by Franklin Roosevelt to help prevent another world war. The danger, indeed, is that the geopoliticians prefer war to losing their power over the world economy. Theodore H. White's 1985 Japan-bashing included threats of war:

The superlative execution of their trade tactics may provoke an incalculable reaction—as the Japanese might well remember of the course that

ran from Pearl Harbor to the deck of the *U.S.S. Missouri* in Tokyo Bay just 40 years ago.

But there was no serious thought of war on Japan in those days. The same cannot be said of the current situation, where the potential of a global war, by intention or by miscalculation, launched by the remaining "dinosaurs" of the City of London-based financial oligarchy and the military industrial complex, is an increasing danger. Jens Stoltenberg, Secretary General of NATO, in a June 26 speech explained why the supposedly "North Atlantic" organization, created to confront the now-dissolved Soviet Union, is now expanding to the Indo-Pacific region, said:

We don't regard China as an adversary.... But just the fact that we have such a growing power, which is actually coming closer to us in the Arctic, in Africa, in cyberspace, investing in our infrastructure here in Europe and with weapons systems that can reach all NATO allies, of course matters. That's the reason why this is part of NATO 2030.

Pompeo is even more saber-rattling. Speaking on July 23 at the Nixon Presidential Library, clearly choosing the site to symbolize the end of the engagement with China launched by Nixon in 1972, Pompeo openly called for ending the "old paradigm of blind engagement." Making clear that he believes this may require war, he raved: "And if we don't act now, ultimately ... our children's children may be at the mercy of the Chinese Communist Party.... General Secretary Xi is not destined to tyrannize inside and outside of China forever, unless we allow it."

Overcoming geopolitics and bringing about a "New Bretton Woods" summit including Russia, China, the U.S., India, Japan, and others has never been more urgent.

References

- Ishikawa, Kaoru, *Nation Building and Development Assistance in Africa—Different but Equal*, St. Martin's Press, New York, NY, 1999.
- Hale, Michael, "Anatomy of a Scare: Yellow Peril Politics in America, 1980-1993," *Journal of American Studies*, Cambridge University, April 2009.
- White, Theodore, "The Danger from Japan," *The New York Times*, July 28, 1985.

II. How to Solve the Economic Crisis Now

FEBRUARY 23, 1998

Infrastructure, Not Money, Fosters Development of Nations

by Lyndon H. LaRouche, Jr.

Mr. LaRouche delivered this speech to a private seminar:

We have, in the United States, two so-called national newspapers. And, it's typical of our present conditions, that these are very bad things, together with our television so-called news. One of these newspapers, which comes out five days a week, is the *Wall Street Journal*, which is a newspaper, although a very bad one. It's bad in the sense that it's evil, especially since about 1970, when a new editor took over the editorial page, who is the present editor of the publication, and who has played a key role in creating the so-called Friedmanite or monetarist faction in the United States. In other words, the *Wall Street Journal* is a voice from the outer space that does not exist, and from a world that will not exist very long, if it continues to listen to the *Journal*.

The second one, which is more popular, comes out seven days a week, and it's not a newspaper; it just pretends to be one. It's called *USA Today*. If you look at it, you say, "This is not a newspaper. This is written for people who are too stupid to read the morning comic book."

But what's relevant, and as you know, looking at different cultures, sometimes you find certain clues that tell you what's wrong with that culture. And, you look at national popular television. You look at our national entertainments, what people spend money for. You go into typical bookstores, including university bookstores, and you look at the subject matters which are

sold in the bookstores. Then you look at some of the leading newspapers, and you look at other entertainment, which tells you more about a people and its condition, than anything else. Because when they're working, they're doing as they're told; when they're going to entertainment, they're doing what they're telling themselves, and they reveal their inner self.

Now, look, this is a section of this newspaper, *USA Today*. This section is called "Money." In former times, you would have newspapers that would have a section called "Business," "Economics," or, even in the *Wall Street Journal*, "Finance." This: "Money." "Money." "Money!" It tells you a great deal about what's wrong, why funny things happen in the United States: because people are thinking about *money*.

We weren't like that always. We always had greedy people, but we didn't have people who thought that money itself was a god—not many of them. It used to be the case, even in entertainment, that if you presented a character in entertainment in the United States, who was interested only in money, this would be typically, in a movie, for example, an evil person, the man who is thinking only about money, who has no other morality. Money. And that, unfortunately, has become a very large factor in the population of the United States, especially in the wealthiest, and most influential by virtue of wealth, circles.

In former times, before the middle of the 1960s, for example, there would be different concerns among people, such as infrastructure. For example, take the subject of education. Education, science, and infrastructure are the most important parts of an economy. Good education creates the potential in the young for

Editor's Note: This speech was first published in *EIR* Vol. 25, No. 17, April 24, 1998, pp. 26-35.



Schiller Institute

A Schiller Institute delegation visiting the Institute of Nuclear and New Energy Technology (INET) at Tsinghua University in China in May 1996, where a 10 MW high-temperature gas cooled test reactor (HTR-10) was being built. Such safe, efficient nuclear reactors are essential for China's future.

the creativity, the capabilities of the adult. Health, of course, is indispensable; a family that has a high death rate, early mortality, can not provide the nurture for the children needed. And, if you have a society in which you have a high death rate, you can not develop the children as well economically as you can in one which has longer life.

Without infrastructure, no economy can work. Look at Southeast Asia, for example, and compare China, for example, with the leading machine-tool economies in Europe, say the United States and Germany as examples. What people in Southeast Asia lack, is infrastructure.

You have the fourth most populous nation in the world, Indonesia, which has an inclination to high technology, as typified by a man who is presently a candidate for Vice President, B.J. Habibie. Habibie, educated in aeronautical science at Aachen University—a very good education—is the leading industrial magnate in Indonesia, who brought in an aircraft industry top-down. But Indonesia does not really function, because it has very poor infrastructure, and because the national leadership has not yet understood how to approach infrastructure.

Indonesia is an island nation, a nation of many islands, which means that there's a lot of water. And, the land area has a large coastline. Therefore, it has a natural, built-in transportation system, a water system.

Therefore, the most important thing for Indonesia is to develop, in the region of the entire sea area, high-speed, efficient waterborne transport, to develop all the islands together. So, where China has a northwest territory development, inland and northwest territory, to develop itself fully, the potential for Indonesia is to develop all the islands, as an integrated nation to an integrated economy.

Another example, another problem is that the greatest obstacle to development in Southeast Asia, is very poor machine-tool capability. They actually are still colonial economies. The so-called Asian Tiger phenomenon—except for Korea, which is special—the Southeast Asia Tiger phenomenon was a farce. It was never true! Because to have a true, viable economy, you have to have a sovereign

economy.

Think back to times of warfare. For example, China has developed as a nation under conditions of threat of war. Therefore, China will think, in economy, also in terms of national security, not just needs of the people. “But what if the world turns against us? Can we survive if the world turns against us?” This is not only good military thinking, this is also right thinking under all economic conditions. “Do we have the capability of surviving, if the world blockades us? Could we get by? Could we maintain our people?”

Well, the most important thing is the so-called machine-tool industry. The machine-tool industry has two aspects to it. One aspect is the machine-tool industry which is virtually a scientific laboratory: the people who invent machine-tool designs. Then, you have a secondary machine-tool industry, in which designs which are already developed as designs, are adapted to various uses. These are also the machine-tool industries which do the repairs on high-technology industry.

Just think: In Indonesia, or Thailand, or Malaysia, or the Philippines today, think of the problem if a machine, if a modern machine breaks down. How can they repair that machine? How many miles do they have to send to bring in a technician to repair that machine? They have no local capability for sustaining their own

industry. In China, of course, it's important to increase greatly the size of the machine-tool sector, particularly in the areas where the new development will occur, in order to have the machine-tool repair capability and technical training capability, to support the industries that go into these areas.

So, these are important characteristics.

The Best Example: Space Exploration

One of the best ways of thinking about this, is to think about space exploration. Now, space exploration is a perfect example of the Machine-Tool Principle carried to its most advanced level.

For example, during the middle of the 1980s, I developed a design for a 40-year program to begin the colonization of Mars. Why would it take 40 years? I worked it out step by step. Because, in order to do each step, you have to complete a previous step. First of all, you have to change the way you go into space. A rocket into space from Earth is not efficient. It's not efficient! It wastes fuel. First, you take a plane, a high stratosphere plane, a jet which goes to a high altitude, and carries a rocket on its back. You put a low-altitude station in, and then you build another rocket plane at that level, which goes to what is called geostationary orbit. This is the space platform level.

Then, you have to colonize the Moon, not so much with people, but with industries, to build craft to go to Mars. They're big. Do you want to put all that weight from Earth up into space? Very costly. Go to the Moon. There's raw material on the Moon. Use nuclear technology for automated industry on the Moon, to make the parts for the big spaceships.

Then, you send all your space equipment to Mars. You put it in orbit around Mars. You develop high-speed technology, so that you can get to Mars within days, not months: constant acceleration. That is, ballistic trajectory to Mars is very slow, it takes months. Only twice a year can you have a good journey to Mars. If you want to have a journey to Mars constantly, you have to have constant power, a constant-powered flight. Then you park everything around Mars. You drop everything to Mars' surface, and you begin to build a habitat for human beings.

To do each of these steps in sequence, with a good program, would take 40 years. Therefore, we can conquer space with technology, but also with infrastructure. The ability to develop the infrastructure for human existence, is the precondition for human existence and

production. And these technologies which we would use for Mars, are the same technologies we would use to make the desert habitable on Earth. If we can build a city on Mars, we can build a city in any desert. If we can transform Mars to make it more habitable, we can transform any part of Earth to make it more habitable.

All of this requires technology, machine-tool technology. So, if we think about space exploration as the frontier of infrastructure, then we look back at Earth, we have a better understanding of how infrastructure works on Earth. So, think of ourselves as visitors from space colonizing Earth. We need to make the Earth habitable for human beings, and for the kinds of production human beings require. So, we think of ourselves as man in the universe, and Earth is our first colony. And then we have the right thinking.

So, everything you say about infrastructure, should have that mental outlook. We are conquering space, beginning with Earth. And this requires a constant drive of improved technology, which enables us to do the things to create the infrastructure to conquer Earth. This is true of soft infrastructure, such as education, science itself, health care. We have to improve the conditions of life of the human being, the human mind, the human body, protect it. Science to develop the knowledge of society. Infrastructure. Preconditions for development.

Man's Transformation of Nature

If you want to have an industry, you have to move materials to it and from it. Therefore, you require an efficient transportation system which has a low physical cost of transportation per ton of weight. The most efficient, of course, is rail—rail or magnetic levitation—the lowest in the cost, physical cost per ton mile. Roads are very inefficient, and the only time you use roads, is when it is inefficient to build rail. And you try to use them only for very short distances, because they're very costly, per ton mile, relative to rail. Rail is much cheaper. Water is the cheapest, but that's not land. But, water is slow.

Therefore, if you wish to move freight, and you don't want to have a lot of freight in the system, if you don't want to produce a big inventory, then you will want higher-speed travel, in order to reduce the cost of inventory. If you have, for example, coal, or iron ore, you would prefer to move that by water, because water is so cheap. And, therefore, if it goes more slowly, you don't care, because the cheapness of water transportation is an advantage.

You also require power. Now, power has quality, as well as quantity. The generally easiest measure of power efficiency, is what is called *energy flux density*. In other words, you take a square centimeter of a surface area. You have something flowing, like water, or electricity, or whatever, flowing down a tube. You want to know how much energy is going through a cross-section area, one centimeter, for that flow, energy as represented by motion of water, energy as represented by electrical power, or whatever. So, energy flux density.

Now, certain sources of power have very high energy density. Very low, is muscle power, animal power: very poor. Open, simple burning of wood fuel: very poor. Sunlight: very bad. Sunlight is very poor. You can not get efficient power from sunlight, only in small quantities, and only for special uses. Let the plants have the sunlight, they know how to use it efficiently!...

Now we have more efficient chemical power, chemical reactions. They're more efficient than burning, simple burning. For example, one of the most efficient chemical sources of power is the simple combustion of oxygen and hydrogen. It's much better, for example, to use methane for airplanes, than it is to use gasoline or kerosene. So generally, what we would do—in many cases, for chemical power, if you use a nuclear plant, or a thermonuclear plant, you can convert water into hydrogen and oxygen, by dissociation. You then can use the hydrogen as a fuel for local use, or you can make methane, natural gas, so-called, and you can use that as a fuel, which is much more efficient than gasoline. Also, when you use combustion of oxygen and hydrogen, your waste product is water, which is not a bad thing to have. It's not a pollutant.

So, those are the most advanced. Look at the Periodic Table. You can generally tell from the Periodic Table of Chemical Elements, what is the most efficient chemical process for energy. But that's not too good.

You go further: You go to the atomic nuclear level. Now, the energy flux density will be 100 to 1,000 times as efficient for nuclear energy, as for chemical energy. Thermonuclear energy will be 100 times or greater more efficient than nuclear energy. We have another reaction we know, a physical reaction we know, which is about 1,000 times more efficient than thermonuclear fusion. It's called matter-anti-matter reactions. These occur in the laboratory. We measure them, but we do not yet know how to control them. One of my objectives in my Mars program, was to say, "We have 100 years to develop this technology. We must find out, in

100 years, how to control it. Because it's a thousand times more efficient than thermonuclear fusion."

So, energy; again, infrastructure. To create a habitat for human beings, and to create a habitat for industry and agriculture, we must transform nature, to bring nature, per square kilometer, up to a quality which is, for human beings, favorable, and also for industries. These qualities include transportation, soil development, water management, power, communications. Then, living places for people, which means education, health care, science services.

When you get industry, the next thing you require with industry, is machine-tool industry. If you want to maintain a factory, you should have a repair shop that can maintain the machines. The machine-tool industry is the first industry, the most important industry, the mother of all other industry. The machine-tool industry.

The Eurasian Land-Bridge

Now, how do you do that? Well, let's take the Land-Bridge [see Figure 1: Eurasia: Main Routes and Selected Secondary Routes of the Eurasian Land-Bridge]. You are very familiar with China, more than I am, so I don't have to tell you about China. But, in general, look at the condition of China. We have the problem of the inner area, which is poorly developed economically, where people live, but they're poorly developed; where the people are poor. Number-one problem.

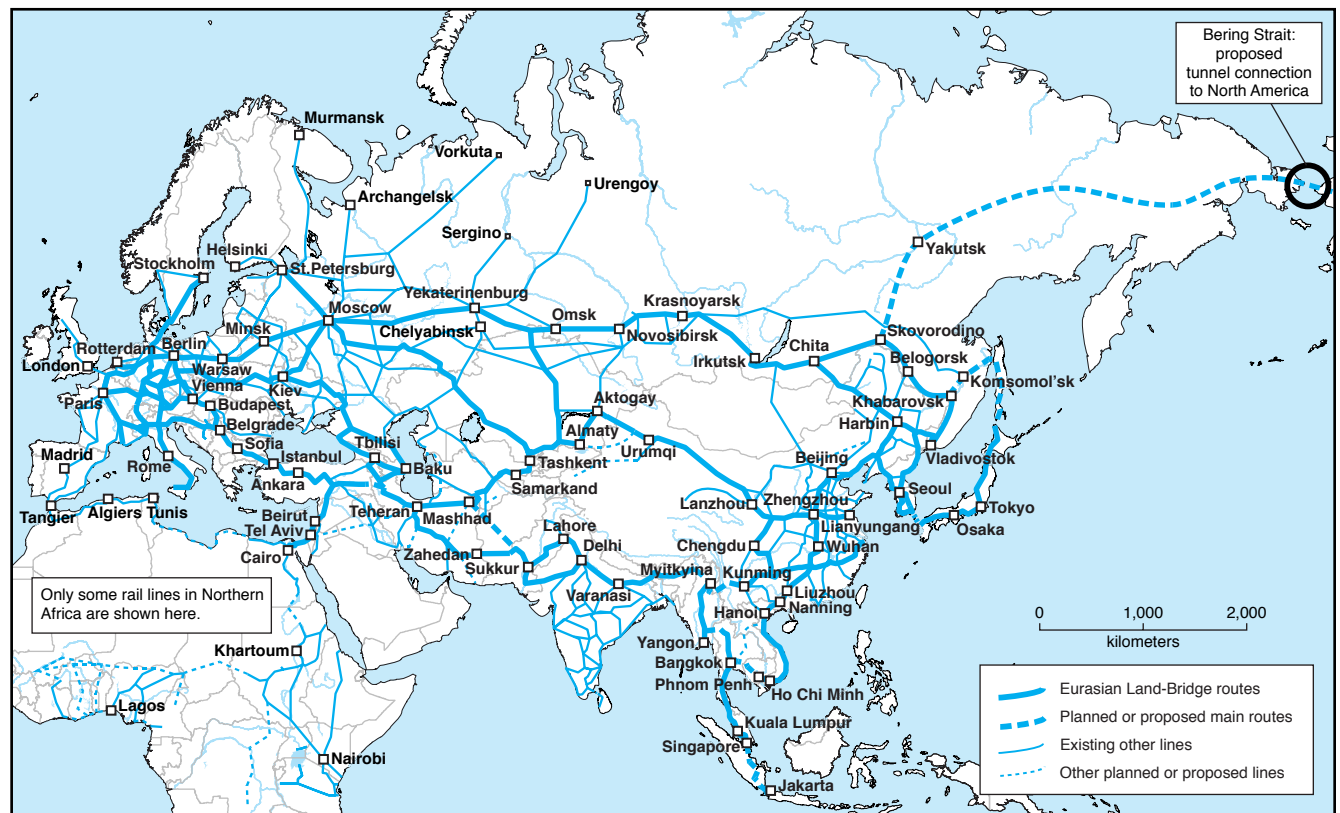
Number-two problem: not enough land area developed, so that you can have population growth. How do you do that? The northwest, areas which are now desert or semi-desert: You must open up the desert. Well, the problem is very much like the problem we studied in the Sahara: How do we deal with northern Africa?

Well, what you do, is you take the desert area, and you design a Silk Road. But not just a Silk Road, not a transportation route. Along the transportation route, you move gas pipelines, water pipelines, power stations, everything. Develop the land area on either side, 50, 100 kilometers either side of the rail line, and you conquer that amount of desert. You want to do more, more desert? Make another development line, another transportation line, the same thing, off the main line.

And, in that process, you can control the desert. It's like conquering the desert. It's like a military flanking operation against the desert. We are now going to defeat the desert! It may take us 50 years, but we will defeat the desert. In our children's, our grandchildren's time, the desert will be conquered.

FIGURE 1

Eurasia Main Routes and Selected Secondary Routes of the Eurasia Land-Bridge



So, what we do is, we go through these areas. We say, “Are there people here?” Well, in inland China, there are people there. Not in the desert area, not so many. “How many people can we employ in these areas? What resources do these areas have, for this infrastructure?” All right. The farmers will produce food. So, we will feed people who work on this project in this area. This will be now new income for the farmers, a new market for the farmers.

You have unemployed people? They don’t have to go to the coastal cities for work; the work will come to them. But, they don’t have skills. So, we will have to have skilled cadres move in to train them and guide them in the new employment, and to develop their skills. More teachers. You will need more education. More health care, more services, in order to psychologically integrate the local population, with the benefits of the work.

So, the thing starts with the infrastructure project, development project. You now can bring in the machine-tool support, the local branch of the machine-tool industry, which means you can bring in any industry that fits that area.

Infrastructure Development in Europe

This is true all over the world, with the building of large-scale transportation projects. In Europe, it used to be canals. From the time of Charlemagne on, canals; over 1,200 years ago. Then it became, later, roads and railroads; in modern times, railroads.

Then, the development of mass power distribution. We had the first burning of fuel. The discovery of coal as a fuel to replace wood was a great advantage in Europe, and the development of that, which occurred in the Sixteenth Century and Seventeenth Century. Because we were destroying forests. A forest is an ecological resource. It should not be used just for fuel. It helps to control the environment. The forest is the most efficient transformation of sunlight into biomass. It’s a very useful resource for wood, for many other things we get from the forest and its surrounding areas. It maintains part of water management. You have forests, you have watershed.

So, these developments occurred in a natural way. We kept adding new technologies. Every step started with two things, infrastructure, and soft infrastructure:

that is, education, health care, science, transportation, power, land development, land management. These things became the stimulant and the precondition for creating new kinds of industries.

If you look at the importance of river development in Europe, for example.... You take the Rhine River, the Elbe and so forth—these were crucial in the early development of parts of Germany. For example, in medieval times, you had the development of what was called the Hansa. These were the shipping groups that went across the North Sea and the Baltic Sea. You have here the Rhine system, which is down in Bavaria and so forth [see Figure 2: Existing and Proposed New Waterways in Europe]. And you have over here the Elbe system, and so forth.

So, the rivers were natural communication, natural highways. So, you would have the areas of Germany, particularly in mountain areas, say in Bavaria, what is today Bavaria, or what was the Hartz Mountain area, and other areas. You had Saxony. You had areas where there were mountains with large mineral resources. You had primitive types of metal industry. And these would become the resources by the Rhine system, the Elbe system, and so forth, which would now be connected to the sea, which would then be connected to this shipping transport along the coast, among various parts of Europe.

So, early economic development utilized a natural infrastructure, which was the rivers. To improve on the rivers, we added canals to connect rivers to each other. This improved the density in Europe. Look at the canal system, the development of the canal system in Europe, from the time of Charlemagne, and look at the plans which were laid out in the time of Charlemagne, some of which were just recently completed. For example, the canal connecting the Rhine River to the Danube River for transportation, which is the connection of the North Sea to the Black Sea, was only completed recently. And this was a design which was intended over a thousand years ago.

So, the development of Europe before railroads was largely based on cheap water transport using rivers, and increasing the usefulness of rivers by adding canals, as happened in China. The same question, of how to use a canal to develop China. How not to use it, how to use it.

This was a combination of rivers and canals. By linking canals across one river system to the other, you now take the natural highway of water highways, and you add to them the artificial highways, and that gives

you the cheapest cost per ton for movement of freight. So, if you have bulk freight, like heavy freight; like fuel, for example, petroleum, oil, you want very low cost. For low cost, you must pay the price of slow freight, slow transportation. So, water transportation is perfect. Grain, coal, ore, many other types of things, which are cheap, low cost per ton, better to move slower.

So, what happens is, naturally, when you create infrastructure development, where you bring generally new land, which may have been inhabited before, but it's not economically useful—it costs too much to produce in that locality—you now make it potentially, economically, more productive, by developing infrastructure.

For example, you actually may develop improved agriculture. Look, for example, in Germany, you will find they had a more intelligent approach to use of land, than they do in the United States. In the United States, we have big, sprawling suburbs outside cities. The farms are pushed away. Farmland is pushed more and more away. In Germany, it's much more intelligent. You will find farmland up next to the big factory, which is a natural, economical thing, as also for China. If the farmland is right next to the city or the town, then the population of the city and the town will get its food more cheaply, more readily, right from the local area. So, the planned development of agricultural land, and new techniques of agriculture, including artificial environments for food growing in inclement areas.

What do you do in a desert area? Not good for farming, perhaps. But, you may have an artificial environment for high-quality food; vegetables, for example, under special conditions, a special environment. For example, plants like carbon dioxide. People do not like carbon dioxide; it's not good for them. But a plant is very happy. Give a plant energy, especially sunlight, lots of carbon dioxide, and adequate water, and minerals, the plant is very happy. It grows very fast. So, you may create special environments, which are good for plants, but not good for people. And you will grow food under these artificial conditions, which will be much more efficient and much less costly, actually, in terms of the result, than growing it under open field conditions.

So, the development of an area then, by infrastructure, now creates the potential for industry, private industry, which otherwise did not exist, provided you have the machine-tool capability.

Now, look at this from a standpoint of credit, devel-

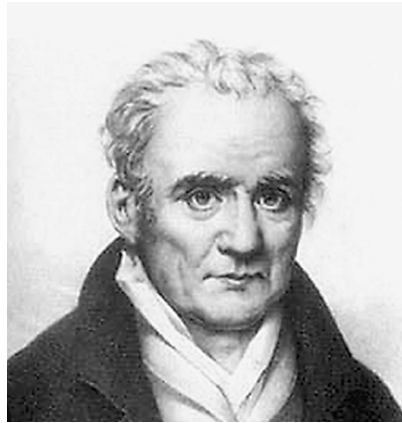
opment credit. You take a large-scale project, like the Land-Bridge project. So, the state will create credit, and create a network of companies. You probably will have a state agency, which is responsible for all of the political aspects of the project, because in any project, you have political aspects. You have to acquire land. The project—a rail system, a transportation system—requires land. This land may already be being used for something else. This is the responsibility of the state, as in the Three Gorges Dam, to take charge of that problem. You had to move people in China from one area to another area, to make the Three Gorges Dam possible. This is the responsibility of the government. No private company could do that.

So, the government creates an agency, like the TVA in the United States ... a general master agency for that area, responsible for that project in that area. Now, at that point, you can have private contract companies, typical in the United States, come in.

The Tradition of Lazare Carnot

In the United States, we also did something else, which also is probably good for China. From 1814 on, the development of the U.S. military, first the Army and then the Navy, was based on the development of the military as an engineering force. The way this happened, is that the foundations of modern industry were established in France, beginning 1792-1794, by Lazare Carnot, who was then the commander of the French forces, who achieved the victory against the invasion of France, under his leadership.

Not only was he a military genius by training, he was also a scientist. Lazare Carnot developed the concept of the modern machine-tool industry. As a commander of military forces, he revolutionized warfare in two years. Modern warfare, as we know it from the Nineteenth Century and the Twentieth Century, was invented by Lazare Carnot, in two years, in taking a French army which was being defeated, and converting it into an undefeatable land force, by changing the structure of the military in a way which was immedi-



Gaspard Monge (left), the founder of the École Polytechnique, and his student and friend Lazare Carnot (right), who developed the concept of the modern machine-tool industry.

ately imitated in Germany, by people like Scharnhorst, in the development of the Landwehr in Germany, and other things.

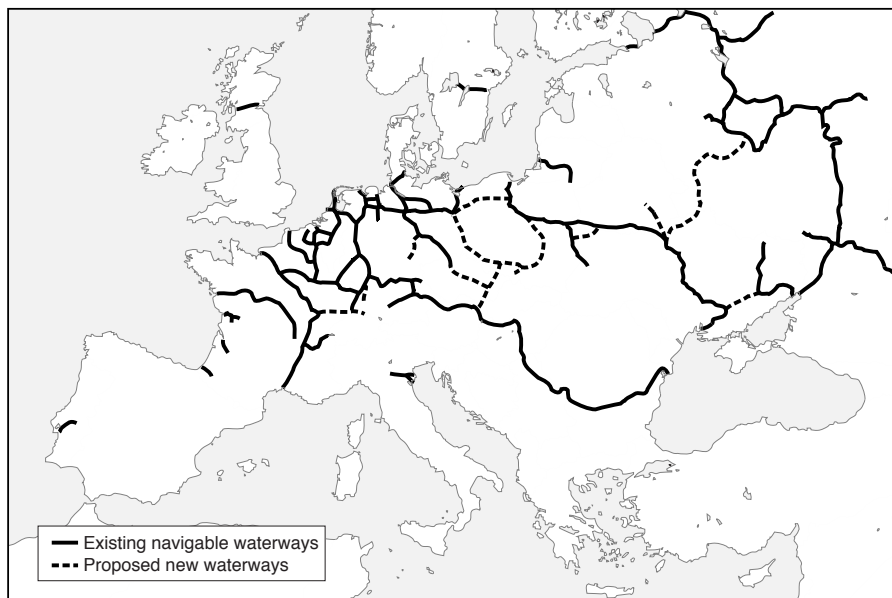
But, he also applied the Machine-Tool Principle, and introduced it, with industries centered around Paris, to run a crash program. For example, Lazare Carnot developed the techniques for mass production of mobile field artillery. And one of the features of the French Army under Carnot, was that it developed the use of mass mobile field artillery as a new device in warfare, which changed the character of warfare. And such things.

Lazare Carnot's teacher and friend was Gaspard Monge. Gaspard Monge is a very famous person, who founded the École Polytechnique in France. This École Polytechnique was a continuation of the work of Leibniz. It was a copy of Leibniz's model for the Academy. Monge and Carnot were both, scientifically, followers of Leibniz.

Now, Napoleon ruined much of this. But, in 1814, when the Restoration government destroyed the power of Monge and Carnot, the people from the École Polytechnique went to various places. Gaspard Monge, who was older, retired, and died in 1818. Lazare Carnot, who had been his student at one time, lived in Germany, in Magdeburg, as a refugee from France. He died in 1823. During this period, he was one of the advisers to the German military.

Because what happened, was that the patriotic faction in France, under conditions of the occupation of France by the Restoration, moved into Germany and worked very closely with people such as the brothers von Humboldt, and others, to transform science, move science, which was dying in France, into Germany. And

Existing and Proposed New Waterways in Europe



EIR

Alexander von Humboldt, the brother of Wilhelm von Humboldt, was the key leader in bringing together places like Göttingen with people from the École Polytechnique, who were refugees, into Germany. And Germany from 1827, 1828, became the world's leader in science—where France had been the leader in science earlier—because of this change.

Among the places these people went, from the École Polytechnique, they went to the United States. And, West Point Military Academy, under Sylvanus Thayer, under the Presidency of President Monroe, was revolutionized to become the center of scientific and engineering training in the United States. Out of this came the Corps of Engineers. So, the military officers graduating from the military academy were chiefly all trained as engineers. The Corps of Engineers, the military corps of engineers, from that time until after World War II, was the leading builder of mass infrastructure in the United States.

It has been shown that the way to develop the best quality of military, is to develop it as a corps of engineers, because it has the highest quality, intellectual quality, because of its scientific work. It has a close relationship to the people, because of the benefit of what it does for the people. It has high morale, and it does not lose, but gains, military capability, because of its technological quality. It can more quickly adapt in any area; it can do what it has to do to survive.

An army depends upon logistics, which is infrastructure, mainly infrastructure. An army must develop its

own infrastructure. It can not say, "We don't have the road." It must build the road. The army can not say, "We don't have the bridge." It must build the bridge. And, it must do it quickly, and efficiently. So, all efficient armies, in modern times, have been based on engineering principles, and the training of the officers as engineers. Thus, the engineering corps of the military becomes an integral part of the civilian infrastructure development of the country, and becomes an arm of the government in these large-scale infrastructure projects.

In the United States, it used to work two ways. Some projects would be direct contracts to private businesses, which would

make a contract with the government to develop infrastructure: a power station, electrical station, whatever; either a state government or national government.

In many cases, however, the Corps of Engineers would make the contract. That is, the Corps of Engineers would be responsible to build a big dam. But, the Corps of Engineers would make a contract, a government contract, with private contractors, to work under the direction of the Corps of Engineers, to carry on the project. Then, the Corps of Engineers, and these contractors, would make other contracts with suppliers of materials: for steel, for concrete, whatever.

Then, you would have to have people provide for the housing for the workers for these projects. So, the result of that, is that the government credit, which goes through the government to the private contractors, now begins to stimulate every part of the private economy in the affected areas. It happens that government is very inefficient in running industry—the problem that China is trying to deal with. So, you want ingenious, capable people to run the industries, who will not have to wait for the government to tell them what they have to do; who can solve problems; who can prove that they know how to run the industry. Let them succeed.

The Vital Role of the National Government

But the overall direction, especially in infrastructure, must come from the government. Otherwise, chaos! A military corps of engineers is a good example of the role government can play efficiently. And, if you could study

the work of military engineering forces in the United States and in Europe during the Nineteenth Century, and the first half of the Twentieth Century, these are good things to study to understand how a military corps of engineers can work in a national economy.

But, through these contracts that go out to private contractors, is how you get the civilian economy engaged. The stimulation of activity in the private industry, private sector, by these contracts, then becomes the catalyst which causes the growth of the private sector.

What is being done in the United States today, is insane. What was done in virtually every country in the world in the past 30 years, is insane. The idea that you let the private sector run the economy: insane. Can not be done.

One of the great inventions of all the inventions, that which is the greatest, in the success of European civilization in the past 550 years, the greatest of all inventions was the modern nation-state, the sovereign nation-state. And, the one phrase which identifies the principle of the nation-state, is the phrase, in English, “all the people.” Who is responsible for *all* the people? Who is responsible for *all* the land area? Who is responsible for the protection and development of *all* the people? Who is responsible for the protection and development of *all* the land area? That can only be an agency of all the people, which must be sovereign. It must be a sovereign national government of all the people of all the territory.

This government must then protect and provide for the private and personal initiative. Infrastructure is the natural economic expression of the functions and responsibilities of government. Development of the land area, development of the territories, protection of that development, and development and protection of *all* the people. That is the responsibility of government, whether it’s government on the national level, or whether some parts of government are assigned to the local level, regional level.

What’s happening today, is the destruction of government. What has been happening in the past 30 years, is that we’ve been going back to feudalism: Eliminate government, let local power run everything. In China, that would be called the warlord system, the return of the world to a warlord system. And, everyone in China knows, who’s had the experience, of the importance of that change. The great achievement, the great struggle of the Chinese people was, after all these times of trouble, to establish a suitable form of national government

to unify the people, and to protect them from the evils of these local powers playing against each other, the parasites.

Whatever happened in Chinese policy, the policy of all patriotic China movements, whatever other conflicts they had, was one thing, Kuomintang or Communist Party, the same thing: Eliminate the evil. Unify the country. One country, one government, one people, and one agency responsible for—what? The development of all the people, the development of all the land, which takes account of the world around it, and has a moral attitude toward the world around it, but has its own responsibility to take care of its own people, its own land. And, infrastructure expresses the natural functions of government, which it can assign to private interests to help it, but for which it is responsible. In the final analysis, whatever is done to the land, whatever is done to the people, is the responsibility of the government. And, the government can never eliminate, from its own responsibilities, those charges.

If the government does that well, if the government wishes to improve agriculture, industry, to have technological progress, the government will foster those private interests which do that. The government will build universities as science centers. The government will have the universities and science centers cooperate with the machine-tool industry, with which it has a natural relationship; with the entire medical profession, with which it has a natural relationship; with all science and development.

The government, and the government alone, can sponsor space programs. No private interests can competently sponsor a space program. A space program is a function between the machine-tool sector and the universities and the government. It’s the only kind of space program that can work, by the nature of the program.

So, if these principles are understood, there is no problem in making policy. There are problems *within* making policy, but the idea of what the policy should be, is no problem. *Stimulate the growth of infrastructure for the purpose of making it possible to have growth.* And you find that producing the credit, and supplying the credit for these projects, through national institutions which sub-contract with private institutions, and which selects private institutions on the basis of performance—

For example, let’s take the case of China, which we’ve been looking at in a somewhat limited way, which you know better than I do, by far. Let’s take the

question of big industries, which were state industries, which are very inefficient. The inefficiency comes from the rice bowl principle, that the industries assume the responsibilities for the rice bowl for a lot of people. The responsibility for the people lies with the government. So, people who are not productive, are maintained on the industry payroll, because they are the ones who are responsible for the people. So, the industry does inefficient things, in order to meet the responsibilities to the people. It makes work for people where they are not efficient. It supports them, where they should be supported by some state. But, there is no agency for that.

So, the question is, in Europe, as in Germany, or in the United States in an earlier period, that problem was solved by a Social Security system, in which the whole national economy maintained a Social Security system to care for people who did not have work, or who were old, or whatever; but, to care for them. It's a responsibility. Whereas, industry was free of that responsibility, except for the condition of the people who worked for it. And therefore, the industry could concentrate on doing its job, the private industry.

So therefore, this is the kind of problem we face, how to make efficient industries. And, it's not a question of government industry, or non-government. That's not the problem. The problem is how you design it.

And, it's better to use ... the German notion of *Auftragstaktik*.¹ The general function of the private industry, and also of the state sector, but the private industry especially, is *Auftragstaktik*. The government calls people from various industries together—business conferences, conferences on economy, calls together experts. All kinds of conferences, experts from each industry come, they talk. Discussion occurs. The government gets a sense, and others get a sense, of what the situation is.

Then, the government says, “Well, let's go in this direction.” Now, all the people who have participated in these conferences, all the industries: now they know what they need. And the government says, “Do that. We'll cooperate. Our policy is this.” And, that division of labor between the private sector and the government, is the way these things will work. The key is government's responsibility for infrastructure, which is the way to get credit and collaboration with the private sector.

1. *Auftragstaktik* is roughly translated as “mission tactics.” It refers to the idea that soldiers are assigned a mission, but they are expected to use their own ingenuity to figure out how to achieve the goal. See Andreas Ranke, “Schlieffen, Carnot, and the Theory of the Flank,” *EIR*, Vol. 25, No. 6, February 6, 1998, pp. 62-70..

Prospects for China's Future

And people who are good, and good managers in assisting the government in infrastructure projects, will be good managers in other aspects of industry. But the key things that have to be understood, are infrastructure and machine-tool sector. And, the great problem of Southeast Asia, and, to a lesser degree, the problem of China, is insufficient development of the machine-tool sector.

For example, let's take a couple of things. China has a limited space sector. Very important. You're not a sovereign state these days, unless you have a space sector. China is also working on developing a high-temperature gas-cooled reactor, or high-temperature reactors, nuclear. Very important. Because what you need in China, is, you need to be able to have, very quickly, energy in areas where new industries are coming up. Without energy, they will not function.

Now, we already see in China the problems of the transportation system, because of moving coal. Railroad use for movement of coal for energy, is one of the great burdens of China. So therefore, if you increase the amount of energy production, which is what this means, where are you going to get the railroads to move the coal?

What's the answer? You need a nuclear reactor, which is more efficient, which puts less strain on the transportation system, much less. And, you want one which can be used by Chinese who are not of the highest training, for safety reasons.

So, you want a highly safe, very efficient reactor, which you can move—which is small enough to be moved to local areas. You put two, three, or four small reactors together in an area, so that if one goes down, the other three function. And the modern gas-cooled reactor, which was developed in Munich, in Germany, which China now has its own version of, is working to develop it, is ideal. This comes from 100-200 megawatts, and it's possible to make larger ones; we recommend generally, from what we had from the man who developed this, who recently died, who was long a friend of ours, that the 100-200 megawatt self-regulating reactor is the best model. And, I would move two or three, or four, small such reactors into an area, for its energy supply, because it makes it simple. If it has a problem, it shuts itself off. And the specialists come in and fix it. But, in the meantime, you have not eliminated the source of power, because you have two or three other reactors which are functioning, which will continue to supply enough power.

And, in any case when you put power sources into



CC BY-2.0

The Three Gorges Dam on the Yangtze River in central China, is the world's largest power-producing facility of any kind. The hydroelectric gravity dam also increases shipping capacity on the river and reduces flood potential, and its reservoir provides water for agriculture and industry.

an area, you must anticipate growth. So, you will put more power than you actually require into an area, because you anticipate growth, the need for more power. And, you wish to encourage people to use power, as opposed to inefficient manual labor. So, you create the possibility.

In other ways, in the chemical industry, the high-technology aspect—which is closely related naturally to universities, such as space program, nuclear program, other programs, machine-tool industry generally—is the way to improve, rapidly, local areas. Because then the nation has the ability to supply to a local area a package of services which the local area, the local administration, can assimilate and utilize to make the project work.

For example, new schools: You have a new industry, you need new schools. The labor in the area does not understand the technology. Maybe many of them are farmers, or worked at low-skill work. How do you take farmers or low-skilled workers who have come off the farm, to engage in modern production? You must have a package, a training package, and cadres to enable them to succeed.

The advantage, of course, is that, instead of moving unemployed peasants from an internal area, or low-skilled people to Shanghai or someplace else, to the coastal areas, to work in low-skilled industries—which is bad for China, in the long run; it may be useful in the

short run, to get some foreign currency, but, in the long run, it's bad for China, because the people are not developing. They are away from their families. They have dislocation, psychological dislocation. It's much better to develop the people in an area, than it is to move people out of the area, to new areas. There are exceptions, but generally, that's the rule. Psychological effects, cultural effects, political instabilities; all of these things come from this kind of business.

And, therefore, you have a package of infrastructure. "We want our part of the project," each area says.

Fine. China's policy is to do this. As fast as possible, each area should have its own projects. It will uplift the morale of the people. You will make the local political units much more effective, because they can now do something for the people. Very important. If government is useful to the people, the people like it, or they will come to like it. They may have questions at first.

But, you must have the power, you must have the cadres, you must have the science, and the general infrastructure. And they must be brought into an area as a coherent, organic unit. Forget the money part. If you do the right things physically, the money part will work out. And the national level simply has to set its priorities properly. But, do the right things physically, and the money part takes care of itself, under a good national money policy.

If the people are producing more, if they're happier and more secure, if they're advancing in their knowledge, it's good. So, what is good physically and psychologically, and socially, is good. If that is done through the infrastructure and industry, you've done the best. If the national system supports that policy, it will work. And the interior of China and the deserts will be cultivated, and everything will be better. It will merely take generations and lots of work, which has been the history of mankind everywhere. Every success we've had, we've always done it that way. If we stop doing it that way, we have trouble.

SUBSCRIBE TO

EIR Executive Intelligence Review EIR Online

EIR

Executive Intelligence Review
October 31, 2014 Vol. 41 No. 43 www.larouchepub.com \$10.00

LaRouchePAC Issues Emergency War Plan Against Ebola
Asian Investment Bank Will Finance Great Projects
Putin Speaks the Truth about NATO War Provocations

The New Silk Road: Mankind
Is the Only Creative Species!

EIR Online gives subscribers one of the most valuable publications for policymakers—the weekly journal that has established Lyndon LaRouche as the most authoritative economic forecaster in the world today. Through this publication and the sharp interventions of the LaRouche Movement, we are changing politics worldwide, day by day.

EIR Online includes the entire magazine in PDF form, plus up-to-the-minute world news.

EIR DAILY ALERT SERVICE

EIR's new Daily Alert Service provides critical news updates and analysis, based on EIR's 40-year unparalleled track record in covering global developments.



SUBSCRIBE (e-mail address must be provided.)

EIR Online

- ☐ \$ 360 for one year
- ☐ \$ 180 for six months
- ☐ \$ 120 for four months
- ☐ \$ 90 for three months
- ☐ \$ 60 for two months

EIR DAILY ALERT SERVICE

- \$50 one month (introductory)
- \$150 three months
- \$300 six months
- \$600 one year (includes EIR Online)

For mobile users, EIR and
EIR Daily Alert Service
are available in html

I enclose \$ _____ check or money order

Make checks payable to

EIR News Service Inc.

P.O. Box 17390, Washington, D.C. 20041-0390

Please charge my ☐ MasterCard ☐ Visa
☐ Discover ☐ Am Ex

Card Number _____

Signature _____

Expiration Date _____

Name _____

Company _____

Address _____

City _____ State _____ Zip _____ Country _____

Phone (_____) _____

E-mail _____

EIR can be reached at: www.larouchepub.com/eiw

e-mail: fulfillment@larouchepub.com Call 1-800-278-3135 (toll-free)