

# EIR

Executive Intelligence Review

October 11, 2013 Vol. 40 No. 40 [www.larouche.com](http://www.larouche.com) \$10.00

Behind Shutdown: Obama Ordered To Kill Glass-Steagall  
Russia: Ghouta Chemical Attack Was a Saudi 'Black Op'  
Lyndon LaRouche on 'Contemporary Pseudo-Morality'

## Building the Kra Canal and Southeast Asian Development



Founder and Contributing Editor:

*Lyndon H. LaRouche, Jr.*

Editorial Board: *Lyndon H. LaRouche, Jr.,  
Antony Papert, Gerald Rose, Dennis Small,  
Nancy Spannaus, Jeffrey Steinberg, William  
Wertz*

Editor: *Nancy Spannaus*

Managing Editors: *Bonnie James, Susan Welsh*

Technology Editor: *Marsha Freeman*

Book Editor: *Katherine Nottley*

Graphics Editor: *Alan Yue*

Photo Editor: *Stuart Lewis*

Circulation Manager: *Stanley Ezrol*

#### INTELLIGENCE DIRECTORS

Counterintelligence: *Jeffrey Steinberg, Michele  
Steinberg*

Economics: *John Hoefle, Marcia Merry Baker,  
Paul Gallagher*

History: *Anton Chaitkin*

Ibero-America: *Dennis Small*

Law: *Edward Spannaus*

Russia and Eastern Europe: *Rachel Douglas*

United States: *Debra Freeman*

#### INTERNATIONAL BUREAUS

Bogotá: *Javier Almaro*

Berlin: *Rainer Apel*

Copenhagen: *Tom Gillesberg*

Houston: *Harley Schlanger*

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.: *Leni Rubinstein*

Washington, D.C.: *William Jones*

Wiesbaden: *Göran Haglund*

#### ON THE WEB

e-mail: [eirns@larouchepub.com](mailto:eirns@larouchepub.com)

[www.larouchepub.com](http://www.larouchepub.com)

[www.executiveintelligencecivereview.com](http://www.executiveintelligencecivereview.com)

[www.larouchepub.com/eiw](http://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.

(703) 777-9451

**European Headquarters:** E.I.R. GmbH, Postfach

Bahnstrasse 9a, D-65205, Wiesbaden, Germany

Tel: 49-611-73650

Homepage: <http://www.eirna.com>

e-mail: [eirna@eirna.com](mailto:eirna@eirna.com)

Director: Georg Neudecker

**Montreal, Canada:** 514-461-1557

**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](mailto:eirdk@hotmail.com).

**Mexico City:** EIR, Calz de los Gallos 39 interior 2,

Col Plutarco E Calles,

Del. Miguel Hidalgo, CP 11350,

Mexico, DF. Tel 5318-2301, 6306-8363, 6306-8361

Copyright: ©2013 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.

# EIR

## From the Managing Editor

Our leading stories this week present a keen contrast between the bankrupt trans-Atlantic system (the government shutdown in Washington) and the optimistic future-orientation of the Asian-Pacific countries (shown in Chinese President Xi Jinping's diplomacy and far-reaching development proposals).

When President Obama talks about an "Asia Pivot," he means shifting U.S. military forces from Southwest Asia to the Pacific, creating a ring of offensive weapons and BMD systems around China. But our friends at LaRouchePAC have put together a totally different concept of an Asia pivot, in the video on the Kra Canal that we feature as our cover story. The proposed canal across Thailand's Isthmus of Kra, which would significantly cut the shipping distance from eastern Asia via the Suez Canal to Europe, for example, has been on the drawing boards for centuries. But in 1897, the British Empire secured an agreement with Siam (now Thailand) specifying that no such canal could be built without British consent! This was explicitly reaffirmed by treaty in 1946, and remains the de facto policy of the London-centered global imperial forces today.

Our *Counterintelligence* section addresses another "arm" of that imperial octopus: international terrorism. EIR has long documented the role of the British empire and Saudi Arabia in sponsoring and steering terrorism, and this week we have hot new intelligence regarding the Saudi supply of chemical weapons to radical neo-Salafist rebels fighting in Syria. So much for Obama's arrogant claim that it's "obvious" that President al-Assad was responsible for the deaths by chemical weapons in a Damascus suburb in August. We also provide a dossier on Saudi Arabia's former ambassador to the U.S., Prince Bandar bin Sultan, erstwhile buddy of George W. Bush, and current chief of Saudi intelligence.

What would it take to get the United States to break with imperial policies and return to the outlook of President Franklin D. Roosevelt? Lyndon LaRouche's *Feature*, "Contemporary Pseudo-Morality," approaches the issue from the standpoint of William Shakespeare. The latter's work, LaRouche writes, "continues to be ominously prophetic still, from the presently living, unquieted moment, in comparison with the impassioned torment of successive, self-inflicted follies, upon our nations now."

*Susan Welsh*

## Cover This Week

*An artist's  
concept of the  
Kra Canal*



Fusion magazine, July-August 1984/Chris Sloan

### **16 Building the Kra Canal and Southeast Asian Development**

Thailand's Kra Canal is one of the primary international physical-economic projects, which, along with other great projects such as NAWAPA, the Transaqua, etc., are urgently needed today to replace the current regime of war and depopulation that British imperial finance has imposed on humanity. We publish the script of a LaRouchePAC video, including numerous maps and graphics, by Meghan Rouillard and Asuka Saito of the LaRouche Basement Research Team.

## National

### **4 Behind the Shutdown/ Debt Ceiling Swindle: Wall Street Orders Obama To Kill Glass- Steagall**

An Oct. 5 LaRouchePAC release, issued in the name of Lyndon LaRouche, intended to spur an emergency mobilization to ram through Glass-Steagall as the unique solution to the economic/financial/political crisis. "Wall Street had demanded that President Barack Obama stop the reinstatement of Glass-Steagall at all costs, and instead move ahead with more bailouts and bail-in looting of the American people to preserve Wall Street's thoroughly bankrupt system."

### **7 Sare Campaign Issues the Goods on Christie**

Diane Sare's campaign for Governor of New Jersey has released a six-page dossier on the likely 2016 Republican Presidential candidate, titled, "Chris Christie: Part III of the Bush-Obama Nightmare."

## Economics

### 8 Wall Street and the Fed Are Killing with Inflation

A LaRouche Policy Committee survey shows that since 1999, most of the everyday products Americans must purchase—food, clothing, shelter, energy, education—have been inflating in price by 3-5% a year, while Americans' average income has been growing by only 2%.

### 10 Obamacare in Action: Sacrificing Millions to Imperial Finance

While claiming to expand health care to the uninsured, Obamacare intends to serve precisely the same function as Hitler's T-4 program. The alternative: Hill-Burton, and Medicare-for-All.

### 13 French, German Politicians Lead Effort To Expand Support for Glass-Steagall

French and German elected officials came together in the small city of Chamouille, France to discuss furthering the European campaign for Glass-Steagall and national sovereign development.

## International

### 25 China Builds New Silk Roads as Obama Dumps His Asia Tour

With the failure of leadership in the United States, reflected in President Obama's cancellation of his Asia trip, China is taking the initiative. President Xi recently toured several Southeast Asian nations, putting forth a vision of long-term growth and development through collaboration among the nations of the region.

### 28 Eyewitness Report, Part 1: Strategy of Tension Launched in Greece To Save Eurozone

Authors Dean and Andrea Andromidas arrived in Greece just as murder and mayhem were let loose in the country, aimed at suppressing the opposition to the current Troika-run government.

### 31 Kenyan Mall Attack Designed To Launch Permanent War on Terror in East Africa

The four-day attack against the Westgate Mall in Nairobi, Kenya, begun Aug. 21, initiated a new phase of the British Empire's permanent war plan, intended to destroy the sovereignty of all African nations.

### 32 Saudi Funding of Jihadis Raised at Hill Hearing

## Counterintelligence

### 35 Russia: Ghouta Chemical Attack Was a Saudi 'Black Op'

The Voice of Russia has posted a blockbuster article saying that the Aug. 21 chemical weapons attack in a Damascus suburb, was carried out by a Saudi black operations team.

### 36 Bandar's Terror Links in Syria Exposed

### 37 Who Is Prince Bandar?

### 40 9/11 Families: Demand Obama Release Docs on Saudi Role

## Feature

### 42 The Seemingly Obvious Was, Actually, Never True! Contemporary Pseudo-Morality

By Lyndon H. LaRouche, Jr.  
 "The troublesome issue which we shall consider here, is properly the subject of a systemic error named 'sense-certainty,' an error from which most among even presumably well-educated ranks of humanity, such as even many skilled professionals, usually suffer..." The remedy: "Shakespeare's Outlook on Science."

## Editorial

### 54 Glass-Steagall Is the Lifeboat

BEHIND THE SHUTDOWN/DEBT CEILING SWINDLE

## Wall Street Orders Obama To Kill Glass-Steagall

by Jeffrey Steinberg and Nancy Spannaus

Oct. 7—*On Oct. 5, the following release was issued in the name of Lyndon LaRouche by LaRouchePAC, as part of an emergency mobilization.*

“Wall Street had demanded that President Barack Obama stop the reinstatement of Glass-Steagall at all costs, and instead move ahead with more bailouts and bail-in looting of the American people to preserve Wall Street’s thoroughly bankrupt system. The Wall Street policy means an acceleration of crippling hyperinflation, devastating austerity, and, ultimately, mass murder of the nation’s most vulnerable citizens.

“Several highly qualified Washington sources have confirmed that this was *the* ultimatum delivered by the Wall Street delegation that met privately with Obama on Wednesday afternoon, Oct. 2, at the White House. The delegation was organized by the Financial Services Forum, a coalition of the nation’s 19 biggest banks and insurance companies, and included Jamie Dimon, CEO of JPMorgan Chase; Lloyd Blankfein, CEO of Goldman Sachs; Brian Moynihan, CEO of Bank of America; Michael Corbat, CEO of Citibank; and Anshu Jain, CEO of Deutsche Bank.

“IMF Managing Director Christine Lagarde delivered the same message in an interview with the *Financial Times* on Oct. 4, in which she demanded that the Federal Reserve maintain the \$85 billion a month quantitative easing bailout of the top Wall Street and Europe banks indefinitely. And U.S. Treasury Secretary Jack

Lew, speaking for Obama, threatened that any U.S. default will trigger a financial crisis far worse than the September 2008 meltdown.

“The reality, as bluntly stated by Lyndon LaRouche today, is that the ongoing government shutdown and threatened default on U.S. sovereign debt on Oct. 17 is nothing more than an orchestrated swindle, aimed at conditioning the American people for the murderous policies that have already been accepted by Obama and by leading Congressional Republicans.”

### LaRouche’s Warning

“LaRouche warned: ‘Unless Glass-Steagall is passed into law immediately, Obama and Wall Street plan to unleash the worst mass murderous austerity and looting of the American people ever. The total separation of commercial banking from all the gambling activities under Glass-Steagall is the only remedy. Bankrupt Wall Street now, before they can unleash their genocidal schemes full-force. President Obama is nothing but a tool of these Wall Street interests, as evidenced by his slavish commitment to maintain the bailout/bail-in program and stop Glass-Steagall.’

“LaRouche continued: ‘In a matter of days or weeks, Obama and his Congressional Republican cohorts, on orders from Wall Street, are going to unleash absolute Hell on the American public through even deeper, killer austerity cuts than the sequestration of the past months. The government shutdown is the biggest dog-and-pony



Creative Commons/reivax

*A cabal of Wall Street bankers demanded the shutdown of the U.S. government, a demand that President Obama and his budget-slashing GOP cohorts were only too happy to comply with. Shown, the Lincoln Memorial, Oct. 5, 2013.*

show ever, intended to prepare the population to accept more hyperinflation, more bailouts and bail-ins, and worsening conditions, so that Wall Street can survive a bit longer while honest, hard-working Americans die in ever greater numbers.’

“‘It is time for Congress to break from Wall Street and the bankers’ stooge in the White House, and do the only thing that can set the United States back on a course of genuine prosperity: Pass Glass-Steagall by a veto-proof majority this week.’

“‘By passing Glass-Steagall, the vise-grip of Wall Street is immediately broken. Once the too-big-to-fail banks are no longer kept alive by taxpayer bailouts and depositor bail-ins, they go under. Good riddance! We are then left with a viable but undercapitalized commercial banking system, and with an immediate opportunity to revive Federal government credit to launch great economic projects such as NAWAPA, and an Apollo-style crash international program for commer-

cial thermonuclear fusion energy.’

“‘The moment of truth has arrived,’ LaRouche concluded, ‘and I call on the American people to demand that Congress stop behaving like a bunch of corrupt fools, going along with the Wall Street/Obama swindle. Pass Glass-Steagall, wipe out the power of Wall Street and their European allies, and get on with the business of reviving this nation and the world around a plan of genuine development, as my colleagues and I have spelled out.’”

## **Murderous Austerity**

Wall Street’s commitment to genocidal austerity for the American people is evident in virtually every aspect of every plan on the Congressional leadership’s and Obama’s agenda—except for the perspective which would be ushered in by Glass-Steagall. Unless Glass-Steagall is reinstated, the demands for austerity of both the liberal and conservative stripe will prevail. Only when freed of the burden of support for the gambling Wall Street banks, and its monetarist rationale, will the U.S. government be free to turn its attention to generating credit for actual economic growth, and thus provide a perspective for returning to economic progress—in an almost identical way to what FDR did in 1933.

Without such a reorganization, the unsustainable debt bubble will definitely burst—with the bankers still in power. It’s at that point, known by top bankers worldwide to be imminent, that, as LaRouche has warned, Wall Street, at the behest of the British financial empire, will drastically downsize even its own operations, at the same time that it carries out a massive “bail-in” operation à la Cyprus, stealing every bank account and asset in sight. Pensions, businesses, savings—these will be wiped out, along with the people who depend upon them. Contrary to what even many members of Congress realize, a provision for that kind of theft is already included in the 850-page Dodd-Frank law.

Take the content of the Continuing Resolution which the Obama Administration insists that Congress pass. It is set at a level 10% lower than the original one, which Rep. Paul Ryan, (R-Wisc.), known as a budget superhawk, called for, and includes a continuation of the sequester, slashing food stamps and other social programs, and continuing the strangulation of remaining crucial supports for agriculture, science, health, and infrastructure.

## The Shutdown

Without the Continuing Resolution, the budget knife has simply taken a different life-threatening form under the partial shutdown.

One of the major life-sustaining programs on the line is the Special Supplemental Nutrition Program for Women, Infants and Children, known as WIC, which provides low-income women with children under five years of age with the means to obtain nutritional support, such as formula for their babies. An estimated 8.9 million mothers and young children are currently enrolled in WIC.

When the government shut down, the USDA warned that states could run out of WIC money after a week or so. As of Oct. 4, the agency revised its estimates to project that funds would be available until the end of October, but anxiety is spreading among the recipients. “[I]t is poor families who are positioned to bear the full weight of this latest round of Washington wrangling,” wrote theology professors Meghan J. Clark and Nichole M. Flores in a *Washington Post* op-ed, posted Oct. 4.

In an article Oct. 1, the *Los Angeles Times* enumerated some additional costs of the shutdown:

- A reduction in collective U.S. income of \$200 million a day because of the 800,000 furloughed workers;
- Communities near national parks are losing \$76 million a day;
- Domestic violence shelters in Montana and Vermont are no longer being reimbursed for their services and may close;
- Head Start funding ended on Sept. 30, and pre-schools closed in Alabama, leaving parents and staff scrambling for care for the children;
- About 70% of the 86,000 civilians employed at the 16 U.S. intelligence agencies have been furloughed;
- No IRS audits, but no tax refunds, either;
- Preparation for the late November launch of NASA’s next Mars mission has been disrupted.

Also of immediate concern to millions of Americans are weather patterns that could result in natural disasters in the next week or so. Weather forecasters in places like the National Hurricane Center are on duty, as are hundreds of FEMA workers who have been recalled from furlough ahead of Tropical Storm Karen making landfall in Louisiana; but, as an article on the Quartz news site points out, the thousands of “non-essential” government workers who are the communica-

tions and coordination links between Federal agencies responding to a disaster are not.

“Basically, the chains of accessing and passing along information between local, state, and federal officials that typify disaster preparation, response, and recovery are broken,” writes Quartz’s Eric Holthaus. One manifestation of the problem is that FEMA’s disaster-preparedness website, ready.gov, is not being updated during the shutdown.

Brad Barrett, a meteorologist and a professor at the Annapolis, Md., U.S. Naval Academy (which has been severely disrupted by the shutdown), told Holthaus that while the weather forecasters and the U.S. Air Force’s Hurricane Hunters will be on duty, he worries about the larger response.

“What will the federal response to disasters look like during a government shutdown?” he asks. “What percentage of FEMA is considered essential?” He added, “Resources and people have to come quickly in the aftermath. If there is a place where problems will arise, it’s there, not in the forecasting.”

## Glass-Steagall Ready To Go

This regime of budget cuts and lack of investment must end now, by totally shifting out of the monetarist system. While some Congressmen have complained to LaRouchePAC organizers that the budget stalemate, and looming debt ceiling fight, have pushed Glass-Steagall off the agenda, just the opposite should be the case. Glass-Steagall is even more urgent, as the means to break the power of Wall Street, period.

The bills exist before Congress to do the job. Seventy-five Congressmen have joined Rep. Marcy Kaptur (D-Ohio) in sponsoring H.R. 129, the Return to Prudent Banking Act, which would re-establish Glass-Steagall. A companion bill (S. 985) is in the Senate, introduced by Tom Harkin (D-Iowa), as well as the bill for a 21st-Century Glass-Steagall (S. 1282), introduced by Elizabeth Warren (D-Mass.) and co-sponsored by nine Senators.

It is well known that many more Congressmen and Senators support Glass-Steagall, but have been dissuaded by bankers and party bosses from signing. Meanwhile, support around the country is broad and growing.

It is only the stranglehold that Wall Street and its agents have on the Congress that is preventing action. That puts the onus on patriots around the nation, to wield their power to make this change, before it’s too late.

# Sare Campaign Issues The Goods on Christie

Oct. 3—Diane Sare’s campaign for Governor of New Jersey has issued a six-page dossier on the 2016 Republican presidential candidate and incumbent governor Chris Christie titled, “Chris Christie: Part III of the Bush-Obama nightmare.” The report, utilizing only publicly available information, demonstrates that Christie is the preferred 2016 candidate of the same Wall Street-City of London axis which controlled George W. Bush, and now controls Barack Obama. In the vernacular, he is a very large “Bush baby” with, in Wall Street’s view, the populist sucker appeal necessary to sell fascism as the economy disintegrates. Like Obama, he is also famously narcissistic.

The report recounts Christie’s 2011 courtship by none other than Henry Kissinger, who once admitted that during his entire swath of public service he was more loyal to the City of London than to the United States. Kissinger wanted Christie to run for President in 2012, and, according to *Washington Post* reporter Don Balz, offered his services to make up for Christie’s total lack of knowledge about foreign policy (in Christie’s case, anything outside local politics in New Jersey). Citing Christie’s ability to “connect with people,” Kissinger assembled a meeting of Wall Street bigwigs and other CEOs in July 2011 in which they appealed to Christie to make a 2012 run. Christie deferred and captured headlines in 2012 for undergoing weight-loss surgery and courting Obama in order to burnish his “independent” and “bipartisan” credentials.

The dossier goes on to document the sponsorship of Christie’s career by the Bush family apparatus beginning with Christie’s partnership with Bill Palatucci, the New Jersey chairman of George H.W. Bush’s 1988 and 1992 campaigns. Christie and Palatucci were lead partners in a New Jersey lawfirm which included the scandal-ridden private prison company CEC (whose

major theater of operations was Texas), Edison Schools (the J.P. Morgan-funded public-private predator deployed against public education), and the (Wall Street) Securities Industry Association, then headed by Bernard Madoff. Christie became chief counsel for George W. Bush’s campaign in New Jersey, raising hundreds of thousands of dollars for the 2000 campaign. He was duly rewarded by an appointment as U.S. Attorney for New Jersey, despite a complete lack of criminal law experience.

As U.S. Attorney, Christie was portrayed by his public relations handlers as a relentless “John Dewey”-type crime-fighter, prosecuting low-level New Jersey corruption cases while leaving Wall Street and the 9/11 plotters from Paterson, N.J., unscathed. As Governor, he has done little more than position himself for a Wall Street-sponsored presidential run, cutting government spending, relentlessly pursuing green energy scams, including Wall Street’s favored solar energy and wind-farms (suppressing vital fusion energy research and nuclear power), and waging war on public education (a favored Bush family policy.)

Finally, the dossier points out that, like Obama and Bush, Christie has used disasters such as Hurricane Sandy as one endless photo op, boosting his political career with the appearance of “compassion” and “help,” while denying any real or meaningful economic and rebuilding aid to those affected. The full dossier is available at [www.dianesare.com](http://www.dianesare.com).



White House Photo/Pete Souza

*President Obama and Gov. Chris Christie visit New Jersey residents for a photo op after Hurricane Sandy, Oct. 31, 2012. No significant aid was provided.*

# Wall Street and the Fed Are Killing with Inflation

by Paul Gallagher

Oct. 5—The “inflation measures” published by the Federal Reserve and the Labor Department should be considered under the heading of lulling notices, an illegal form of lying to customers or creditors. In this case they are repeated so relentlessly by these authorities, that the American people are lulled into failing to stop a hyper-inflationary money-printing policy carried out by the Fed, known as “quantitative easing,” although they know these inflation measures can’t be true.

Also protected by this means is the super-speculation of the largest Wall Street banks, supposedly commercial banks, whose books in fact show that their huge deposit bases have been thrown into securities speculation and financial derivatives markets, with little over a third of the funds loaned out. This started on a large scale in the late 1990s with the end of the Glass-Steagall Act, which for 60 years had successfully prohibited commercial banks from doing exactly this. Within less than a decade came a global financial crash. Now, the Federal Reserve prints trillions of dollars to buy securities from these banks, flooding them with “cash reserves” which the banks park at the Fed until thrown into securities, commodities, and derivatives speculation via “repo” markets and other means.

Fed Chairman Ben Bernanke, while pushing this hyperinflationary policy, then has the gall to tell Congress and the media that since all this newly printed currency is avoiding circulation in the economy—that is, the banks are not making commercial or household loans with it—it’s not causing inflation!

## **Government Lies**

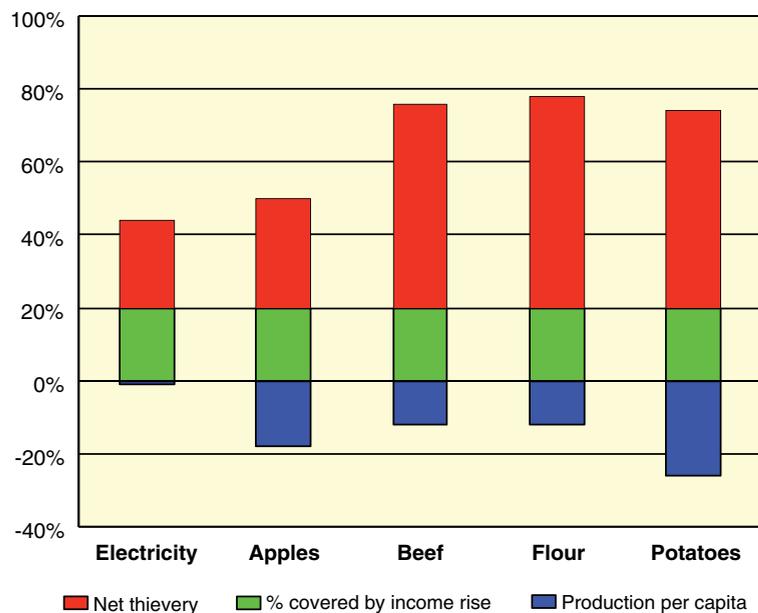
The LaRouchePAC National Policy Committee’s national leaflet, “Wall Street Is Out To Kill You,” (see last issue) shows what a lie this is, using the government’s own raw data from the Congressional Budget Office (CBO), the Labor Department, and the Energy Information Agency.

Since even before the 1999 Glass-Steagall repeal, American households’ average income has been growing by no more than 2% a year. But the Policy Committee’s survey showed that since 1999, most of the everyday products Americans must purchase—food, clothing, shelter, energy, education—have been inflating in price by 3-4% a year; and some, particularly energy products, by 5% a year, a rate which made them triple in price, or more, over the past 15 years. If the Federal Reserve and the Administration were not lying about this killer inflation, Americans would not be constantly more and more in need of food stamps, and threatened by “food insecurity” in spite of them.

The lying is done by means of two frauds. The first is the consumer price index (CPI), which supposedly measures inflation. Already in the early 1980s this was falsified by what the government called “quality adjustment factors”: It claimed that a product was of higher quality than it had been 5 or 10 years earlier, and that this was equivalent to getting the same quality for a cheaper price; therefore, the government put a lower price in the “index” than the product was actually selling for.

## Hyperinflation Thievery From Your Paycheck: Prices Soar, Production Collapses

(% change, 2000-2012)



Then in the late 1980s came “hedonic indexing”: If a product could be claimed to give consumers greater enjoyment than the same product a decade earlier (an HD TV, for example), that was supposed to be like getting the earlier product for a cheaper price; therefore, the government put an artificially low price in the “index” for the newer product.

On top of these, in the 1990s, came “substitution pricing” in the consumer price index: If a product rose sharply in price, the government assumed that households would find and buy cheaper versions—ground meat instead of roast beef—and so if there was any red meat product not rising in price, it did not raise the price of meat in the index.

The second fraud was continuing to cite an “average” rise in individual income over a certain period, and then measure that “average” income increase against the already-falsified rise in prices in the CPI, and call this an “increase in real income,” or inflation-adjusted income. In reality the rise in income was going almost entirely—and in the last decade, entirely—to individuals in the top 20% of income earners. Everyone else’s income was not rising at all, or since 2007, was actually falling, and at the mercy of the very real and rapid increases in prices of necessities.

### ‘Real’ Impoverishment

First, using the data gathered by the CBO, take even the fraudulently minimized inflation toll of the CPI, and

apply it separately to each sector of American households by income—the lowest 20%, the next 20%, and so forth to the top 20%—to give that sector’s so-called “real income.” What is shown, is that the “real income” of the three lowest quintiles—the lower 60% of all households—dropped by 10-20% from 1999 to 2011. Only the real household income of the upper 20% rose significantly—it doubled—and that was concentrated overwhelmingly in the top 1%, whose income more than tripled, when adjusted for the CPI.

The effect for the lower 60% of households by income was dramatic, as shown in the La-Rouche Policy Committee’s leaflet: Actual income rose by about \$500/year during that time; and those households’ actual, unpostponeable expenses rose by nearly \$5,000. “Dipping into savings” to cover the loss was not an option for most of these households, whose savings were negligible. Their conditions of life deteriorated, and they went deeper into debt, even

before the wave of mass unemployment and home foreclosures swept over them from 2007 on.

Second, drop the fraudulent CPI and look at what’s actually happened to the prices Americans have to pay to live. In the 14 years from 1999 to 2013, the average household’s actual income, including all households from the poorest to the richest, increased by about 22%, according to Labor Department data.

But during that period, in spite of a financial crash and unemployment hitting from 2007 onwards, actual inflation rose dramatically. The price of household electricity per kilowatt-hour rose by 50%; of gasoline, by 180%; and of heating oil, by 272%, or about 8% a year for the 14-year period.

Meanwhile, the *actual* price of a gallon of gasoline has increased by 180%; of a gallon of heating oil, by 372%; of a kilowatt-hour of electricity, by 50%; of spaghetti and macaroni, by 50%; of flour, by 75%; of bread, by 50%; of ground beef, by 85%; of men’s shoes, by 110%; of all department-store items, by an average of 40%; of fair-market rent, by 50-70% depending on area of the country; of a new home, by 78%; of college one-year tuition/room & board, by 85%; of a mid-sized car, by 50%. This is not to mention health insurance premiums and other costs, which have been escalating their rise as Obamacare goes into effect.

Wall Street will kill us if we don’t kill it. (And the cost of a family funeral has risen 44%.)

# Obamacare in Action: Sacrificing Millions to Imperial Finance

by Nancy Spannaus

Oct. 5—The intent of Obamacare, which the LaRouche Political Action Committee appropriately named “Hitler health,” was never in doubt. As President Obama, along with his chief cost-cutting accountants Peter Orszag and Ezekiel Emanuel, repeatedly stated, the purpose was to “bend the cost curve” of health-care expenses—i.e., eliminate “ineffective,” “inefficient,” “futile,” “unnecessary utilization” of the health-care system. While claiming to expand the potential for care to the uninsured, the system would in fact serve precisely the same function as Hitler’s T-4 program, by identifying categories of people too old and sick to provide with health care, and cutting them off—de facto declaring them to have “lives unworthy of life,” as Hitler’s infamous 1939 order to Dr. Karl Brandt called for.

To carry out this policy, however, all Americans had to be made subject to the system.

The other aspect of the bill was also modelled on fascist policies, specifically, the corporatist model of using the Federal government as an enforcement arm for paying trillions of dollars to huge financial/insurance cartels. Hence, the individual mandate.

## Lies and Cuts

Over the first three and a half years, the implementation of Obamacare (Affordable Care Act, or ACA) has been slow, but steady, in accomplishing its first objectives. Whole categories of previously standard preventive care, such as prostate exams, have been declared “ineffective.” Hospitals have been penalized for readmitting their oldest and sickest patients too often within a certain time span. Experiments in Accountable Care Organizations, which result in providing a lump sum payment for a patient, depending upon the diagnosis—in effect, a cap—have been expanded. While the most blatant fascist element of Obama’s Hitler health, the Independent Payment Advisory

Board (IPAB), an “independent” panel of experts charged with overseeing the cost-cutting process, is still stalled (no appointments, although it’s scheduled to go into effect in 2014), the process of triage has begun, including accelerating the shutdown of medical facilities by squeezing hospitals and other providers.

One by one, many of the promises made by supporters of the ACA have been proven to be false. For example:

- ACA means care for all: More than 9 million of the estimated 30 million uninsured will still not receive coverage. For this atrocity to occur, of course, certain Republican governors had to do their part (see below).
- ACA is affordable: While this varies by state, people shopping online for insurance were shocked by the cost of the premiums, which were much higher than promised. Rates for large and small companies have gone up an average of over 20% a year the last three years, and now will go up by as much as 40% the first year (2014). These costs will be passed on to their workers.
- Keeping existing insurance: Many companies and government entities are cutting hours of employees to below 30 hours per week, to avoid the ACA mandate for providing coverage for all “full-time” employees.
- Trade union members covered by multi-employer plans—referred to as the Taft-Harley plans—are considered by the ACA as high-end insurance-policy holders, and as a class, ineligible for usage and benefit from the new exchanges. An estimated 26 million U.S. workers fall into this group, according to the National Coordinating Committee for Multiemployer Plans.
- Controlling exorbitant costs: The only controls are through reducing care, with medical procedures being denied, and payment for some medications elim-



White House/Pete Souza

*Already, as a result of Obamacare, the number of hospital beds is being reduced; hospitals are closing, and programs, such as the Cleveland Clinic, are laying off thousands of employees. Here, Obama, in a PR stunt, plays at operating equipment at the Cleveland Clinic, July 2009.*

inated. The number of hospital beds is being reduced drastically, and hospitals are being closed, with major programs, such as the Cleveland (Ohio) Clinic, laying off 3,000 employees. In 2009, while promoting his plans for the ACA, Obama praised this company as an example of what works well.

### Who Gets Left Behind?

On Oct. 1, with much fanfare, the next phase of the process began—paying off the insurance companies, by starting the process of enrollment through health-care exchanges, a complicated process aimed at starting the increased flow into the insurance coffers in January 2014 through a Rube-Goldberg-machine-type system of incentives (promises of subsidies) and penalties also set to go into effect at that time.

According to the Administration, the silver lining in this complex process is that everyone will get “affordable” health-care insurance. That’s an outright lie.

The way the bill was crafted—by the insurance companies, by the way—millions of Americans, most low-wage workers and minorities, will be denied insurance. According to a *New York Times* analysis of census data, published Oct. 3, two-thirds of poor blacks and single mothers, and more than half of the low-wage workers currently without health insurance, will be *denied* any Federal support for their health-care in-

surance, even if its cost rises dramatically.

The *Times* came up with this figure following the Oct. 2 release of the official list of those states which have either definitely decided against expanding Medicaid (the state-Federal program for the poor), or haven’t yet decided. Twenty-six states are in this category, and they happen to comprise many of the Southern states, where an estimated 68% of the nation’s poor, uninsured blacks, and single mothers live. Looking at the complex calculus which defines eligibility for a Federal subsidy, the *Times* calculated that 8 million Americans would be ineligible for help, because they fall between being poor enough for Medicaid, and the bottom-line for federally subsidized insurance.

Undoubtedly, some Democrats will argue that the problem is due to the fact that the Republican governors of these states did not sign on to the expanded Medicaid program. That was bound to happen, *because so many of the Republicans share Obamacare’s assumption that health-care expenditures must be cut back.* Not surprisingly, the grouping being cut falls into the tier of poor and elderly, who suffer from the chronic illnesses which Obama’s Hitler health program considers “futile” to treat.

### The Tennessee Case

How this exclusion is working was relayed to *EIR* last week by a Tennessee health activist who was lobbying on Capitol Hill. According to this person, “an estimated 180,000 to 225,000 Tennesseans will be left without any potential for health-care coverage in this new system.” The way it works is this.

In Tennessee, for example, if you, as a single adult, make less than 100% of the Federal poverty level (\$11,490), you do not qualify for the Obamacare insurance subsidy; you also don’t qualify for Medicaid/TennCare (the state name for the Medicaid program), unless, maybe, you have children or are disabled. You are in the category of being expendable.

The Tennessee activist stressed that hospitals—especially community facilities, which still provide charity treatment—are being pushed into financial

ruin in this situation. She estimates that 32-34 community hospitals will close in Tennessee, unless the state expands health-insurance coverage for the poor, who are locked out of the Obamacare exchange markets.

This activist singled out the plight of the uninsured who are in need of mental-health treatment. Only a fraction of them are getting treated, and even that depends on year-to-year block grants being given. Her documentation stated, "Tennessee served 13,000 uninsured people in addiction treatment centers in FY2012. It is estimated that 304,000 Tennessee adults 'needed but did not receive treatment for alcohol use in the past year' and about 106,000 Tennessee adults 'needed but did not receive treatment for illicit drug use in the past year,' according to TN Department of Mental Health and Substance Abuse Service estimates." Over the last decade, drug overdose deaths in the state have soared by 250%.

### Insurance Company Gainers

One group which is sitting pretty with the implementation of the Obama plan is the group of major insurance companies, the largest of which are explicitly in the category of "too-big-to-fail." This fact was pointed out in an Oct. 1 article by Robert Lenzner of *Forbes*, who noted that the "value of the S&P health insurance index has gained 43% this year alone." Among the major companies, CIGNA is up 63%, Wellpoint 47%, and United Healthcare 28%. Since the passage of Obamacare in 2010, the stock values of these big firms have risen 200-300%.

The top-tier health insurers have every reason to look forward to higher profits ahead—because the vaunted Federal subsidies are scheduled to *go directly to them*.

These companies were in on the ground floor in writing the Obama health law, which they made sure would not impose any significant government controls over their profits, and many of their prices. Instead, the Affordable Care Act actually mandates, over time, the elimination of what it called "Cadillac" plans, which are alleged to offer too many benefits, and therefore allegedly lead to health "overspending."

Particularly hard hit in that department will be that small portion of the nation's workforce for which labor unions have won a decent health-care package. Those plans are scheduled to be taxed as of 2018, and employ-

ers are generally dropping them anyway because of disincentives from the Federal government.

### The Alternative

The fact that the Supreme Court declared Obamacare constitutional is irrelevant; previous courts also upheld slavery. This law, from intent to execution, must be dumped. (Indeed, for expediency's sake, Obama has already unilaterally made numerous exceptions and delays.) It is contrary to the very principles of the U.S. Constitution, and, if implemented, will lead to mass death among targeted sections of the U.S. population.

The Republicans, while willing to say "no" to some of the most egregious parts of the bill, have never put forward a moral or viable alternative. All too many of them agree with the premises of Obamacare—people who cost the government too much should just hurry up and die. They believe the "free market" will take care of that just fine.

At the time Obamacare was being rammed through, a group of physicians and liberal Democrats put forward a viable alternative, called Medicare for All. This bill would in fact dramatically cut costs—the 30% or so administrative markup common to private insurance (Medicare's overhead is only 3% of its budget). It would end the "free market" extortion by the drug companies, as well. Rep. John Conyers (D-Mich.) has revived that bill in the current session of Congress (H.R. 676), and it now has 50 co-sponsors. Economist Lyndon LaRouche endorsed that bill at the time.

How could we afford it? By instituting a Glass-Steagall/credit-system-based economy, which would produce sufficient real wealth to provide for the population. Such a shift would not produce riches overnight, but it is the *only* sane alternative.

The immediate alternative, enunciated by LaRouche repeatedly, is simply cancel Obamacare, and then begin to build up the system. The aim, as LaRouche has insisted, is to dump "health care for profit," and return to the Hill-Burton standard, put into effect in the post-war years, which, first and foremost, mandated an adequate level of medical-care facilities, and guaranteed care through community hospitals for those who could not pay, through insurance or otherwise.

In fact, the austerity drive by Obamacare and the Republican budget-cutters has already drastically reduced the existence of community hospitals. That's "Hitler health" and it must be stopped.

# French, German Politicians Lead Effort To Expand Support for Glass-Steagall

by Our European Bureaus

Oct. 5—Eight French and German elected officials came together on Sept. 28 in the small city of Chamouille in northeast France, to discuss furthering the European campaign for Glass-Steagall and national sovereign development, which had been launched at a similar meeting in Arzviller, France on Aug. 10. At that meeting, French and German elected officials, after a discussion led by former French Presidential candidate Jacques Cheminade and Schiller Institute founder Helga Zepp-LaRouche, issued the Arzviller Declaration, which included the following:

“We believe the first step to be taken is to separate banks in order to prevent the financial criminals from doing further damage, because they know the state will protect them. This is known as the principle of the Glass-Steagall Act of Franklin D. Roosevelt, which we also had in Europe after 1945.

“At the same time, to jump-start our economies, we call for massive long-term investment projects, based on developing man and nature, from the Atlantic to the China Sea, through an understanding based on mutual development among sovereign nations. The issuance of credit by national banks will allow us to control our future.”

The Arzviller Declaration is being circulated throughout Europe, and presently has been endorsed by ten mayors and municipal councilors from France and four from Italy. In addition, in France, over 250 mayors have signed a separate call by Cheminade for the implementation of Glass-Steagall, as they understand very well that their local problems are ultimately due to the bankruptcy of the entire financial system. Various French municipalities are considering passing resolutions calling on their national parliamentarians to pass a Glass-Steagall law.

## Parliamentarians Take Action

A few days after the Chamouille meeting, two French Members of Parliament went public to support the fight for Glass-Steagall. Senator Pierre-Yves Collombat and Deputy Eric Alauzet, both of whom fought against the

phony banking reform imposed by the French government, to replace it with true Glass-Steagall banking separation, decided to write to U.S. Sen. Elizabeth Warren (D-Mass.), sponsor of Senate bill S. 1282, and U.S. Rep. Walter Jones (R-N.C.), a co-sponsor with Rep. Marcy Kaptur (D-Ohio) of H.R. 129, to express support for a new Glass-Steagall Act. They called on the U.S. Congress to urgently pass it, as it is the only chance to trigger a change from the economic and financial disintegration now gripping the United States and Europe.

*The parliamentarians' letters were released on Oct. 3. We reproduce them here.*

## Sen. Pierre-Yves Collombat (France)

Dear American colleagues,

I am writing this letter to both of you, leading representatives of the American people, as a French Senator who has been fighting very hard here to get a vote in favor of a French version of the Glass-Steagall Act, a true banking separation. For the time being, I have failed, and my elected colleagues have decided instead to enact a visual illusion incapable of facing the economic challenge of our dangerous and confusing times.

Therefore I come to you, in the United States, fully aware that your Dodd-Frank Act is no better than our own new law, and knowing that both of you are very courageously fighting for the Glass-Steagall principle. It would help us if you succeed there. Moreover, we are fully aware in Europe that “Glass-Steagall” should be a global principle, carried out in all countries of the world. Roosevelt enacted it in the United States, and we had a comparable law here, after World War II. But since then, Wall Street and the City of London, along with their financial and political collaborators here, have dismantled a system contrary to their interests, provoking a crisis potentially more dangerous than that of 1929 because this time it is global. That is why the Glass-Steagall principle should also be global and our fight a common one.

I know that you personally do not need my support,



EIRNS

The BüSo party (LaRouche movement in Germany) organizes for Glass-Steagall-type reform in Frankfurt in August.

but I am convinced that this letter, coming from France, may help to convince your colleagues both in the Senate and the House of Representatives. Feel free to make the best use of it!

The world needs a change of direction, towards the common good and the service of our future generations. This is an emergency situation, and my hope is that you in the United States are going to fight here and now, because if we fail times of chaos, confusion and destruction are what we face. All my best for both of you, from across the Atlantic,

Pierre-Yves Collombat  
French Senator from Var Département

### Deputy Eric Alauzet (France)

Dear American colleagues,

I want to express my interest and support for the courageous fight you are leading in the American Congress to reinstate the Glass-Steagall Act of F.D. Roosevelt. This fight will be decisive not only for the American people, but also for us in Europe, as we are facing the same international financial system and its predatory logic.

I am part of the few elected representatives who have been fighting here in the French Parliament for a true separation of banks, with an amendment to transform the banking reform of our government into a French version of the Glass-Steagall Act. However, I

have failed in getting the votes for the time being, while the banking reform that has been adopted instead, like the Dodd-Frank Act in the United States, is not sufficient to protect the people and the economy from the devastating consequences of the next financial crash.

In fact, most of my colleagues are intimidated by the warnings from financial experts who claim that if the French or European banks were subjected to a Glass-Steagall principle, they would not remain competitive with the American ones. That is why a joint effort across the Atlantic Ocean is so needed if we really want to shut down the casino of Wall Street, the City of London, and all the offshore financial centers. I truly consider our fight to be a common one.

I know you are urging your colleagues to support your bills S. 1282 and H.R. 129. Please, feel free to use this letter to convince them. Hoping they realize that when the world economy desperately needs to recover its sanity,

passing your bill becomes an emergency.

Yours sincerely,  
Eric Alauzet  
Member of Parliament from Doubs Département  
Member of the Finance Committee

---

## Others Speak Out

---

Thanks to the activity of the LaRouche political movement, joining with patriots of other nations, support for Glass-Steagall is growing in smaller nations as well. In addition to the dramatic fight going on within the Swiss parliament (see *EIR*, Sept. 20), a Spanish mayor has committed to sign. Politicians in Belgium are also supportive of real bank separation.

The Prime Minister of Belgium, Elio di Rupo (Socialist), in response to a demand from the Belgian LaRouche Movement Agora Erasmus, that he clarify his position on Glass-Steagall-type legislation, sent a letter in which he indicated both his great interest in the issue and great fear of moving ahead before any other country, especially the United States, moves in that direction. Several proposed laws for banking separation have been introduced and stymied in the Belgian parliament for years, and di Rupo's previous prime minister-ship (2011) tried and failed to enact such a law. The letter reads in part:

Belgium, The Prime Minister, August 29, 2013

Regarding: A new Glass-Steagall  
Mr. President [of Agora Erasmus]

I took full notice of your letter informing me about the bipartisan Congressional bill [Warren-McCain] aimed to reinstate in the United States a law introducing a strict separation between deposit banks and investment banks, on the model of the Glass-Steagall Act.

I am not unfamiliar with such a proposal. As you recall in your own letter, I myself favor the separation, as much as possible, of the activities of deposit banks from speculative activities, in order to minimize the threat of a new banking crisis.

### MP Bruno Tobback (Belgium)

More outspoken is Member of the Belgian Federal Parliament Bruno Tobback, the president of the Socialist Party of Flanders, and the Minister for Environment and Pensions (2004-07). Tobback issued an open letter to all members of the U.S. House and Senate on Oct. 1, in which he called on them to reinstate Glass-Steagall banking separation “as soon as possible.” The full text is included here.

Dear Members of the United States Senate and House of Representatives,

In July 2013 Senators Ms. Warren, Mr. McCain, Ms. Cantwell and Mr. King introduced a bill, “The 21st Century Glass-Steagall Act of 2013.” Our party is very pleased to hear that the United States is considering reinstating the separation of commercial and investment banking.

Five years ago, Lehman Brothers collapsed. Since then, nothing has fundamentally changed in the banking system. This is evident from the fact that many banks are still gambling with our savings and their casinos have far from closed. This has to stop.

The financial crisis has cost the European Union EUR1.6 trillion (13% EU GDP), EUR1.080 billion of which went for guarantees, EUR320 billion for recapitalization measures, EUR120 billion for impaired assets, and EUR90 billion for liquidity measures. The European Commission required substantial restructuring of banks receiving aid, including cutting of certain activities, to ensure their future viability without further public support, and to offset distortions of competition caused by the subsidies received. Still, the system re-



EIRNS/Julien Lemaître

*The Solidarity & Progress Party in France organizes for banking separation, July 2013 (the sign on the right reads: “Without banking separation, theft becomes legal”).*

mains a threat to society and people’s savings.

The objective of all banking structure reform must be to deliver a safe, stable and efficient banking system that operates in a competitive market economy and serves the needs of the real economy and consumers. Banks need to stimulate economic growth by supporting the provision of credit to the economy, in particular to SMEs and start-ups, provide greater resilience against potential financial crises, restore trust in banks and change the banking culture. The separation of banks is the most effective way to make this happen.

Banking structures need to be simpler and more transparent. Investment banks should no longer work with savings. Commercial banks, on the other hand, should focus on providing basic banking services. Hence, those banks will be smaller and less expensive to save. Moreover, going back to the core business will improve the quality of basic banking services. Finally, splitting banks means fair competition and more breathing room for smaller commercial banks. What are politicians waiting for?

It is clear that in the coming years, efficient regulation of the financial sector should finally be on the political agenda, including in the European elections in 2014. We therefore ask you to reinstate the separation of commercial and investment banks as soon as possible, giving the European Union the courage to do the same.

Sincerely,

Bruno Tobback

President of the Flemish Socialist Party

## Building the Kra Canal and Southeast Asian Development

by Meghan Rouillard and Asuka Saito

*This is the script of a video posted on Sept. 23 at <http://larouchepac.com/node/28237>. A selection of the graphics and transcribed video clips shown is included.*

Today, under the name of “Asia Pivot,” the Obama Administration continues to adhere to the imperial doctrine of no-development in the Asia Pacific region. Major nations of Asia are pitted against each other over the Trans-Pacific Partnership treaty negotiation, the Senkaku Island dispute, the North Korean conflict, and other issues. The heightened military tension adds to the turmoil: by 2020, 60% of U.S. naval ships will be moved to the Pacific. With new ABM systems, military bases, and deployment of nuclear submarines, a “ring around China” is now a virtual reality. This increased military and political tension in the region, if not resolved, can quickly lead to its intended consequence: thermonuclear warfare.

It is exactly this murderous intention of the British Empire which has to be eliminated. As U.S. President John F. Kennedy looked toward the NAWAPA [North American Water and Power Alliance] project and a manned mission to the Moon, in facing a threat of a nuclear warfare in his time, the real challenge of war avoidance remains today: Can the greatest defense of civilization be established in the process of development itself? If so, what projects can the United States and other nations jointly embark on today, as a common aim of mankind? What is a real Asia Pivot that can end

an imperial doctrine of war and instead bring about a much-needed physical economic transformation of the whole Asia Pacific region?

Thailand’s Kra Canal typifies one such project (**Figure 1**).

As we have introduced you to the great projects of the world such as NAWAPA, transportation infrastructure for the Darién Gap, the Transaqua project for Africa, among others, here we treat the case of Southeast Asia and the Kra Canal—its history and strategic significance for U.S. policy today.

### **Video Clip, Lyndon LaRouche:**

We have to think, with China right now, and with Japan, the whole Southeast Asia system, looking at that whole circle, that water system, and if we cut the Kra Canal through, into the Indian Ocean, we will have a revolution in South Asia from just doing that. By just cutting through that Kra Canal isthmus, and opening that whole area to a different kind of maritime culture, which will build up that area, to bulwark other parts of the area.

### **History**

The Kra Canal gets its name from the Isthmus of Kra in Thailand, the narrowest part of the Malay Peninsula. The Isthmus of Kra has long been known as the most suitable site to cut a canal connecting the Gulf of

FIGURE 1

## The Real Asia Pivot



LPAC-TV

Thailand and the Indian Ocean.

The idea of excavating the Kra Canal goes back to the mid 17th Century, when Thailand, then known as Kingdom of Siam, opened up its country for European traders, thus becoming one of the biggest trading centers of Southeast Asia. The first proposal for a Kra Canal was made in 1677, by a French engineer, M. De La Mar, as a part of the survey to find a new sea-trading route between the Gulf of Thailand and the Andaman Sea. Though his study demonstrated the possibility of the canal across the Isthmus of Kra, the project suddenly came to a halt, when Siam cut its relationship with France in 1688, expelling all French from its capital, Ayutthaya.

In 1882, the proposal for the Kra Canal reemerged when Ferdinand De Lesseps, the French engineer of the Suez Canal (completed in 1869), was sent to make a proposal for excavation once again. King Rama V, however, rejected the proposal, since France and other colonial powers were considered to be a threat to the sovereignty of Siam, rather than potential allies. The King's apprehension unfortunately was proven to be justified when, in 1893, the Franco-Siamese War broke out. At the close of the war, the Siamese were forced to cede Laos to France, and gradually, most of its territory was seized by the two contending colonial powers at that time, France and Britain. "The disgorging is a noble operation," Lord Rosebery, then the British Prime Minister, commented at that time.

The colonial partition of the land was quickly followed by a suppression of economic development. In April 1897, the British made a secret agreement with Siam, which deprived the latter of its rights to develop a canal through the Isthmus of Kra without British consent. The agreement also brought exclusive commercial concessions in the area under British control.

This British imperial policy of "no development" continued throughout the 20th Century. At the end of World War II, the Siamese government, which has allowed the Japanese to occupy the country rather than waging a pointless and bloody defense,

was forced to impose even stricter limits on its economic development, not to mention the heavy war reparations imposed upon them.

The 1946 Anglo-Thai Treaty Article 7 states: "The Siamese Government undertake[s] that no canal linking the Indian Ocean and Gulf of Siam shall be cut across Siamese territory without the prior concurrence of the Government of the United Kingdom."

To further extort from Thailand, the treaty demanded the surrender of Thailand's sovereign rights over production and export of rice, tin, rubber, and teak, in addition to a maximum of 1.5 million tons of rice to be made available to the British for free.

### Why the Sabotage?

On the surface, the concept of building a canal to bridge the Kra Isthmus hardly seems like an idea that would elicit such a reaction. But this should not be a surprise to the honest student of history, such as President Franklin Roosevelt or John F. Kennedy—being fully aware that the British Empire was a powerful entity which only changed its tactics, but never its motive: to suppress the economic and creative development of the vast majority of the human population.

For example, in the words of one of Britain's elite, Bertrand Russell, this outlook is clear. In *The Impact of Science on Society* [1952] he wrote:

"Industry, except insofar as it ministers directly to the needs of agriculture, is a luxury...."

Russell was clearly no fan of industry, but neither did he support modern agriculture. In the same book, Russell says:

“The danger of a world food shortage may be averted for a time by improvements in the technique of agriculture. But, if a population continues to increase at the present rate, such improvements cannot long suffice. There will then be two groups, one poor with an increasing population, the other rich with a stationary population. Such a situation can hardly fail to lead to world war... War may be so destructive that, at any rate for a time, there is no danger of overpopulation...”

And it was no secret which part of the human population someone like Russell, a mouthpiece for the British Empire, preferred:

“I find the coloured people [in the United States] friendly and nice. They seem to have a dog’s liking for the white man—the same kind of trust and ungrudging sense of inferiority. I don’t feel any recoil from them.”

Another voice of the Empire, Sir Halford John Mackinder, former head of the London School of Economics, once wrote:

“Were the Chinese, for instance, organized by the Japanese, to overthrow the Russian empire and conquer its territory, they might constitute the yellow peril to the world’s freedom...” [“The Geographical Pivot of History,” 1904].

The view of the colonial powers, including Great Britain, towards the people who inhabited their colonies, is no different.

The building of the Kra Canal project would strike a blow to the remnants of the British maritime empire, of which Singapore remains an outpost, and hence, the Strait of Malacca. The Kra Canal would significantly shorten this trade route.

But the building of the canal would also signal an intention to develop Southeast Asia more broadly, with associated rail, power, and water projects, which we will

review, unleashing the productive potential of the region in a way which could not be controlled, to the chagrin of the colonial powers that have dominated this area.



*The British Empire personified: Queen Victoria (1887). The British forced Siam (now Thailand) to sign a treaty forbidding it to build a canal across the country without “prior concurrence of the Government of the United Kingdom.”*

## The Real American Tradition

Historically, the United States has played a crucial role as a defender of this great project. Against the backdrop of the 1946 Anglo-Thai Treaty, and only a few months later, an American diplomat, Charles Woodruff Yost, succeeded in arranging a new treaty between the U.S., United Kingdom, and the Kingdom of Siam. It was a total reversal of the imperial policy outlook.

Yost’s new treaty was established “to take all possible measures for promoting and maintaining the maximum economic production in Siam of rice and certain other export commodities now in short world supply, and for facilitating the exportation of the surpluses of such commodities upon an equitable basis.”

To this end, the treaty mandated the U.S. and U.K. to supply “items required in connexion with rice production and exportation, including milling, transportation,

and repair of port facilities.”

This tradition was carried forward further, when in 1973, the American consulting firm Tippet-Abbot-McCarthy-Stratton (TAMS), in collaboration with Lawrence Livermore Laboratory, carried out an engineering and economic feasibility pre-study for a canal. Before getting into the details of this, let’s review some of the project’s dimensions.

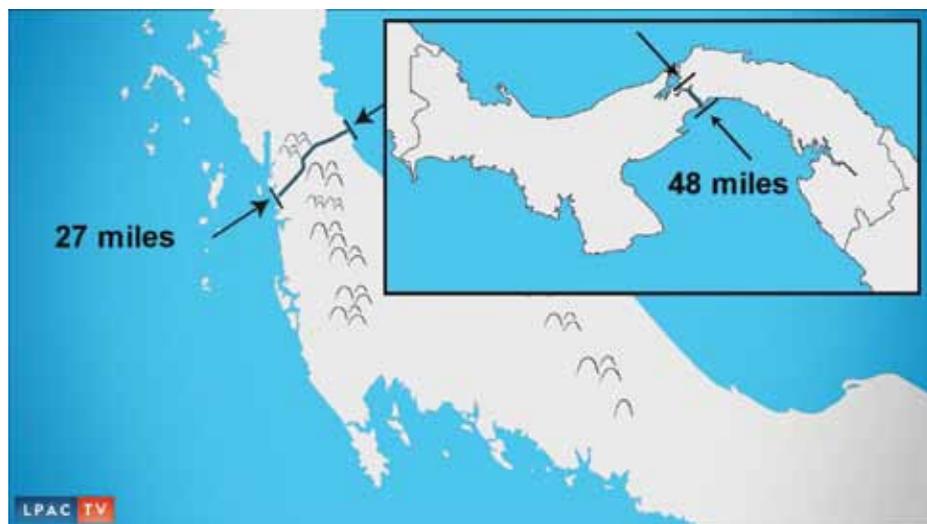
## Project Dimensions

In the 20th Century, the concept of the preferred location for the canal route generally shifted towards southern Thailand, as compared to the earliest proposed routes.

We can compare the dimensions of a proposed Kra Canal with other well-known canals (**Figure 2**):

FIGURE 2

### Proposed Kra Canal Compared to the Panama Canal (inset)



The width of the Kra Isthmus at its narrowest point is around 27 miles; compare this to the length of the Panama Canal—48 miles. The length of the various Kra Canal proposals ranges between 30 and 60 miles. The Suez Canal, for comparison, has a length of 119 miles.

The height of the interior mountain chain where the Kra Canal would be constructed is about 246 feet. Compare this to the height at the Galliard cut of the Panama Canal, which is slightly lower, at 210 feet.

The Strait of Malacca is not sufficiently deep for many large ships to pass through. The Strait is 620 miles long but very narrow—less than 1.6 miles at the narrowest, and only 82 feet deep at the shallowest point. Currently, large ships are required to travel much further south, to the Lombok Strait, near Java, which has a depth of 820 feet. Clearly, a Kra Canal poses a more reasonable option than travelling so much further south for larger ships or for any ship taking the 620 mile detour through the congested and pirate-infested Strait of Malacca.

The 600-plus-mile Malacca Strait is by far more heavily traveled than any of the world's

canals, with more than twice the traffic of the Suez and Panama canals combined. By a recent estimate, one fifth of world trade goes through Malacca Strait. Congestion or obstruction of the Strait would dramatically increase the cost of trade. The most conservative projection—trade growth of only one-third at 1960-80 costs—shows saturation of the Strait by the year 2025 and unsafe congestion beyond that date, with the maximum capacity of the Singapore and Malacca straits being 200,000 ships annually. A more recent estimate is that the traffic of the straits has been increasing at an annual rate of 20%.

### Role of the LaRouche Movement

In 1973, TAMS engineering had conducted a study of possible Kra Canal routes and suggested that Route 5a, pictured here among others (Figure 3), was the most suitable. At either end of the canal would be located industrial zones estimated to span around 100,000 acres.

A decade later, in 1983 and 1984, the Fusion Energy Foundation and *Executive Intelligence Review*, to-

FIGURE 3

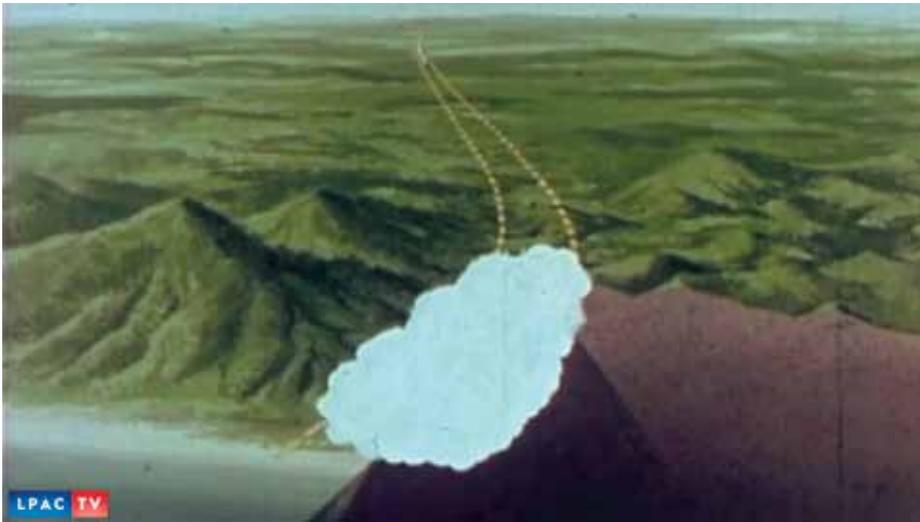
### TAMS Proposal for Kra Canal Route (1973)



LPAC-TV

FIGURE 4

## Peaceful Nuclear Explosions



LPAC-TV

*Dr. Edward Teller suggested that PNEs could be used to build the Kra Canal, and volunteered to move his family there so as to convince people that these explosions are perfectly safe.*

gether with the Thai Ministry of Communication, held two successful conferences on the Kra Canal Project. The FEF updated the earlier feasibility study done by TAMS, and developed further the project's economic and industrial benefits.

A Fall 1984 conference entitled "Industrialization of Thailand and the Kra Canal" took place in Bangkok, Thailand, bringing together businessmen, engineers, and government officials from all of the ASEAN countries, to hash out the feasibility of building the canal. This Bangkok conference issued a mandate for the Thai government to reach a decision on the Kra Canal project. The four panels during the conference covered all aspects, including a presentation by EIR/FEF researchers on the use of PNEs, or peaceful nuclear explosions, as the fastest, most efficient and cost-effective method of construction (**Figure 4**). It was during this same period that Lyndon LaRouche and FEF were involved in another program calling for the peaceful use of nuclear technology: the Strategic Defense Initiative.

Samak Sundaravej, Minister of Communications of Thailand and later Prime Minister, set the tone in his keynote address of Oct 31: "The question is can we do it, how, and which way? ... If we use TNT, it will take ten years, but if we use atomic energy for peace, it will shorten the excavation time by five years."

Minister Samak also stressed the importance of the project for the world: "The final impact will not only be beneficial for Thailand, but also for the region, as well as any other country that uses it. We should, therefore, dedicate it to the world."

Milo Nordyke of Lawrence Livermore National Laboratory in the U.S. and Harry Ekizian of TAMS engineering firm—both of which groups had been involved in the 1973 feasibility study for the canal—presented the physical parameters for building the canal, using both nuclear and conventional methods.

There were also Japanese representatives at the conference from ten top corporations, among them Mitsubishi Corpo-

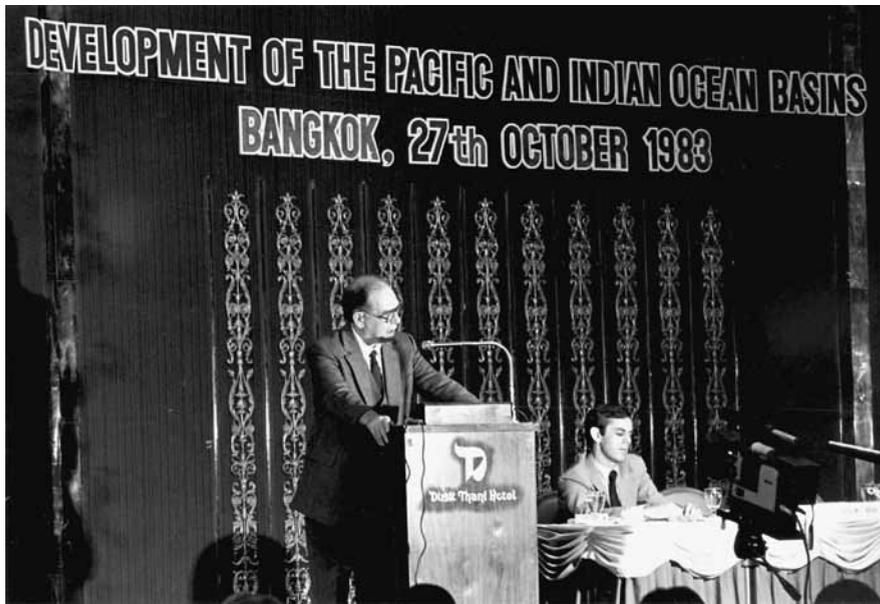
ration, which had sparked the initial renewed interest in the canal during the 1970s, promoting the project as part of their Global Infrastructure Fund concept. A later Japanese plan also advocated the use of nuclear technology in the construction of the canal in a 1985 report. This plan would have used over 20 nuclear devices, each with roughly twice the explosive energy of the bomb dropped on Hiroshima.

This proposal harkened back to a U.S. program called Operation Plowshare, which was in place from 1961-77, which focused on the development of techniques to use nuclear explosions for peaceful purposes.

The name of the project was coined with the reference to the Book of Isaiah: "And he shall judge among the nations, and shall rebuke many people: and they shall beat their swords into plowshares, and their spears into pruning hooks: nation shall not lift up sword against nation, neither shall they learn war any more."

Project Plowshare had completed 27 nuclear explosions, and proposed using the technique to widen the Panama Canal, among other projects, such as creating an artificial harbor at Cape Thompson, Alaska. The environmentalist movement campaigned enthusiastically to shut down Operation Plowshare, a program which represented the "Atoms for Peace" outlook first outlined by the Eisenhower Administration.

While other options for canal construction do exist



EIRNS

Lyndon LaRouche addresses a conference in Bangkok on the Kra Canal project.

and could be developed, it would be immoral to avoid discussion of the “nuclear option” in the name of appeasing the seemingly all-powerful environmentalist movement, many of whose advocates would just as soon see the population of Southeast Asia continue to live in abject poverty, if not to drastically decrease their numbers altogether.

Lyndon LaRouche, at the 1983 Kra conference, remarked:

“The prospect of establishing a sea-level waterway through the Isthmus of Thailand ought to be seen not only as an important development of basic economic infrastructure, both for Thailand and the cooperating nations of the region; this proposed canal should also be seen as a keystone, around which might be constructed a healthy and balanced development of needed basic infrastructure in a more general way.”

The discussion at the 1984 Bangkok conference showed a revival of a pro-development commitment from some in the U.S., Thailand, and Japan.

The principal justification for this project is not the canal per se,

but the broader development of industry and trade, manufacturing and agricultural enterprises, and the fostering of overall productivity.

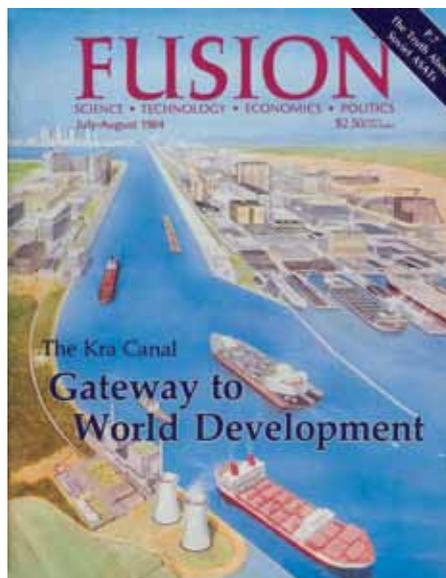
According to an estimate made in 1985, port development and industrialization around the canal zone would provide employment for up to 1 million people, including 250,000 jobs in relatively highly skilled job categories in Thailand.

Indicative of the potential for this kind of broader development was the proposal from a spokesman from Lawrence Livermore, who suggested that a major nuclear isotope separation plant could be constructed as part of the Kra Canal complex of industrial centers constructed at both ends of the canal.

Examples of supplementary projects that can feed into the productive effects of the canal include developing more broadly the nuclear platform in Southeast Asia.

### A Nuclear Platform

One of the first nuclear developments in Southeast Asia took place, ironically, during the Vietnam War, with the help of the United States. The Kennedy Administration helped to open up Vietnam’s first nuclear research reactor in the town of Datal, as a part of Eisenhower’s Atoms for Peace program. Its official inauguration on Oct. 29, 1963, was participated by [South Vietnam’s President] Ngo Dinh Diem, American Ambassador Henry Cabot Lodge, and a representative of the U.S. Atomic Energy Commission. Kennedy also signed onto National Security Memorandum N.263, which stipulated the necessary U.S. support for increasing the productivity of the Mekong Delta region, along with a withdrawal of 1,000 U.S. military personnel from Vietnam by the end of the year.



The magazine of the Fusion Energy Foundation promotes the Canal project in its July-August 1984 issue.



EIRNS

*Members of the Philippines LaRouche Society visit the mothballed Bataan nuclear power plant, 2008. Butch Valdes (third from the right) heads the Save the Nation movement, and is a strong advocate for reviving nuclear power.*

Merely one month after the inauguration of Vietnam's nuclear reactor, this glimpse of hope for Asia suddenly disappeared, with the assassinations of both Diem and Kennedy. Ever since, the United States has been going down the road of a long war in Asia. However, the prospect of peace through development still exists, and is quietly waiting for its realization.

Today, in terms of large-scale power generation, Southeast Asia does not have any nuclear power plants of significance. Thailand, Vietnam, Malaysia, and the Philippines each has one or two TRIGA reactors apiece, but these are small reactors mainly used for research purposes in universities.

The story of the Philippines underlines the fact that the lack of nuclear power in this region is no accident. The Philippines was to have the first nuclear plant in Southeast Asia, whose construction began in 1976. Construction was completed by 1986, but the Bataan Nuclear Plant was mothballed before it had generated any power. The puppet government of Cory Aquino [who replaced President Ferdinand Marcos that year] submitted to [U.S.] pressure to stop plans for the plant, but this was after the entire facility has already been built! To this day, the Philippines, without ever having benefited from the nuclear power the Bataan plant could have given the country, is paying bills for

the construction and maintenance of the facility. The Save the Nation movement in the Philippines, led by Butch Valdes, also the head of the Philippines LaRouche Society, has led the effort to revive nuclear power in the Philippines.

The concept of a nuclear-powered Asia has also come under attack more recently. After the 2011 magnitude 9 earthquake that hit Japan, the focus turned quickly away from the tens of thousands of actual deaths caused by the ensuing tsunami, towards the so-called threat posed by Japan's nuclear power facilities. Japan has a total of 50 nuclear plants, and was forced to shut all of these

down or to suspend operations in the face of this pressure. A handful have since opened back up, and it appears that there is movement to continue in this direction.

There are plans elsewhere in Southeast Asia to build new nuclear plants. Recently, Vietnam struck an inter-governmental agreement with Russia for the construction of the first nuclear power plant, with a loan issued by Russia. Currently, a total of 12 nuclear reactors is planned to be constructed using Russian, Japanese, and South Korean technology. As of October 2012, Thailand was conducting a feasibility study for the construction of a nuclear power plant, and a similar effort is taking place in Cambodia for the construction of a nuclear power plant on Koh Kong Island.

While these developments certainly point towards progress, they are still a far cry from where things should be. China shows a good example, with 16 nuclear plants and big plans for expansion. Close to 30 plants are under construction, and additional reactors are planned, including some of the world's most advanced, such as a 200-megawatt high-temperature gas-cooled nuclear reactor that is scheduled to be completed in 2017. This would give a five- or six-fold increase in nuclear electricity production capacity, to 58 GW by 2020, then possibly 400 GWe by 2050.

Contrast these developments to President Obama, obviously no Promethean, who has never defended nuclear power, and was also famously caught saying that we don't need "fancy fusion energy or anything."

## Rail

An ample supply of power generated by nuclear plants can create great industrial potential in Southeast Asia. This can be further bolstered by a linking up of the major capitals of Asian nations through a high-speed rail network, which is partially underway already.

The world's longest high-speed rail route, running from the Chinese capital Beijing to Guangzhou in the south, opened last year. Travelling at an average speed of 186 miles per hour, the rail traverses 1,428 miles, the equivalent of the distance between Washington, D.C., and Houston, Texas, in eight hours. By contrast, U.S. Amtrak trains travelling from New York to Miami, a shorter distance, take nearly 30 hours.

China's high-speed-rail network was only established in 2007; by 2010 it covered 5,193 miles, and by 2020 it is expected to cover 9,941 miles (**Figure 5**).

The rail links are also spreading to Southeast Asia. The proposal for the Kunming Singapore Railway was put back onto the table last year, when the Chinese offered a \$7 billion loan for a construction of a north-south railway, a missing link between China's major southern city of Kunming, and the capital city of Laos, Vientiane.

The original idea of a rail link between Singapore and Kunming came out after the completion of the Trans-Siberian Railroad in the early 20th Century.

In 2000, ASEAN proposed an Eastern route which would run through Cambodia and Vietnam. In 2004, ASEAN and China proposed a shorter route which would run through Myanmar. This route would also intersect a new Special Economic Zone and deep sea port at Dawei, in Myanmar, which would effectively connect the Indian Ocean Basin and the South China Sea.

FIGURE 5  
**China's High-Speed Rail, Existing and Planned**



*The light blue shows current high-speed rail lines; the dark blue shows the area that is to be included by 2020 (there is some overlap in this graphic rendering).*

The most recently entertained route would run straight through Laos. The railway would be over 250 miles long and would require construction of 76 tunnels and 154 bridges, including two bridges across the Mekong River. When complete, it would take only 10 hours to travel from Kunming to Singapore, as compared to the 72 hours it currently takes only to travel between Singapore and Vientiane.

This rail project, when complete, will link Southeast Asia to China, opening up a whole new potential for Asia-Pacific development.

The link is not only by high-speed rail, but also along the Mekong River, a major trading route between Southwestern China, Laos, Myanmar, and Thailand. Construction of dams along the Mekong River started last year, to alleviate navigational difficulties such as the extreme seasonal variations in flow and the presence of rapids and waterfalls. More importantly, the better water management and distribution along the entire Mekong Basin can transform the agricultural and industrial potential of the region.

## SEAWAPA

There are numerous proposals on the books for the development of the water resources and land potential in Southeast Asia. One aspect of these developments is represented in a concept developed by Thone Siharath of Laos, which he calls SEAWAPA, or the South East

Asia Water And Power Alliance, modeled on the concept of the North American Water and Power Alliance for North America.

What distinguishes Laos from the rest of Southeast Asia is that the seven-month monsoonal rains, the Pacific typhoons, and the melting ice from Tibet deposit more freshwater on Laotian territory than anywhere else on Earth.

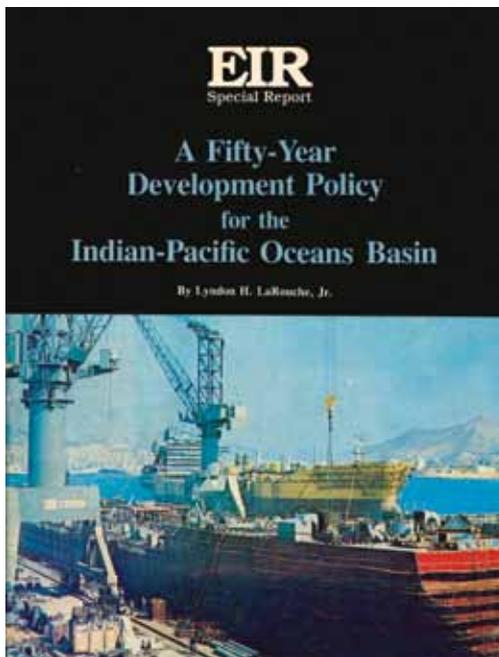
SEAWAPA presents a comprehensive plan of development for Southeast Asia as a whole. One component of SEAWAPA calls for the completion of on-the-books proposals for dams along the Mekong River, and to comprehensively dam the river at geographically suitable points, to make it navigable all year 'round, from the sea. There are almost no dams on the Mekong currently outside of a few in China. Environmentalist groups typically shriek in response to these proposals. Laos has recently won a victory in the face of this opposition, by breaking ground on the Xayaburi Dam site.

A sketch of how SEAWAPA could unfold, as envisioned by Thone, would begin with the completion of dam and hydropower projects such as the Houay Sompoy and projects for the Xe Bang Fai River. He also envisions using the abundant precipitation in Laos for modern hydroponic systems, with a hydroponic tower pilot project to be built in Vientiane.

Dams such as the Nam Ngum, the oldest dam in Laos, should be upgraded. Other Mekong dams should be built in Laos and elsewhere, and dams can be built on other Laotian Mekong tributaries, such as the Kong and Banghiang rivers. These rivers flow from the Annamite Mountain Range, which runs for hundreds of miles between Vietnam and Laos. Thone adds that Laos needs the technical advice of the American water engineers who would be guiding the NAWAPA project, for the best location and specifications for some of the dams.

Excess water can be stored in existing underground reservoirs in Laos. The fresh drinking water and hydroelectricity that is surplus to Laos's needs can be distrib-

uted using oil pipeline technology to other countries in Southeast Asia, southern China, Afghanistan, and even the dry Middle East, completely transforming the potential of the land.



*This EIR Special Report by Lyndon LaRouche, dated August 1983, was circulated widely among political and scientific circles in Asia.*

## Conclusion

Counterpose this vision of what Southeast Asia could look like to the accepted "way of life" of many poor Southeast Asians, including the "tourist industry" which employs many of them, exposed in the wake of the 2004 Indonesian tsunami, with tens of thousands of Thais killed as they worked at southern beachside resorts for foreign tourists; and compare it also to the memory of the mass bombings of past decades.

As Japanese economist Daisuke Kotegawa has noted, collaboration around the Kra Canal project of China and Japan, for example, would not only help to defuse tensions between them, but encourag-

ing this type of collaboration would also outflank the dangerous geopolitical game which the Obama Administration has created.

This can be accomplished if the United States does what is required to return to the world outlook of President Franklin Roosevelt.

As Lyndon LaRouche once wrote: "Discussions of Pacific Basin cooperation will continue to be merely discussions, until the question is directly stated: How might the foreign policy of the U.S.A. toward Asia be transformed to conform to the vital interests of the United States? The question must be posed: How might the United States return to the political philosophical world-outlook of its founders, or, more recently, the proposed post-war foreign policy of President Franklin D. Roosevelt?"

This outlook can be revived by taking action similar in principle to that of Roosevelt: starting with the restoration, globally, of the Glass-Steagall Act, restoring sanity to the world financial system, such that great visions, typified by the Kra Canal, can become reality.

## China Builds New Silk Roads as Obama Dumps His Asia Tour

by Michael Billington

Oct. 7—The scope of the breakdown process taking place in the trans-Atlantic region is reflected clearly in the spectacle of President Barack Obama canceling the potentially most important foreign mission of his Presidency—his planned attendance at the summits of the two leading international institutions of the Asian-Pacific nations—the Asia Pacific Economic Cooperation (APEC) Forum in Bali from Oct. 5-7, and the East Asia Summit (EAS), being held along with the ASEAN Summit in Brunei on Oct. 9-10.

With Europe and the United States in the throes of terminal economic disintegration, Obama chose to invite the arch-criminals of the major Wall Street banks to the White House on Oct. 2, and then dutifully decided to stay in Washington to implement their commands: continued or perhaps expanded massive bank bail-outs through Quantitative Easing; agreements with Republican leaders in Congress to implement killer austerity and budget cuts as a “solution” to the impasse over the budget and the Federal debt limit; and to prepare the U.S. population for the bail-in process—stealing depositors’ bank accounts to sustain the gambling debts of the banks.

In the real world, the only hope for the survival of the Western nations lies in repudiating the Wall Street gambling debts through Glass-Steagall legislation, while forging alliances with the Asian nations, where a dedication to progress still exists, to

launch great infrastructure projects across Asia and the world.

### China Takes the Lead in Asia

In Obama’s absence, China has demonstrated the quality of global leadership sorely lacking in the United States. Even before the APEC and EAS summits, Chinese President Xi Jinping toured several Southeast Asian nations, putting forth a vision of long-term growth and development through collaboration among the nations of the region.

Speaking at the Indonesian Parliament on Oct. 3—



*Chinese President Xi Jinping with Indonesian President Yudhoyono Sambut Pemimpin at the APEC summit in Bali, Oct. 6, 2013.*

the first foreign leader ever to speak there—President Xi called for the creation of a *New Maritime Silk Road* for East and Southeast Asia: “Southeast Asia has since ancient times been an important hub along the ancient Maritime Silk Road. China will strengthen maritime cooperation with ASEAN countries to make good use of the China-ASEAN Maritime Cooperation Fund [created in November 2011], set up by the Chinese government, and vigorously develop maritime partnership in a joint effort to build the Maritime Silk Road of the 21st Century. China is ready to expand its practical cooperation with ASEAN countries across the board, supplying each other’s needs and complementing each other’s strengths.”

Xi also said that “China is committed to greater connectivity with ASEAN countries,” proposing the creation of an Asian infrastructure investment bank that would give priority to ASEAN countries’ needs, especially in transportation. Without naming the U.S., Xi said that China welcomed a constructive role by countries from outside the region in the development and stability of Southeast Asia, but these countries “should respect the diversity of the region.”

The call for a new Maritime Silk Road follows by only a few weeks the Chinese President’s call for a New Silk Road in Central Asia, put forward at the Shanghai Cooperation Organization (SCO) meeting in Tajikistan on Sep. 13. It is precisely this concept of development across borders, connecting nations through mutual economic infrastructure projects, which is the basis for peace among nations—and is most despised by the imperial interests in London and New York, who provoke divisions over ethnic, religious, and territorial issues in order to keep nations divided and weak. His using the Silk Road theme in both Central and Southeast Asia demonstrates that Xi Jinping is dedicated to developing the entire Asian economic space.

President Xi proposed that trade between China and the ten ASEAN nations should rise to \$1 trillion by 2020, from a record \$400 billion in 2012. Already China has surpassed the United States as the major trading partner of most of Southeast Asia. Xi also signed agreements for China to build a much-needed monorail system in Jakarta, as well as other mining and infrastructure projects.

The leading Indonesian newspaper, the *Jakarta Post*, headlined its article on Xi’s visit with a quote from his speech to the Parliament, drawing on an old Indonesian proverb: “Money can be easily earned, but not friendship.” The message was clear: The U.S. has

long since ended its historic tradition of state-backed support for infrastructure projects in the developing world, but instead is constantly demanding free-trade concessions, to open up developing nations to financial looting and Western access to cheap labor. China, on the other hand, pays for its imports of raw materials from these nations not with paper dollars—which are proving to be increasingly worthless—but with infrastructure development.

### **Malaysia: Cheng-Ho Association**

President Xi also visited Malaysia from Oct. 4-6, meeting with Prime Minister Najib Tun Razak and former Prime Minister Dr. Mahathir Mohamad. At that meeting they elevated their relationship to a Comprehensive Strategic Alliance. Already, China and Malaysia have jointly built two industrial parks, one in China and one in Malaysia, as a model for cooperation in Southeast Asia. China reiterated its intention to help build Malaysia’s high-speed rail—part of the new “Orient Express” from Singapore to Yunnan.

Despite efforts by the Obama Administration to draw Malaysia into a confrontation with China over disputed areas in the South China Sea, Prime Minister Najib agreed to strengthen military relations between the two nations, especially in naval defense. The two countries will carry out joint naval exercises.

Dr. Mahathir, who is famous for standing up to the IMF while he was Prime Minister (1981-2003), has not lost his fighting spirit nor his commitment to development for all nations. In his meeting with President Xi, Dr. Mahathir proposed that the two nations set up a business and trade association, to be named the Cheng-Ho (Zheng He) Multi Cultural and Friendship Association, named after the 15th-Century Chinese Muslim admiral who led the Treasure Ships (the largest ships and the largest fleet in the world at the time) on peaceful diplomatic and trading voyages to Southeast Asia, across the Indian Ocean to the coast of Africa and into the Persian Gulf.

Dr. Mahathir also brought up the danger of over-congestion in the Strait of Malacca, calling for building a pipeline across the Kra Isthmus. Although stopping short of calling for a Kra Canal, in which the Chinese have shown great interest, Dr. Mahathir has in the past expressed his support for the prospect of a canal (see article in this issue and the video “The Kra Canal and the Development of Southeast Asia,” <http://larouchepac.com/node/28237>).

While President Xi goes on to the APEC Summit in

Bali on Oct. 7, Chinese Premier Li Keqiang is visiting Thailand, Vietnam, and Brunei, where he will attend the ASEAN+3 (ASEAN plus China, Japan, and South Korea) summit and the East Asia Summit.

### Demise of Obama's Asian Pivot?

Obama's decision to scrap his visit to Asia at this moment of economic disintegration of the trans-Atlantic economies has convinced nearly everyone, his friends and foes alike, that the Asia Pivot, aimed at containing China, is failing.

Obama was expected to pitch his Trans-Pacific Partnership (TPP) with all his sophistic powers at the APEC and EAS summits, and his non-appearance is seen as the death of the entire enterprise. Certainly the intention to have it signed by the end of the year is dead.

But the fact is, the TPP was dead before the cancellation of Obama's trip: Vietnam had let it be known that the condition that it could not import raw materials from China for goods produced for export to the U.S. was unacceptable; Japan is almost certainly incapable of meeting the demand that agriculture and other government supports be scrapped; and Malaysia, when it became clear that the TTP would require it to abandon state-sector industries and government support for domestic firms, said it would refuse to sign. The opposition, led by Dr. Mahathir, had such deep support in the proud nation that even the IMF-World Bank darling, Leader of Opposition Anwar Ibrahim, came out against the deal.

### Confronting China, Blackmailing South Korea

All that is left of Obama's Asian Pivot is the threat of the military confrontation of China. While Obama still gets support from Japan, Singapore, Australia, and the subservient regime in the Philippines for his expanded deployment of missile defense systems and nuclear-armed air and sea forces in a ring around China, the rest of Asia is not going along with the insane confrontation policy.

Most interesting is the case of South Korea. Sources



Adm. Cheng-Ho (Zheng He) (1371-1433)

there have confirmed reports in the Korean press that the U.S. is blackmailing Seoul, demanding that it accept deployment of advanced U.S. missile systems as a precondition for postponing the transfer of wartime command over the joint U.S.-Korean forces to the Seoul government. South Korea fears that the transfer of command to Korea, now scheduled for 2015, before a peace is achieved on the Korean peninsula, may embolden North Korea to attack Seoul, which lies only 31 miles from the North Korean border.

Asked about the sensitive issue of transfer of command, Secretary of Defense Chuck Hagel, visiting Seoul on Sept. 30, said that "any delay in the handover of full operational control of South Korean troops to Seoul can be dealt with in connection with South Korea's participation in the U.S.-led missile defense program."

The Korean newspaper *Chosun Ilbo* commented: "It seems that Hagel is making a quid-pro-quo offer: join the missile defense program and another delay of the handover is possible."

But the government of President Park Geun-hye considers these high-altitude missile-defense systems as overkill in regard to any threat from North Korea, and believes that they are correctly seen in Beijing as part of the U.S. military encirclement and confrontation with China—and that therefore Seoul will not accept them.

Asian leaders understand that the threat of a U.S. war against China is not as remote as some might think, in the context of the terminal collapse of the Western economies, and the continuing threat of a U.S. war against Syria and Iran, which could spread to Russia, and perhaps China.

The solution lies in restoring the U.S. economy through Glass-Steagall, and engaging Asia, and especially China, in the greatest scientific and technological infrastructure-building process in human history. It is a future we can all live with.

*mobeir@aol.com*

# Strategy of Tension Launched In Greece To Save Eurozone

by Dean and Andrea Andromidas

Oct. 7—The European financial oligarchy has launched a political coup in Greece to maintain its financial dictatorship. This is a replay of the “strategy of tension,”<sup>1</sup> which plagued in particular Italy and Germany in the 1970s, when paramilitary and terrorist operations controlled by a transnational shadow government were carried out. That strategy led to the assassination of political and economic leaders who opposed the introduction of radical free-trade economic policies at the time.

Just as in those dark days, we have seen in the last weeks in Greece: a murder, an assassination attempt, and blatantly illegal political manipulation, all aimed at suppressing the legal opposition, and maintaining, by unconstitutional means, the government of Prime Minister Antonis Samaras (of the New Democracy party) and Deputy Prime Minister Evangelos Venizelos (of Pasok, the junior coalition partner). Both have been loyal implementers of Eurozone austerity policies.

The authors of this article, representatives of the LaRouche movement, arrived in Greece within hours of the launching of this operation on the night of Sept. 17, when a leftist singer was murdered by an agent provocateur. The unwinding of this scenario served as the backdrop to our meetings with Greek political leaders, scientists, economists, and political activists, who showed tremendous interest in the Glass-Steagall reform. With the terrible conditions in Greece and the European establishment’s brutal determination to continue its policy of driving down Greek living standards in order to bail out the banks, the drive for Glass-Steagall in the United States was seen as crucial to force the necessary change in Europe.

---

1. *EIR* has covered this extensively for many years. See, for example: [http://www.larouche.com/other/2004/3117tension\\_italy.html](http://www.larouche.com/other/2004/3117tension_italy.html) and [http://actualidad.rt.com/programas/desde\\_la\\_sombra/view/107248-sombra-logias-masonicas-fantasmagoria-viva-e46](http://actualidad.rt.com/programas/desde_la_sombra/view/107248-sombra-logias-masonicas-fantasmagoria-viva-e46)

## ‘Strategy of Tension’ Revisited

On Sept. 17, the hip-hop singer **Pavlos Fyssas** was murdered by **Giorgos Roupakias**, who claims to be a member of the neo-Nazi Golden Dawn party, and who Greek sources believe is an agent provocateur. The murder created outrage and demonstrations by anti-fascist groups throughout the country, according to the right-vs.-left “strategy of tension” script.

On Sept. 18, an assassination attempt was made on **Panos Kammenos**, the leader of the Independent Greeks Party and an outspoken opponent of the Troika of overseers from the International Monetary Fund, the European Central Bank and the European Commission, while he was attending one of the anti-fascist demonstrations. Although the rally was under heavy police protection, a goon squad attacked him, wounding him and several police officers. Kammenos was sent to the hospital with a broken nose and other injuries. The attack was widely viewed as an assassination attempt, or at least a clear warning to Kammenos and the opposition.

The Golden Dawn, which now has 18 seats in parliament, is an artificial creation of the transnational shadow government, which turned an insignificant neo-Nazi group into an electoral party, to draw protest votes away from the legitimate opposition, including the Independent Greeks and Syriza. It has been accused of involvement with organized crime, extortion, and money-laundering. Greek intelligence sources informed *EIR* that Golden Dawn founder **Nikos Michaloliakos** has been an agent of the shadow government since at least the 1970s, when he was arrested for planting bombs in theaters frequented by leftists. He was released after serving only a fraction of his sentence. After serving in the Greek Army’s special forces, Michaloliakos joined a variety of fascist organizations, before founding the Golden Dawn in 1987.

Following a massive media campaign exposing Golden Dawn's alleged connections to police and security services, the government arrested six members of the party's parliamentary caucus, including Michaloliakos, on Sept. 28, on charges of involvement in the formation of a "criminal gang."

In an interview with Euronews on Oct. 3, Alexis Tsipras, leader of the Syriza opposition party, denounced the ruling New Democracy's specious "theory of two extremes," which claims Syriza is "left extremist" and Golden Dawn is "right extremist," thus trying to tar Syriza with the same brush as Golden Dawn. The obvious implication is that Syriza "is next" for judicial targeting.

Prime Minister Samaras, speaking in Washington, D.C. at the Peterson Institute for International Economics on Oct. 2, said that after dismantling Golden Dawn, his government will deal with "the other extreme," which opposes Greek membership in the EU and NATO. His attack drew a sharp response from Syriza's parliamentary spokesman, who warned on Oct. 4 that "equating leftist ideas with the ideas of Golden Dawn, as Samaras did in the U.S., is a huge blow to democracy."

## New Elections?

Golden Dawn leader Michaloliakos threatened in late September that all 18 parliamentarians from the party might resign, which could force new elections in areas where the party holds seats, the *New York Times* reported on Sept. 28.

Prime Minister Samaras, using the familiar rhetoric of coup plotters, told journalists, just before flying to the U.S. to meet President Barack Obama on Sept. 27, that he ruled out elections, saying his government's goal was "justice, stability, not elections," according to the daily *Kathimerini*. Deputy Prime Minister Venizelos said outright that Greece's Eurozone "partner-creditors" do not want Greece to go for new elections.

On Oct. 6, Tsipras, leader of the opposition Syriza party, said that new elections under these conditions should not be seen as a curse but a blessing. "We are not the ones who are in a hurry to govern, it's Greece that cannot put up any longer with those who are leading it to disaster," said Tsipras. He accused Prime Minister Samaras of being afraid of facing the Greek people and of using Golden Dawn's threats regarding a mass resignation of MPs as an excuse to avoid elections. "They want us to leave them alone so that they can sign the third bailout that they agreed with Greece's lenders," said Tsipras, according to *Kathimerini* on Oct. 7.

## The Real Fascists Are in the Government and Brussels

While the Greek government is shouting that is acting against law breakers and a criminal organization, the Golden Dawn, the real fascists are in the government itself. The nine-page report of the prosecutor in charge of the case was leaked to the press, detailing the criminal activities that were the basis for the arrest of the party's MPs.

**Makis Vouridis**, a parliamentarian with the ruling New Democracy party, told the BBC that the crackdown on the Golden Dawn was not because of its ideology, but because it is a criminal organization. Of course Vouridis would not attack the Golden Dawn's "ideology," since he had been a card-carrying fascist in the 1980s, when he belonged to the fascist National Political Union, where his comrade in arms was Nikos Michaloliakos, the leader of the Golden Dawn. The National Political Union was founded by former military junta leader Gen. Georgios Papadopoulos from his prison cell in the 1980s. The media published a photo of Vouridis from the 1980s in which he is seen carrying an axe on his way to attack a leftist demonstration.

It is well known that factions in the New Democracy party include old monarchist reactionaries and supporters of the military junta that ruled Greece in the 1960s and '70s, a fact mentioned by *Kathimerini*.

Vouridis is not the most important fascist in the government. The government's fascism is defined by its economic policy of genocide against the Greek people, the architects of which are sitting in European Union headquarters in Brussels, and who will continue to let Greece bleed to save Europe's bankrupt banking system and the euro.

While the government was launching this "low-intensity operation," the Troika overseers themselves were in Athens, dictating new policies to the government, including more mass firings of public sector workers, cuts in pensions and benefits, in order to receive the next EU1 billion tranche of the bailout which will go to pay Greece's creditors. Moreover, everyone fears that a bail-in of Greece's bankrupt banking sector, on the Cyprus model, could be ordered at any moment, thus wiping out the last bit of personal wealth in the country, after which they could be expected to start collecting gold teeth.

To see the impact of the EU policy, one only has to walk the streets of Athens, where one is constantly confronted with a panhandler or someone selling roses or

playing an instrument to try to scrape together enough to live on. These are youth (youth unemployment is 64%!), or retirees whose pensions are not enough to pay for both medicine and food, or unemployed who can no longer feed and house their families. An extensive picture of the crisis will be the topic of the next article in this series.

### No Elections at Any Cost

This political coup in Greece has been taken with the knowledge that the next phase of the Eurofascist economic policy will create a social explosion. The Greek newspaper *Parapolitika* in July published an article, “The Egg of the Serpent Has Hatched,” which reported a secret poll taken on orders of Prime Minister Samara, which revealed that if elections were held, the Syriza Party, which opposes the EU austerity policy,

and the Independent Greeks party, would defeat the ruling coalition parties by more than a 6-8% majority. The Golden Dawn would have just under 18%, only 2-3% below New Democracy, and the Pasok might fail to meet the threshold required to enter parliament. The article was picked up on a blog called the Slog, as cited in [HellasFrappe.blogspot.com](http://HellasFrappe.blogspot.com).

Both Syriza and the Independent Greeks are committed to repudiating the EU austerity policy, declaring the debt “odious” and unpayable, and have mooted possibly leaving the Eurozone. Such an outcome could create political “contagion,” with Portugal, Spain, Ireland, and even Italy jumping the euro-Titanic.

What the European financial oligarchy fears most is the passing of Glass-Steagall in the United States. *EIR* found that this is understood by growing numbers of Greek political activists.

## Correction

*EIR* has been informed of mistaken information published in the interview with Dr. Katherine Alexander-Theodotou, president of the Anglo-Hellenic and Cypriot Law Association, conducted by Helga Zepp-LaRouche and published in *EIR*, Sept. 20, 2013.

The passage in question stated “Another lawyer by the name of Paschalides applied on behalf of 3,000 people at the Supreme Court of Nicosia for an action against the ‘haircut.’ The Supreme Court of Nicosia advised them to take the case to the District Court instead. . . .”

Mr Chris Paschalides, senior partner of Paschalides & Co London solicitors, has informed the editors that this information is incorrect, and that his firm has not presented any cases before the Cyprus Supreme Court on behalf of any one client.

The correct information is that Pascalides & Co solicitors already issued proceedings as far back as May 24, 2013 before the European Court of Justice on behalf of six clients.

The grounds asserted against the European Central Bank and the European Commission in part also challenge the Memorandum signed by Europe and Cyprus Government. The case is brought by Paschalides & Co in the European Court of Justice in

Luxembourg, the venue of which was correctly chosen by Mr. Paschalides, and not as stated by Ms. Theodotou in the interview with *EIR*.

Under European Union law, any challenges to the legality by way of references made in the Memorandum signed by Europe and the Cyprus Government must be filed within two months of its signing. Other challenges regarding damages and consequential loss as a result of the Memorandum can be filed within five years.

On behalf of six clients, Mr. Paschalides of the London office has, in conjunction with Antonis Paschalides & Co Advocates of Nicosia, Cyprus, filed claims under the former within the two months required. These cases are now proceeding through the European Court and are awaiting the Defense arguments of the European Central Bank and the European Commission.

Mr. Paschalides’ cases challenge the “Appropriation” under the Memorandum of 47.5% of deposits above the insured amount of EU100,000. This “Appropriation” was applied to depositors of the two Cypriot banks—Laiki Bank, which was sent into Administration; and the Bank of Cyprus, which absorbed the deposits and assets and certain liabilities of Laiki Bank.

According to Mr. Paschalides, if the challenges in his present cases are successful, it would open the gateway for challenges by all the other depositors.

# Kenyan Mall Attack Designed To Launch Permanent War on Terror in East Africa

by Douglas DeGroot

Oct. 7—The four-day attack against the Westgate Mall in Nairobi, Kenya, begun Aug. 21, initiated a new phase of the British Empire’s permanent war plan, intended to destroy the sovereignty of all nations. In East Africa, where this attack occurred, the assault had the added intention of stopping the emerging fight for sovereignty against the International Criminal Court (ICC), and the East African nations’ economic collaboration with China.

The attack resulted in the deaths of 67 people, according to official reports, with 39 still listed as missing, according to the Red Cross. The deadly assault on civilians received even greater attention because an unknown number of Westerners were killed. The operation had no military value, but has served to advance the assessment of Noman Benotman, who asserted that the terrorist attack moved the attackers, the nominally Somalia-based terrorist al-Shabaab group “to the top of the premier league” of global jihadists. Benotman is a former commander of the British-backed Libyan Islamic Fighting Group, and is now ensconced in London, where he is closely involved with the so-called “Islamic” extremists—who are an important part of the imperial arsenal—for the London-directed global financial empire.

Despite many claims to the contrary, the well-planned attack was not orchestrated by al-Shabaab as revenge against Kenya for sending troops to aid the transitional government in Somalia. Mogadishu is attempting to fight off the radical jihadists in order to establish a functioning government in Somalia, for the first time since 1991.

The political purpose for the murderous attack—permanent war—was unintentionally revealed by the response of Washington officialdom and others, who have said since the attack that the global terrorists springboarding from the Middle East and Pakistan, using Somalia as a gateway, are now in a position to sweep across Africa, from Somalia all the way to the

Atlantic. The two examples that have been cited are the Saharan jihadist attacks against the new government in Mali made possible by the failed-state status imposed on Libya, and a further escalation of the Boko Haram assaults against Nigeria.

The subsequent Oct. 5 failed attempt by Navy SEALs to snatch Ikrima, the leader of Shabaab’s foreign fighters, from the Somali coastal town of Barawe, about halfway to the Kenyan border from Mogadishu, will at least provide the intelligence agencies which control global terrorism, a pretext for further “revenge” attacks by their terrorists in the region, against Kenya in particular.

## How To Stop Jihadists

By attempting to militarily stop the foreign special-ists and the local groups who collaborate with them, and take the blame in these guerrilla wars, the U.S.A. could be far more effective by exposing the Saudi peninsula entities who finance them.

In an unusual move, at an Oct. 3 House Foreign Affairs Committee hearing on the dangers al-Shabaab represents to the United States, Rep. Michael McCaul (R-Tex.), who is also chairman of the House Committee on Homeland Security, brought up precisely this issue. He said the funding for these jihadist terrorists always traces back to the Saudi peninsula. “This is the inconvenient truth no one talks about,” he said. “And no one wants to deal with it, either,” because the Saudis are U.S. allies. He said the problem needs to be addressed (see box).

The East African nations are especially being targeted by this escalation of permanent war because they had been leading a vigorous fight against the imperialist International Criminal Court (ICC) to defend their sovereignty, and are implementing economic cooperation and development programs with China, the only country willing to participate. The financial empire’s brutal attack in Kenya sent a message to the East Africans that

they shouldn't be so naive as to think they could treat the empire with such disdain by thinking they could act as sovereign nations to develop economically, against the will of the financial empire, and its enforcer, the IMF.

### The Jihadi Networks

The al-Shabaab attack in Kenya was run by foreigners, including Europeans, Americans (some of them of Somali origin), and jihadists from the Middle East and Africa. Witnesses of the attack on the Westgate Mall in Nairobi reported that the attackers spoke to each other in English. The participation of the outsiders from other regions was made possible by a recent shift of leadership in al-Shabaab, which saw the Somali-oriented leaders either killed or driven out. As one retired U.S. military officer put it, this kind of shift to global jihadist takeover can easily be engineered if the policy is limited to the present policy of "Kill the bad guys."

The Somali-oriented leadership was weakened by

the 2011 Kenyan military intervention, Operation Linda Nchi ("Operation Defend the Nation," in Kiswahili) into southern Somalia because it denied al-Shabaab its traditional sources of income, such as that from exports and imports at the port of Kismayo. That left the Gulf states as the only source of income, which was reportedly used to install leadership that was open to the Saudi peninsula-based groups, al-Qaeda in the Arabian Peninsula (AQAP) or al-Qaeda Central (AQC). Experts think there is little difference between these two groups now.

The modus operandi of the terrorists was revealed by a leaked 2011 Kenyan intelligence report. The operatives came into Kenya from various places, obtained safehouses in the Nairobi and Mombasa, and then assembled their weapons and explosives which were smuggled in from Somalia.

### Mobilization Against the ICC

Ethnic conflicts either deliberately imposed or exacerbated in African countries during the period of colo-

## Saudi Funding of Jihadis Raised at Hill Hearing

Oct. 7—In the wake of the terrorist attack on the Westgate Mall in Nairobi, Kenya, a hearing of the House Foreign Affairs Committee was held Oct. 3, chaired by Ed Royce entitled: "Al-Shabaab: How Great a Threat?" Testimony included the subject of how al-Shabaab could attack the U.S.A. directly, or by attacking U.S. interests.

After the completion of the testimony presented to the hearing, Republican Committee member Michael McCaul (R-Tex.), who is also chairman of the House Committee on Homeland Security, directed his first question to two former longtime FBI agents who had provided testimony, and who are still active in the security field. He asked directly about funding for al-Shabaab coming from the "Saudi Peninsula." Neither of the two ex-FBI agents answered the question, nor did a British Africa expert

at a Washington think tank, who also testified.

McCaul began his question by noting that he had been briefed the previous day on the threats facing the U.S.A. He said:

"The majority of these threats—when you look at these organizations, and you look at the funding streams—the majority of them are tied back to the Saudi Peninsula, in terms of funding. This is the inconvenient truth no one talks about. And no one wants to deal with it either."

McCaul cited a report he had received of \$100,000 sent to al-Shabaab's intelligence unit to carry out a wave of assassinations in Mogadishu, Somalia. He continued:

"This is something we're going to have to deal with at some point in time. And I know it's something—with the Saudis being our ally—that presents a problem. It's a challenge, but I think it is something we need to address, and see it for what it really is."

The officials had no comment.

—Douglas DeGroot

nial rule were played by the colonial powers as mechanisms to control their colonies. These problems are further aggravated by the lack of economic growth and vast unemployment resulting from the restrictive credit conditions imposed by the IMF. The only alternative is expensive bank loans. The private ICC, set up with George Soros money in 2002, has almost uniquely targeted African leaders for prosecution for human rights violations resulting from the problems mentioned above. (See “Africans in Revolt vs. International Court,” *EIR*, Oct. 4, 2013.)

The ICC prosecution of Kenyan President Uhuru Kenyatta and Deputy President William Ruto is threatening to disrupt the close collaboration between the East African countries of Ethiopia, South Sudan, Kenya, Uganda, and Rwanda for purposes of development. The two leaders will both appear for trial, since they believe they are not guilty. The two come from different ethnic groups, which engaged in conflict after the previous Presidential election in 2007. They are being charged with complicity in that violence, which led to a large number of deaths.

Ironically, the two joined the same ticket for the elections this March, and were supported by both ethnic groups. Some Kenyan observers are of the view that Kenyans saw the ICC prosecutions as interference in Kenya’s internal affairs, which led to more support for the ticket, which won a majority in the first round. The elections were held after the ICC had issued warrants for their arrest if they did not appear voluntarily.

Kenya is strategically located as the outlet to the sea for the landlocked countries of Uganda, the eastern Democratic Republic of Congo, and Rwanda, and also poses an easier access to the sea for South Sudan and Ethiopia, if plans for a rail and transport corridor from Kenya to those two countries come to fruition. Construction on such a corridor has begun in collaboration with the Chinese. Development in this region, which includes the two sources for the Nile, has important implications for Egypt as well, as Egypt emerges from the chaos introduced by the anti-nationalist Muslim Brotherhood government of Mohamed Morsi.

At the May summit of the African Union (AU) this year, Ethiopian Prime Minister and Head of State Hailemariam Desalegn strongly attacked the ICC for singling out African leaders. At the AU summit, Rwan-

dan President Paul Kagame also attacked the ICC for arbitrarily condemning certain African leaders and not others, for political purposes. Ugandan President Yoweri Museveni has also been increasingly attacking the ICC for its political interference. Kenyatta mounted a campaign to get African countries which had signed the Rome Convention which made them members of the ICC, to revoke their membership. Now that process is underway, starting with the Kenyan Parliament’s Sept. 3 decision to pull out.

The ICC prosecutions didn’t prevent the East African nations from continuing to collaborate with China for trade and development. Now, the permanent anti-jihadist war that is looming as a result of the harsh message to the East African nations and China from the Westgate Mall attack, again puts the ability to continue economic collaboration with China at risk. The planned increased trade and ambitious economic development plans, augmented by recent discoveries of massive oil and gas deposits off the coast of East Africa, from Madagascar to Somalia, could be destroyed if peace cannot be brought to Somalia.

**THE  
EURASIAN  
LAND-BRIDGE**

**‘The New Silk Road’—Locomotive  
For Worldwide Economic Development**

*An EIR Special Report*



Available from  
**EIR News Service**  
P.O. Box 17390 Washington, D.C. 20041-0390  
Phone: 1-800-278-3135 or [www.larouchepub.com](http://www.larouchepub.com)

(1997) 260 pages **\$100**  
(EIR 96-007)



*Among the African projects which China is involved in, is the Lamu Port and South Sudan Ethiopia Transport (LAPSSSET) Corridor, shown here under construction. The huge project involves building a modern port at Lamu on the Kenyan coast, not far from Somalia, along with an oil refinery.*

## China and East Africa

The East African heads of state have all endorsed economic cooperation with China, while criticizing the lack of economic development initiatives from the Western powers. Rwandan President Kagame stated on Oct. 12, 2009 that growth of the private sector in Africa has resulted from Chinese investment, while Western countries are primarily interested in acquiring raw materials.

China is involved in economic development activity in each of the countries; Museveni has pointed out that China is not a threat to Africa.

Among the projects presently underway are:

- A new rail trunk line upgraded to standard gauge to extend to Uganda, is under construction from the Kenyan port of Mombasa to Nairobi. Rwanda is working to arrange financing for the line to be extended to Rwanda, which has never had a railroad.

- The Lamu Port and South Sudan Ethiopia Transport (LAPSSSET) Corridor is a huge project that involves building a modern port at Lamu on the Kenyan coast, not far from Somalia, along with an oil refinery. A road, and standard gauge railroad, and an oil pipeline will be built to the Kenyan town of Isiolo. Two branches

will continue from there, one to South Sudan, the other to Ethiopia. The project also calls for airports to be built at Lamu and Isiolo.

Construction of Port Lamu and the oil refinery began March 2, 2012.

The project won't be able to be completed if there is conflict in Somalia. This explains why there are Kenyan and Ethiopian troops in Somalia, and also why the financial empire, opposed to development, is upgrading the terrorist capability to be funneled into Somalia, for deployment beyond Somalia.

If the huge project is not stalled by conflict, it is slated to be finished in four years.

At the inauguration ceremony in March 2012, then-Kenyan President Mwai Kibaki said: "I have no doubt that this day will go down in

history as one of the defining moments—when we made a major stride to connect our people to the many socio-economic opportunities that lie ahead.

The 32-berth port at Lamu, when finished will be as much as five times bigger than Kenya's port at Mombasa.

## Kenya's Trade with China

After the 2007 Kenya elections, Kenya's leaders began looking to China to expand their economy. This led to the 2010 trip by President Kibaki to China.

China is now Kenya's major trading partner.

By 2012, Kenyan imports, by rank, were:

- China: over \$1.9 billion
- U.S.A.: approximately \$775 million
- The U.K. had slipped to less than \$600 million.

Through 2008, the U.K. had been Kenya's biggest trading partner.

President Kenyatta has seen the hope for Kenya's future in relations with China and Russia. On Aug. 18, Kenyatta visited China. He also visited Russia before coming to the United States. His decision to visit China and Russia before visiting the U.S.A. was seen in Kenya as a snub of President Obama.

## Russia: Ghouta Chemical Attack Was a Saudi ‘Black Op’

Special to EIR

Oct. 5—As an advance team of United Nations staffers and disarmament specialists on chemical weapons arrived in Syria yesterday in advance of inspectors from the Organization for the Prohibition of Chemical Weapons (OPCW), the Voice of Russia posted a blockbuster article saying that the Aug. 21 chemical weapons attack in Ghouta, a Damascus suburb, was done by a Saudi Arabian black operations team.

“Based on data from a number of sources, a picture can be pieced together. The criminal provocation in Eastern Ghouta was done by a black op team that the Saudis sent through Jordan and which acted with support of the Liwa al-Islam group, a source in the diplomatic circles said,” according to the VoR article.

The new evidence and assertions by Russian, Syrian, and other sources, including members of the Syrian opposition, are being presented to governments around the world, not only to present the evidence of rebel chemical weapons attacks, but to prevent the Saudi-controlled rebel terrorists in Syria from destroying the work of the OPCW in removing the government’s chemical weapons arsenal. Sources quoted in the Russian

media believe that the rebels are preparing attacks, even a false-flag chemical weapons attack, in order to destroy the U.S.-Russian agreement that is the basis for a diplomatic solution for Syria.

While *EIR* has not confirmed these charges, they are coherent with highly qualified reports coming from U.S. and other intelligence experts, as well as *EIR*’s detailed knowledge of the British-Saudi nexus responsible for the vast majority of terrorism worldwide.



*Until the Saudi role in 9/11 is fully revealed, there is no stopping Anglo-Saudi terrorism.*

## Bandar's Army

At the same time, Saudi intelligence chief Prince Bandar bin-Sultan, who is referred to in media reports as “Prince of the Jihadis,” “Chemical Bandar,” and “Bandar Bush,” is reported by international news services to be behind the creation of a jihadi “Army of Islam” in Syria. This Army, made up of about 50 Islamist organizations that announced a split from the Free Syrian Army (FSA) on Sept. 24, is an attempt to keep the ultra-radical neo-Salafis in positions of power within the opposition to the Assad government, by creating a phony “new” organization, separate from the organizations that the United States has named as “terrorists.” This Saudi effort to create a “non-terrorist” band of jihadis is similar to British intelligence’s “counter-gang” tactics used in Africa in the 1950s: to create an intelligence-service-controlled organization that would serve as a puppet “opposition.”

One immediate purpose of the Saudi maneuver is to distance Liwa al-Islam from Jabhat al-Nusra and the

Islamic State of Iraq and Syria (ISIS), the two allied groups that are openly connected to al-Qaeda and its head, Ayman al-Zawahiri, and which have been put on a terrorist list by the United States.

But this move is completely phony. According to an Oct. 4 article by investigative reporter and blogger Steve Lendman, Liwa al-Islam is headed by Zahran Al-loush, the son of the Saudi-based Salafist cleric, Abdullah Mohammed Alloush. Lendman and others report that it is well-known that Zahran Alloush, who rejects negotiations with President Bashar al-Assad, conducts joint operations with Jabhat al-Nusra. Lendman highlights the Voice of Russia story, which implicated Saudi Arabia and Jordan in the Ghouta chemical weapons attack. “The Saudi black ops teams were based in Jordan,” Lendman wrote. King “Abdullah II ibn al-Hussein’s Hashemite Kingdom is complicit.”

A well-informed Middle East intelligence source told EIRNS that Liwa al-Islam is one of the major assets in the Islamist network selected and financed by Ban-

## Bandar's Terror Links In Syria Exposed

Since 2011, Bandar bin Sultan began a spectacular rise to power by deploying his international jihadi army of Wahhabi footsoldiers into Syria. As chief of Saudi intelligence, Bandar became the centerpiece of the Obama-Saudi-British Empire effort to bring down Syrian President Hafez al-Assad by building up al-Qaeda and its spinoffs as a major multinational terrorist force.

In the last several months, however, with Bandar’s jihadis revealed as murderers, cannibals, and wielders of deadly chemical weapons, Bandar’s dirty deals have been exposed as never before. The following articles are some of the leading investigative reports on Bandar’s activities.

“Saudi Black Op Team Responsible for Damascus Chemical Attack—Russian Diplomatic Source,” [Voice of Russia](#), Oct. 5, 2013.

“Iran-Contra Redux? Prince Bandar Heads Secret Saudi-CIA Effort to Aid Syrian Rebels, Topple

Assad,” Democracy Now, [Interview](#) by Amy Goodman with Adam Entous, national security correspondent for the *Wall Street Journal*, Sept. 6, 2013.

Mahdi Darius Nazemroaya, “Saudi Arabia’s ‘Chemical Bandar’ behind the Syrian chemical attacks?” [Russia Today](#), Sept. 5, 2013.

Peter Nealen, “Bandar Bin Sultan and the House of Saud’s Hand in Syria,” SOFREP Situation [Report](#), Sept. 5, 2013.

Peter Lee, “Chemical Weapons, False Flags and the Saudis’ Hard Line—We Need to Talk About Prince Bandar,” [Counterpunch](#), Sept. 4, 2013.

James Corbett, “Bandar Bush and the Syrian Subversion,” The Corbett [Report](#), Sept. 3, 2013.

“EXCLUSIVE: Syrians in Ghouta Claim Saudi-Supplied Rebels Behind Chemical Attack—Rebels and local residents in Ghouta accuse Saudi Prince Bandar bin Sultan of providing chemical weapons to an al-Qaida linked rebel group,” [Mint Press](#), Aug. 29, 2013.

Adam Entous, Nour Malas, and Margaret Coker, “A Veteran Saudi Power Player Works To Build Support To Topple Assad,” *Wall Street Journal*, Aug/ 25, 2013.

Pepe Escobar, “Bandar Bush, ‘Liberator’ of Syria,” [Asia Times](#), Aug. 13, 2013.

dar's Saudi operation. Among its notorious actions during the Syrian civil war, Liwa al-Islam claimed responsibility for the bombing of the July 2012 secret government meeting in Damascus that killed a number of top Syrian officials, including Defense Minister Dawoud Rajiha, his deputy Asef Shawkat, and Assistant Vice President Hassan Turkmani, reported Russia Today on Oct. 4. Liwa al-Islam is one of the 11 jihadi groups that issued a Sept. 24 statement disassociating themselves from the Syrian National Coalition.

### Propaganda Machine in Action

Already this Saudi maneuver to create a jihadi army that is *not* on the U.S. terrorist list has gotten its propaganda wing in motion. On Oct. 1, writer Hassan Hassan welcomed Liwa al-Islam in a *Foreign Policy* article called, "The Army of Islam Is Winning in Syria." The article is subheaded: "And that's not necessarily a bad thing."

Hassan says that Liwa al-Islam "is the central player in the Army of Islam, [which] now dwarfs both the FSA and radical militias such as Ahrar al-Sham and Jabhat al-Nusra, which long played a prominent role in the region. . . ."

In the aftermath of the action of Sept. 24, when 11 of the rebels' most powerful Islamist groups left the umbrella opposition group, the Syrian National Coalition, there has been a scramble over who will be recognized as the official opposition. Then on Sept. 29, "at least 50 groups operating mainly around Damascus merged into Jaish al-Islam ('the Army of Islam'), thus undermining the Free Syrian Army's dominance" in that part of Syria where the FSA had been considered the strongest rebel force, according to Lendman's analysis.

Such a sanitizing of the neo-Salafis is a necessary step for the Saudi-led Sunni backers of the rebels, since Bandar's role in helping the terrorists is exposed as never before. Since the Aug. 21 chemical attack in Syria, dozens of articles have appeared internationally identifying Bandar as the "godfather" of the jihadi killers that *are* the armed rebels in Syria. These revelations come at the same time that there is mounting pressure in the United States to declassify and release the redacted 28 pages of the 2004 findings of the 9/11 Joint Congressional Inquiry, pages suppressed by both the Bush and Obama administrations for strictly political reasons. The release of the classified 28 pages would be a critical flank in exposing the Anglo-Saudi role in the attacks of Sept. 11, 2001 and the international jihadi terrorist threat today.

Until the story of the role of Saudi Arabia and then-Ambassador to the U.S. Prince Bandar bin-Sultan is exposed—starting with the release of the 28 pages—there will be no way to stop the jihadi terror wave which has swept over the last year from Benghazi, Libya to Algeria to Mali and Kenya; which is ripping apart Syria, Iraq, and Pakistan on a daily basis; and has intensified in Central Asia.

## Who Is Prince Bandar?

Special to EIR

Oct. 7—More than 30 years ago, in the early 1980s, Saudi Prince Bandar Bin Sultan put billions of dollars into networks of Islamic fundamentalist warriors of the mujaheddin in Afghanistan, allegedly to fight the Soviet Union. According to William Simpson's 2006 biography of Bandar, *The Prince*, for which Bandar gave extensive interviews, he funnelled \$3 billion to the mujaheddin, from whom al-Qaeda sprang. In reality, Bandar was building a Islamic fundamentalist army, based on the doctrines of Wahhabism, the radical Sunni Muslim strain that put, and has kept, the House of Saud in power in Saudi Arabia. That al-Qaeda/jihadi army, of which Osama Bin Laden was the most famous leader, is the greatest terrorist threat in the world today, according to top U.S. intelligence officials, including former Deputy Director of the CIA Mike Morrell.

Bandar's jihadis carried out the 9/11 attacks in the United States in 2001 that killed nearly 3,000 people in a single morning; they have killed tens of thousands of people in the Syrian civil war over the last year. This is the network that killed U.S. Ambassador Chris Stevens in Benghazi, Libya, and three other Americans in the terrorist attack of Sept. 11, 2012; and that murdered civilians in the Nairobi, Kenya, shopping mall in September 2013.

In *The Prince*, Bandar is quoted bragging about his covert operations in Afghanistan against the Soviet Union in the 1980s, and how he used Saudi Wahhabism to build a jihadi army: "We used religion. We said, 'The Communists are atheists; they don't believe in religion and we are fighting them for religious reasons.' We galvanized the Muslim world behind us . . . there was a

common interest in opposing godless Communism. That was seen by the Saudis as the principal threat to the kingdom and to Islam and to the region.”

Today the religious banner of Bandar’s jihadis is not opposition to “godless Communism,” but to “infidels” or *kafiri*, especially members of Shi’ite or other strains of Islam. For these jihadis, also known as “neo-Salafis,” any “disbeliever,” even a woman who simply does not observe the covered dress code, is a target for elimination.

The details about Prince Bandar’s direct hand in financing the 9/11/2001 attacks are contained in a 28-page chapter of the final report of the Joint Congressional Inquiry probing the 9/11 atrocities. When the Congressional report reached the desk of President George W. Bush, he ordered the 28 pages classified and blacked out of the publicly released report. President Obama, first as a candidate and later as President, promised to declassify the 28 pages, but then reneged on his promise and deepened the coverup of the Bandar-9/11 covert operation. (See *EIR*, Aug. 16, 2013, for full background.)

Today, there is mounting pressure for Obama to make those pages public, as a growing number of members of Congress begin to support the campaign by former Sen. Bob Graham (D-Fla.) to declassify those pages and launch a full investigation into the role of Saudi Arabia in 9/11 and international terrorism.

On Sept. 11, 2013, Rep. Walter Jones (R-N.C.) issued a press release on the 28 pages, saying, “As we commemorate the 12th anniversary of 9/11 it saddens me that vital evidence of this heinous attack is still being withheld from the American people. As a member of Congress, I had the opportunity to read the 28 pages of the Joint Congressional Inquiry into the attacks that have not yet been made public. . . . Former Senator Bob Graham deserves a great deal of credit for working towards the declassification of the 28 pages. I join him in calling on the leaders of the administration, House, and Senate to make this information public. This disclosure



Russian Presidential Press and Information Office  
*Saudi Prince Bandar bin Sultan, terrorist controller; currently Chief of Saudi General Intelligence, former ambassador to the United States.*

will allow the American people to access information that they deserve to know the full story of the tragedy on September 11, 2001.”

## **Bandar Exposed**

Despite the cover-up by the Bush and Obama administrations to protect the Saudi supporters of terrorism, some details of the Saudi role have come out due to lawsuits by the families of those who died in the 9/11 attacks and other concerned plaintiffs against the Kingdom of Saudi Arabia and its apparatus.

The following details from the Joint Congressional Inquiry report and from documents filed in 9/11 lawsuits show the role of Bandar and Saudi Arabian intelligence in 9/11:

Between April 1998 and May 2002, some \$51-73,000 in checks

and cashiers’ checks were provided by the Saudi Ambassador to the United States and his wife to two families in southern California, who in turn bankrolled at least two of the 9/11 hijackers. The story was investigated by the 9/11 Commission, but never fully resolved, and remains, to this day, one of the key unanswered questions concerning the backing for the worst terrorist attack ever to occur on U.S. soil.

According to numerous news accounts and the records of the 9/11 Commission, in April 1998, a Saudi national named Osama Basnan wrote to the Saudi Embassy in Washington, D.C., seeking help for his wife, Majeda Dweikat, who needed surgery for a thyroid condition. Prince Bandar, the Saudi Ambassador, wrote a check for \$15,000 to Basnan. Beginning in December 1999, Princess Haifa, the wife of Prince Bandar, began sending regular monthly cashier checks to Majeda Dweikat, in amounts ranging from \$2,000 to \$3,500. Many of these were signed over to Manal Bajadr, the wife of Omar al-Bayoumi, another Saudi living in the San Diego area.

Around New Year’s Day 2000, two other Saudi nationals, Nawaf Alhazmi and Khalid Almihdhar, arrived at Los Angeles International Airport, where they were greeted by al-Bayoumi, provided with cash and other financial assistance, and outfitted with an apartment

and Social Security cards. Al-Bayoumi helped the two Saudi men to enroll in flight schools in Florida. Two months before the Sept. 11, 2001 attacks, al-Bayoumi moved to England, and shortly after that, he disappeared altogether.

But before his disappearance, and within days of the 9/11 attacks, agents of New Scotland Yard, working in conjunction with the FBI, raided his apartment in England and found papers hidden beneath the floorboards, according to *Newsweek* magazine, which had the phone numbers of several officials at the Saudi Embassy in Washington. Al-Bayoumi was suspected by the Arab community in the San Diego area of being an agent of Saudi intelligence, which keeps tabs on Saudi residents in the area, particularly Saudi students attending college there.

Sources have told *EIR* that Basnan was also long suspected of being an agent for Saudi Arabia's foreign intelligence service. According to the sources, Basnan was arrested for drug possession in southern California, and the Saudi government intervened to get the charges dropped; Basnan also befriended Alhazmi and Almihdhar prior to their deaths on American Airlines Flight 77, which crashed into the Pentagon on 9/11/2001. At one point, the Basnans, the al-Bayoumis, and the two 9/11 hijackers all lived at the Parkwood Apartments in San Diego.

Prince Bandar and Princess Haifa denied having played any role in financing the 9/11 hijackers, and claimed that they were merely providing charitable assistance to the Saudi community in the United States. The two co-chairs of the Senate Intelligence Committee at the time, Robert Graham (D-Fla.) and Richard Shelby (R-Ala.), accused the FBI of failing to fully pursue this "9/11 money trail." Sources told *EIR* that the FBI refused to allow the committee to interview the FBI investigators who had probed the Basnan and al-Bayoumi links.

### The British Connection

The above information is just a small piece of the Bandar dossier. Bandar's billions for covert operations come from a dirty British-Saudi defense deal that dates back to the early 1980s, the notorious "al-Yamamah" defense contract.

On June 6, 2007, the British Broadcasting Corporation aired a sensational story, revealing that the British arms manufacturer BAE Systems had paid more than \$2 billion in bribes to Bandar, over a 22-year period. The BBC revelations were further detailed on June 11, in a Panorama TV documentary, provocatively titled

"Princes, Planes and Pay-offs," which detailed a more than decade-long probe by the *Guardian*, BBC, and the British Serious Fraud Office (SFO), into the al-Yamamah arms contract, a nearly \$80 billion deal between BAE Systems and the Saudi government, in which British-made fighter jets and support services were provided to the Saudi Kingdom, beginning in 1985.

While the revelations eventually led to the closing of Riggs Bank in Washington, D.C., which had handled the Bandar slush funds along with other dirty money, the British investigation was ended by order of then-Prime Minister Tony Blair, who closed down the criminal probe by the Serious Fraud Office in the name of national security.

It is time to end Bandar's and the Saudis' impunity.

In October 2012, in the aftermath of the Benghazi, Libya, attack on the U.S. consulate, *EIR* published a Special Report, "Obama's War on America: 9/11 Two," which includes the *EIR*'s full investigation of al-Yamamah and Bandar's role.

But until the 28 pages on the Saudi role are released and the U.S. government is forced to carry out a full investigation, the real story continues to be denied to the American people.

*EIR* Special Report

## Obama's War on America: 9/11 Two

**NEW, UPDATED  
EDITION**

A new, updated edition of the *EIR* Special Report, "Obama's War on America: 9/11 Two" is now available from [larouchepub.com](http://larouchepub.com).

The expanded report is an urgent intervention into the ongoing strategic crisis brought on by the British/Saudi/Obama alliance behind the overthrow of Qaddafi, and the subsequent explosion of jihadist uprisings throughout Africa and the Arab world.

Price **\$100** (Paperback or PDF. For paper, add shipping and handling; Va. residents add 5% sales tax)

Order from **EIR News Service** 1-800-278-3135

Or online: [www.larouchepub.com](http://www.larouchepub.com)



## Demand Obama Release Docs on Saudi Role

*The 9/11 Families United To Bankrupt Terrorism is a group comprised of over 6,000 family members of those killed or injured in the attacks of Sept. 11, 2001, which is using the civil legal system to pursue those who financed and provided support for those atrocious terrorist attacks. The group has issued two recent documents, reproduced here, homing in on the need for the Obama Administration to release crucial documents showing the links of the Saudi government to the hijackers. More information on the group is available at [www.justiceagainstterrorism.org](http://www.justiceagainstterrorism.org).*

### October 2, 2013 Press Release

#### **9/11 Families United To Bankrupt Terrorism Applaud the Miami Herald and the Sarasota Herald-Tribune FOIA Lawsuit of FBI/Department of Justice for Documents Relating to Sarasota Saudis Suspected of 9/11 Ties**

The Steering Committee of the 9/11 Families United To Bankrupt Terrorism endorses the recent decision by *The Miami Herald* to file a future amicus brief in an effort to support court proceedings designed to gain access to FBI documents regarding an investigation involving a Saudi family, former residents of Sarasota, Fla., who may have provided aid to the 9/11 hijackers. Broward Bulldog, Inc., a Florida non-profit corporation, and its founder Dan Christensen filed a Freedom of Information Act (FOIA) lawsuit to obtain documents they were denied and are suing the U.S. Department of Justice and the FBI in U.S. District Court, Southern District of Florida.

Former Florida Governor and U.S. Senator Bob Graham, a South Florida resident, has long expressed concern about the pre-9/11 activities occurring in Florida. Senator Graham has alleged that the FBI made false statements to the public about the results of its Sarasota investigation related to those pre-9/11 activities. The results of that investigation were not reported to Congress or mentioned in the 9/11 Commission Report. Documents released in the course of this litigation have revealed information that directly contradicts

the FBI's prior public statements asserting that no connections between the Sarasota property and 9/11 exist.

The Herald has a strong interest in ascertaining which FBI statements to the public are accurate, wrote attorneys for The Herald in a motion requesting leave to file an amicus brief. The Herald wrote that it was the intention of the newspaper to jointly file a brief with The Sarasota Herald-Tribune, which had filed a similar motion earlier in the month.

On June 5, former Senate Intelligence Committee Chairman Bob Graham (D-FL), who also co-chaired the 9/11 Congressional Inquiry, filed a declaration in support of the FOIA request, writing, "I am troubled by what appears to me to be a persistent effort by the FBI to conceal from the American people information concerning possible Saudi support of the September 11 attacks."

The 9/11 family members also seek information that would shed light on alleged Saudi financing of the terrorist attacks in their lawsuit, *In Re Terrorist Attacks of September 11*.

"Thank you to The Miami Herald and The Sarasota Herald-Tribune. Maybe someday soon we'll finally get to hear the truth," said Bill Doyle, father of Joseph M. Doyle who died in the World Trade Center. "As I said this past summer, the FBI wants its cake and to eat it too. On one hand, they say they have no evidence connecting the Sarasota Saudis to 9/11. On the other hand, they say releasing the information would threaten national security. Both of those things cannot be true. The Federal Court should not let them get away with it."

### Letter of June 20, 2013

The President  
The White House  
1600 Pennsylvania Avenue, N.W.  
Washington, DC 20500

Dear Mr. President:

We, the survivors and the families of those killed in the terrorist attacks of September 11, 2001, are in the second decade of our painful pursuit of the unabridged and truthful story behind the financing and support of those murderous attacks. On that terrible day our nation, our lives and those of our children, spouses, siblings, parents and friends were traumatically changed forever.

We have been denied the whole story by past and present administrations. Our efforts to seek the truth, accountability and justice have been thwarted time and

time again by our own government for over 10 years. We may be disheartened but we are not defeated.

The crux of the problem is a persistent pattern of obfuscation and deflection into the parts of the investigation that shed light on who provided the financial and material assistance that made the attacks possible. Our plea is for you to bring your laudable pledge of transparency to the 9/11 investigation.

We ask you, Mr. President, to make public the complete unredacted 28 pages of Part Four of the 107th Congress Joint Inquiry into Intelligence Community Activities before and after the Terrorist Attacks of September 11, 2001. Those withheld pages involve information regarding specific sources of foreign support for some of the September 11 hijackers while they were in the United States, the report says.

Apparently, the decision to withhold these pages was made by President George W. Bush for unspecified reasons of national security. Others who have seen the material have long disagreed with that assessment. They include former Senate Intelligence Committee Chairman Bob Graham (D-FL), who also co-chaired the Joint Inquiry. He has stated publicly that he believes that 95 percent of the material is safe for public consumption and that the pages were kept secret for reasons other than national security. He has further stated that the information had been misclassified and that though the information may be embarrassing or politically damaging, its revelation would not damage national security.

It is unconscionable that the incineration and disappearance in one day of nearly 3,000 innocent people, the injuries of thousand more and the long-term sickness and death of those who responded to the tragedy have not been enough to get the full force of the law, transparency and our government fully behind us. This adds insult to injury.

Shortly after you took office in 2009, you promised a group of family members and survivors meeting in your office that you would release the 28 pages from the 9/11 Joint Congressional Inquiry. This has not yet happened.

In 2011, with your leadership, our brave troops tracked down Osama bin Laden and killed him, ending a painful chapter for us, but not ending the grief. We thank you and our troops for that action. However, we must ask, is it fair to keep an entire generation of survivors and victims families from finding out the complete truth about who gave financial support and who among them was living within our borders and supporting the 19 hijackers?

The transparency begins with the 28 pages, but it

extends much further. For example, we are closely monitoring a Freedom of Information Act lawsuit in which plaintiffs are suing the U.S. Department of Justice and the FBI in U.S. District Court, Southern District of Florida, regarding an investigation involving a Saudi family, former residents of Sarasota, FL, who may have provided aid or assistance to the 9/11 hijackers. We understand that plaintiffs in that case have also requested Part Four of the report of the Joint Inquiry.

Withholding the truth may keep us from moving on, but worse, we fear it is a threat to our national security. Only by shining light on the terror financing networks, do we dry them up.

As a start, we are asking you to keep the promise you made so many years ago. A promise we believed in. A promise that gave us hope.

We implore you, Mr. President, to do the right thing, keep your promise and release the 28 pages that should never have been classified in the first place, thereby beginning the transition to transparency in this horrid chapter of our history.

Most Respectfully,  
The Plaintiffs Steering Committee



## The Al-Qaeda Executive

Financed and deployed by the British-Saudi Empire, al-Qaeda has been protected by the Obama Administration to accomplish the Empire's global war. In this feature [video](#), LaRouchePAC documents President Obama's use of the al-Qaeda networks to overthrow Qaddafi in Libya, and to carry out bloody regime-change against Assad in Syria, by the same forces who attacked the U.S. consulate in Benghazi.

[www.larouchepac.com](http://www.larouchepac.com)

THE SEEMINGLY OBVIOUS WAS, ACTUALLY,  
NEVER TRUE!

## Contemporary Pseudo-Morality

by Lyndon H. LaRouche, Jr.

September 21, 2013

*What is human sense-perception, as distinguished from the denizens of the animal kingdom in general? How, and why, is this so?*

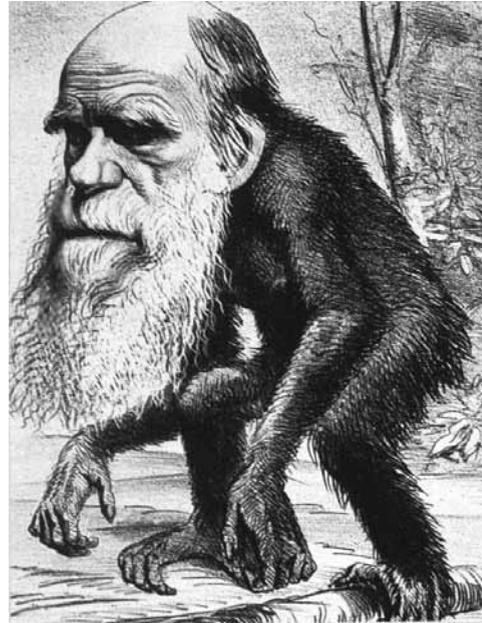
*In the animal domain, mere sense-perception merely appears to reign predominantly. In the domain of the competent state of the human mind as such, notably among such of mankind's truly modern geniuses as Max Planck and Albert Einstein (or Bernhard Riemann, earlier), the outlook has been absolutely different. Among the latter, mere sense-perception is progressively diminished in its relative importance, and, therefore, is relatively diminished in its prescience of authority, while the noëtic powers of the human mind had emerged, for a while, as increasingly dominant, per capita, as the relative authority of ordinary human sense-perception diminishes in its relative usefulness.*

*The conflicting notions of apparent "values" which this fact presents to us here, are such that, for some people, even most today, and for exactly that reason, today's commonplace forms of human beliefs, particularly respecting notions of sense-perception as such, are, often, flatly, to be refused, for reason of a sensed corruption caused by popular habits, habits such as a failure to recognize the most relevant distinctions actually separating the human species, systemically, from the beasts. The actually fruitful distinctions of the human mind, have been typified, notably, by great intellects, such as Max Planck and Albert Einstein, who had, both, succeeded mightily on this account, in their time, even despite the post-World War I period's rising influence of the degeneracy under the monstrously evil, British "witch doctor," Bertrand Russell.*

*Thence, the troublesome issue which we shall consider here, is*



Whether man's self-conception is that of an animal, relying on sense-certainty, or a being characterized by the noëtic powers of mind, determines whether he has a bestial, or truly human understanding of morality. "Miserable hoaxster" Darwin (below) represents the former, Leonardo da Vinci (on the left in self-portrait) the latter.



properly the subject of a systemic error named "sense-certainty," an error from which most among even presumably well-educated ranks of humanity, such as even many skilled professionals, usually suffer: an error which they have now often flatly failed to recognize as being the required key to a crucially needed distinction of the often little-known truth, from the popular frauds presented in the much-abused defense of alleged sense-certainty.

So, for exactly that reason, I take this present occasion to forewarn you of the meaning of this following fact.

### **The Fact of the Matter**

I mean, here and now, the fact of the root of that "popular" folly which I frequently challenge in this present report. Such a folly persists as having been one situated in the heritage of those habits which had been established by the doctrinal cults of both traditionally reigning oligarchies, and their more abundant victims. These have been the habits still presently typified by the modern, Anglo-Dutch imperial, globally extended oligarchy. That fault now still persists as the expression of an oligarchy which, in its turn, is as I shall emphasize the ugly facts to be considered, on that account, here: it is an oligar-

chy which has demanded a general consent to a practice of both general human self-degradation, and, now added, pursuit of intended, top-down mass-extinctions among the general population of our planet. I point to the genocide demanded currently by that same, waning, "British" (Anglo-Dutch) imperial monarchy, which has now demanded precisely such virtually satanic atrocities of genocide.<sup>1</sup>

The most crucial fact on which this following report depends, is the evidence that only the human species is actually known to us as being

uniquely enabled to discover the actually, currently (but also rarely) experienced existence of a human foreknowledge of a future. That is, a knowledge of which only a relatively few among us, thus far, have actually succeeded in achieving the needed quality of insight into the relevant realities which mankind must now bring into its willful shaping of its own future. That knowledge is the essentially knowable factor which could be, and actually must be considered; to that degree that it is to become known as the proper distinction which this **requires of mankind perse**, however exceptionally rare those relevant individuals may have often appeared to be.

A Nicholas of Cusa, a Johannes Kepler, and a Bernhard Riemann, or, a Max Planck and Albert Einstein, will serve us here, efficiently, as examples which typify those among the rela-

1. I.e., the now declining British Queen, Elizabeth II, has demanded a rapid reduction of the human species, from seven billions souls, to one billion, or less.

tively few in modern society who had emerged into modern times from a great Fifteenth-century Renaissance, thus to give birth to what was to have become a presently, ultimately waning, now post-Twentieth Century civilization: that despite the heritage of a few who had contributed the truly good precedents at our service on this account, insofar as some among us continue the practice of our own republic's true tradition, still for today.

---

## 1.

### The Theses Which We Require

---

The folly to be confronted by my presentation of the case to be considered here, is that what is merely “popular opinion,” is a case for study to be located in the fact, that the presently most common blunder among our population generally, has been the self-destructive, but popular habit which is often identified as “sense-certainty.” That common practice is one which is also to be recognized as a bad habit, a self-destructive habit which had been actually proposed, repeatedly, among a, largely, wretchedly mistaken, but nonetheless popular standard of a still current, but merely popular opinion: a blind faith in what were merely common sense-perception as such.

As a matter of fact, that bad habit, in and of itself, had never been a reflection of any truly competent physical-scientific principle. The truth of the matter at issue, was known as being variously foolish, or even evil, among such followers in both Classical art and true science, as those of such modern exemplars as Filippo Brunelleschi and Nicholas of Cusa, and, after them, of Cusa's great followers in scientific progress, notables such as Johannes Kepler and Gottfried Leibniz, as their work was continued through to the appearance of such of my own choice of such later exemplars as Bernhard Riemann, Max Planck, and Albert Einstein. So-called “sense-certainty” had always been merely a specific peculiarity of what had been little better, in respect to the errors of presumed relative truthfulness, than being another guise of common, more or less silly gossip: a quality of such mere gossip often mistakenly named as being, allegedly, a variety of actually so-called “knowledge.”

As the cases from the earlier modern geniuses,

Brunelleschi and Cusa, through to such as Riemann, Planck, and Einstein, have been typified by their discovery of realities: such realities are not expressions of what is popularly considered as “human sense-perception;” it is the development of the specifically noëtic powers of human mind as such, powers which define the expression of our human species as being not only biologically, but also functionally human. Bare faith in mere human sense-perception, is essentially “a worse than merely misguided notion of science,” is a notion which is conceived as, relatively, “the harvesting of adult baby talk.” The human process of birth, is a process of what are to be rightly considered as having been successive steps of human existence from birth, as if from the foetus to the infant born, to the child, and thence toward the adult state, a progress which, at its best, properly comes to share a common quality of both the creative Classical artistic and scientific genius, as the examples of both Max Planck and Albert Einstein typify that set of qualifications.

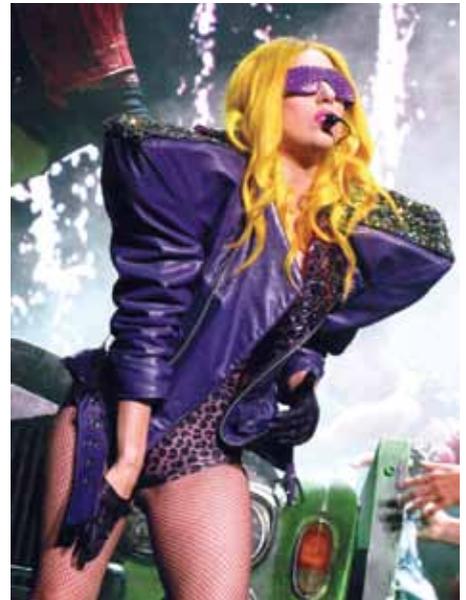
That is to insist, that *sense-perception, when considered as if in and of itself, is neither a fundamental principle, nor a “defining characteristic” of life within the universe itself. Rather, it belongs, intrinsically, to a category of something included among the relatively superficial (e.g., merely sense-perceptive) notions of the role of the human mind*; it, therefore, represents a lower standard of a state of belief which has been induced to assume the form of a product of what are the superficial and also dubious functions, which are to be classed, generally, under the heading of a kind of intellectual trash known as merely “sense-perception.” It is a by-product of the effect produced by those confused, but nonetheless actually human beings, who do not yet realize that what they themselves have been induced to actually represent, as victims of the mental disease of blind faith in sense-certainty. Sense-certainty represents, as if intrinsically, an irrationalist variety of primitive misconception of mankind, which is chosen by many, even most, from among the human species. Mankind is, taken in the large, still, unfortunately, waiting to grow up to a state of what is truly humanity, and, is still, in the large, therefore desperately needing the benefits awaiting mankind's obligation to “finally grow up.”

The essential point of the issue of principle in what I have just stated here this far, should persuade us to recognize the need to emphasize the modern human intellect's developed abilities. The which are to be treated as a needed shift in progress, a progress which, rather

than relying on sense-perceptions, soars upward into higher states of existence than the numbing experience of a relatively fixed, mere sense-perception as such, to true Classical and physical-scientific commitments to “actually growing up.” It is therefore proper, and even urgent, to shift the standard for the human adult outlook from merely looking out toward Mars and to the asteroids seeming to fill nearby solar space; instead, we must be committed to viewing the very existence of mankind from the vantage of a mankind looking as if down from Mars, and perhaps a more remote point of reference beyond, looking into a future of changed existence of man-on-Earth, away from, and beyond the merely conventional, but practically silly image of a man attempting to see himself in the simple mirror of naked sense-perception, as that were experienced on Earth.



*Today's popular culture, as in the case of the atrocious Lady Gaga, reflects the childish clinging to sense-certainty, in contrast to the standard of Classical art and true science, which were united in such persons as Albert Einstein, seen here playing his violin.*



Creative Commons/loveyouosave

It is now time “to grow up,” to become liberated from the relatively infantile fancy of sense-certainty as such, and, therefore, to rise to experiencing our own true existence, and destiny within the Solar system, as being enclosed by considering the experience of Earth from the standpoint of the Solar system as it might be considered, in turn, from a superior, galactic point of reference. Mankind can not exist forever in a merely childish state of that childish outlook of mere Earth-bound sense-certainty, in that universe which actually contains the processes which govern the existence of our planet Earth.

Thus, those still presently bitterly confused believers in mere sense-perception as a primary source of knowledge, have mis-read sense-perception in a childish way, as if Earth itself were actually “a principle of sense-perception of a mere experience of travels on Earth,” and as if those so-duped, must therefore, be permitted to misbehave like a person who is possessed by a perfect presumption that he, himself, like the disgust-

ing Charles Darwin, is broadly, and rather simply comparable to the product of a specifically-talking variety of ape.

Such persons as these simple-minded victims of mere sense-certainty, share a commonly asserted, utterly mistaken, and actually depraved belief, one which has been familiar to us as from among many Anglo-Dutch notables in history, as in such specific cases such as the British Empire’s late Adam Smith, or his follower, the miserable hoaxster Charles Darwin, as also, among that same school of rabidly foolish followers, there were the brutish H.G. Wells, and the most wickedly vicious (and, frankly Satanic), Bertrand Russell, or our own present swindlers of the Wall Street types and their wretched so-called British empire and its lackeys: such as the British-Saudi-made authors of the “9-11” attack on the United States.

### ***Some Relevant Points on Background***

The essential truth respecting such wretchedly evil creatures as Britain’s H.G. Wells and Bertrand Russell, is that they, and their followers, were attached, with a certain queer sort of passion, to the roles of being merely products of the same set of intellectual degeneracies typical of such as our own, depraved, U.S.A.’s “Wall Street types.” Such wretched (and also often evil) persons as those, have established themselves, as being ma-



Creative Commons/Steve Jurvetson

*Wall Street's swindling of the American population is a perfect example of a morality defined by a culture committed to sense-perception as truth. Here, JPMorgan Chase CEO Jamie Dimon, who personifies such evil.*

liciously proud and often intrinsically evil-in-fact, and are thus wretched creatures which are to be, therefore, so identified for sufficient reason of their depraved notions of what they might claim to know as "civilization."

Frequently, even usually, the characteristic evil among political circles such as those of Wall Street and the likeness of its fellow-travelers, defines what is frequently misjudged as being a system of what fools choose to identify as their "morality;" but, it is actually situated within the framework of that domain of the silly, and of the dumber domain of the so-called "practical," rather than "the honest." Truth is defined for those latter, morally impaired creatures, such as Wall Street's, and its likenesses, as in terms of what is designated as the currently "practical standard" of "practically accepted behavior" otherwise to be better known as common to what were to be better described as the trans-Atlantic swindler class. It has been the influence of precisely such standards of behavior, which had fostered a present, persistently dominant practice of what is the "actually evil," such as that is expressed among what pass for the top-most ranking, and practiced expressions of economic evils, such as those of Wall Street (in our U.S. society), who function as those criminals-in-fact who menace the proper rights of the members of the nations of mankind: a violation of the natural rights of mankind, a violation which is typified by the mass-murderous effects of a monstrous, intrinsically

hyper-inflationary, pure swindle named as an actually criminal practice of a form of outright theft of the people of nations, an overt robbery of nations which has been called "quantitative easing."

The distinction of what I shall identify here throughout, as truly human principles, when they are matched against the alternatives, must be located, essentially, in the human species' unique, inherently continuing dependency upon a rising rate of effective energy-flux-density *per capita*. This is to be located as within, in turn, that which we are enabled to experience as *specifically accelerated increases* of a *realized, human-driven, form of energy-flux-density per capita*, as this must become expressed in mankind's active role within the framework of the Solar system, and (ultimately) beyond.

### ***The Customary Folly of Sense-Certainty***

It is shameful, that still today, while the citizens of the planet Earth are now being plunged, in the main, into something worse than even mere ruin—even into now threatened mass-murderous practices against the majorities of entire nations, and, even, also threatening an intended "British-Dutch led" thermonuclear extinction of our species, that an intrinsically ruinous threat which is now being pursued to such an effect, that the imperiled majorities of a nation's people are, by and large, being duped, like ancient serfs, into a state of what is named as the sheer foolishness of a worship of a mere "sense perception."

Should you not consider that, *perhaps, there is no mere coincidence in the conjuncture of those foolish, so-called "facts" bearing on the matters of the global practice of evils represented by Wall Street and London now?* The fact of the matter is, that the consequence of that presently accelerating Anglo-Dutch corruption, is to be defined as such on account of the destructive effects of a certain widespread belief which is widespread even among the presumably most literate fractions of the human populations of this planet. Specifically, there is a tendency to rely on "so-called," actually mass-murderous beliefs, in "environmentalism," which are, in fact, increasingly mass-murderous, but also absurd systems: an absurdity expressing humanity's present tendency toward a planetary mass-murderous program of virtual human extinction.

There is no good reason to doubt, that mankind's currently prevalent reliance on mere sense-perception as such, reflects an ultimately vicious form of a prevalent,

sense-perceptual, self-delusion. As I have already emphasized this point of fact, above, we must continue to recognize the reality of the fact of the delusion which is still, presently, currently rampant for most of the human membership of most among the human cultures of our planet. We are currently experiencing the ominous effects of a widespread set of popular delusions which presently permeate national cultures among the trans-Atlantic regions, most emphatically.

Despite the fact of that experience, there do exist actually hopeful alternatives, which must now be seized. These alternatives feature conditional measures met only among what might be fairly identified as the influence of the higher intellectual powers of the human mind, powers used as if “in parallel,” but actually in opposition to the otherwise influential, more brutish habits imposed by the powerful upon the more numerous populations of the poorer so-called “lower classes” of the combined aging and impoverished. Under such policies as that, even what had been merely purported classical-artistic composition and its performance, are often degraded into becoming merely supplements to the cruder forms of a general belief in raw sense-perception, even among a majority of today’s relatively “most literate classes.” So, for most of the human populations, a weird cult of “sense-certainty” dominates the overwhelming majority of the populations of nations: hence, we are, presently, in one way or another, all victims of a mass-mania of “sense-certainty,” a cult of “sense-certainty” whose very existence pollutes the name of “truth,” making a shameful mockery of even the mere name of “the human mind.”

At this point, it is most useful to take into account, and summarize certain correlated facts, as follows.

### ***Have There Always Been Other Options?***

The core of the delusion which I have been describing this far, is the state (again, I am obliged to say “delusion,” in fact), induced by a drunkard’s-like belief in primary, ontological existence of mere “sense cer-



Creative Commons

*The Anglo-Dutch financial empire and Wall Street use their environmentalist cult to bestialize mankind into believing in myths like “too much technology” and “overpopulation.” Here, a key purveyor of that myth for the British Queen is her close collaborator in genocidal schemes Sir David Attenborough, who demands a massive reduction in the world’s population (as opposed to that of toads).*

tainy.” It ends only after a human being has recognized, that even the mere the idea of “sense-perception” as being considered as being an even essential measure of identified values, has always been, intrinsically, a source of fostered delusions.

In contrast: In the history of modern European and American cultures, two figures had been outstanding during the course of the Fifteenth Century Renaissance, and beyond: the great intellect of Cardinal Nicholas of Cusa and his elder, the great composer and builder met in the slightly earlier part of that same century, Filippo Brunelleschi. Similarly, Nicholas of Cusa was, by a far reach, the most profoundly accomplished among scientific figures of his century. He had been the great genius who had urged the building of the movement which, in its intended effect, directed Christopher Columbus to cross “the great oceans,” that Europeans might choose to emigrate there, to settle there and free mankind from the evils which had continued the repeated cases of a virtually Satanic rule over societies within

Europe, the Middle East, and Northern Africa, up to that time.

As a result of the successful impact of what had been the labor of a then-deceased Nicholas of Cusa, the settlements which had been established within the Americas according to his intention, contained a factor which contributed greatly to saving Europe itself from a hopeless outcome of the evil which had been brought about through the forced decline of what had been, earlier, the so-called “Golden Renaissance” of Cusa and his colleagues.<sup>2</sup> This factor of Cusa’s intention transported across a great ocean, continued to be active, even up through to the waves of evil which have brought Europe to that presently nearby threat of doom, a present peril which has continued to menace Europe repeatedly, under the influence of such imperialists as the

2. Jasper Hopkins, **Nicholas of Cusa’s Debate With John Wenck**, The Arthur J. Banning Press, Minneapolis, 1981-84.

nominally English-Dutch, imperialist tyrants, a tyranny which had brought the trans-Atlantic region, and beyond, into continuing surges of essentially global warfare, as that had been continued, (with merely temporary interruptions) up to the very present date, all since the ouster of Chancellor Bismarck, an ouster which had launched and had continued to the present day's brink of a virtually perpetual, now presently increasingly threat of actually thermonuclear holocaust, a holocaust which presently threatens the continued existence of the human species on this planet; but, otherwise, an application of thermonuclear fusion which, when deployed appropriately, presents us with the needed means for the prospectively great future of the human species.

That which I have written here, this far, is merely the gist of what should be foreseeable as the outcome of the following analysis to be considered here now. That much said, only the essential introductions have now been made here this far. We must now continue with deeper insights, into the actual implications for mankind's prospects for its future.

---

## 2.

---

### Sense-Certainty Is a Trap for Fools

---

*"But, perhaps you had read my news inside-out!"*

That most commonplace, and also the most thorough-going incompetence, which confronts the attempts at setting values according to popular modes of comprehension for the sense-perceptual true values of a planet, would be comparable to the example of the human habitation of Earth. The fact of this matter is, that the values assigned for the examination of earthlings' sense-perception, even when most broadly defined, do not even begin to actually measure the role of mankind's behavior as a living species, even for Earth itself.

To make that point clear in an emphatic way:

That intrinsically futile presumption might be replaced by a turnabout which puts the emphasis, on the actual process of change itself. In other terms, the identifiable process of ontological change, rather than an "object-thing," must be recognized as absolutely primary for mankind's requirements. I mean the characteristics of a seemingly self-evolving process of continu-

ing change, rather than being what it actually the folly of a kinematic principle projected as underlying the mere description of an unseen "organized process." All that empty-headed foolery of mere description was represented, in fact, as what should have been properly named as merely "sensations."

The essential characteristic of the human person, is the potential, specific to mankind for as much as we know to the present time, to foresee the future. Admittedly, only a relatively small minority of the populations exhibit that ability to look into the actual future. Notably, all of the small minority of thinkers in the domains of Classical artistic composition and of physical science, are identifiable by their present abilities to see into the future, expressed in the mode of a specific insight into the making of the future.

From this point in the report, henceforth, I shall emphasize the systemic distinction of mere sense-perception from that which meets the standard for reality.

That means, that the still popular, but incompetent notion of a primary emphasis on "sense-perception as such," falls essentially into the category of a fantasy, that actually as a particular kind of lie which has captured the beliefs of the susceptible ingenue. Instead of mere observations of sense-perceptual experiences, we should rely upon such ironies as the celebrated 1960 German film's thematic witticism: "The important thing is the effect."<sup>3</sup> Rather than merely reciting the name assigned to an effect, identify the effect itself, but not within the crude terms of sense-perception as such: that required correction supplies the only trustworthy notion of a competently scientific approach. For example: rather than merely pointing to the name of a living process, produce the effect, and then produce the cause of action which had generated *the effect*.

### *Shakespeare's Outlook on Science*

Now, with that point of introduction now just stated, let me refocus your attention, again, on the implications of William Shakespeare's treatment of his invention of the character "Chorus" in his **King Henry V**.<sup>4</sup> For me,

---

3. "Die Hauptsache ist der Effekt," from the 1960 German film *Das Spukschloss im Spessart*.

4. Compare the implications of my published report, **Nicholas of Cusa, Kepler & Shakespeare**, the hoax of sense-perception, June 10, 2013, published in [EIR](#) June 21, 2013 or at [LaRouchePAC](#). The thoroughness of Shakespeare's treatment of the role of *Chorus* in that drama is among the most provocative pieces of thoroughly crafted irony on the historical record. Admittedly, Shakespeare, especially in his great later composi-



Shakespeare's use of Chorus echoes that of the Classical Greek, and serves the function of lifting the audience above sense perception. The Greek chorus was often blindfolded, says LaRouche, "the better to see the truth-unimpaired."

personally, what we might term the deeper dimensionality of the play named **King Henry V**, is among the most profound in conception of virtually any publication of a great Classical work of art on record. I mean by that emphasis, that *it has no merely literal meaning*; it, like a true drama, stands outside the dimensions of what were ordinarily considered as sense-perception, for the sake of its efficient relevance to the rarely recognized profundity which lies beyond mere sense-perception, which relies for its bearing on ordinary physical science as such. "Ghosts are everywhere in it; but they speak the truth all the more efficiently for what the play actually contains," insofar as it touches the intentions of Cusa's **De Docta Ignorantia**.

For example:

The plausibly original, ancient Greek presentation of *Chorus*, was an array of blindfolded thinkers ("the better to see the truth—unimpaired"). The functional matching of Shakespeare's *Chorus* with the Classical Greek mode, leaves no reasonable doubt respecting Shakespeare's emphasis on his functionally defined choice of the name of "Chorus." All that hovers betwixt two domains; which is, therefore the reality, that of the players, or the truth-seer? "Chorus" is the reality of the

---

tions, is extraordinary; but this use of the subject of Chorus, in **King Henry V** presents a multi-dimensionality in depth, which stands out in that way as no other of his works. Almost certainly, its "deep Classical Greek dimensionality" had probably been proven to be far too deep for presentation to most of Shakespeare's own audiences.

shadows of the unfolding imagery of the panorama of the characters seen and heard while moving as if they had been merely the likeness of shadows cast upon the stage.

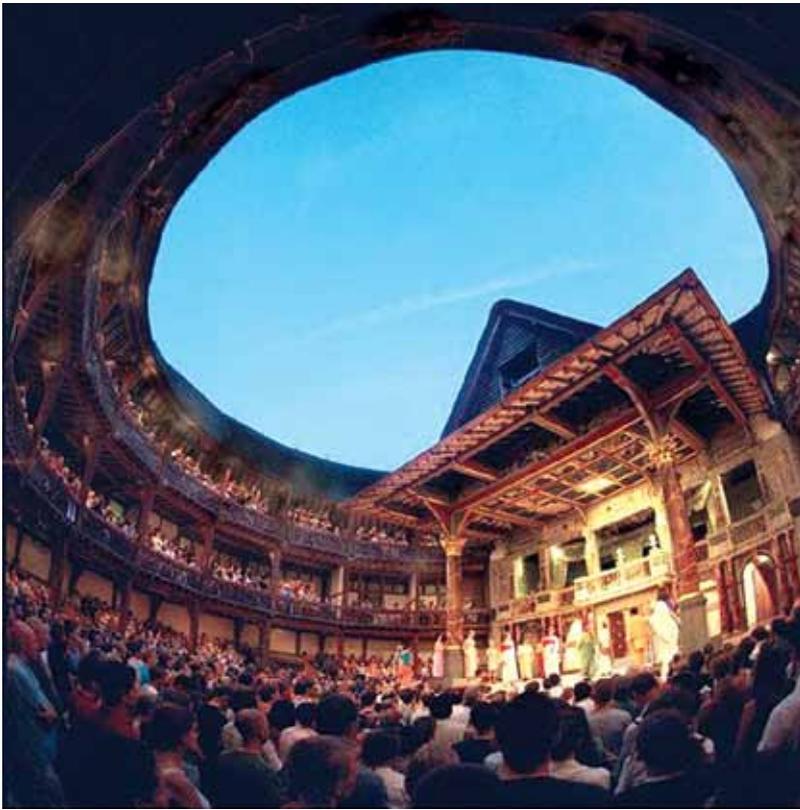
However, Shakespeare's own **King Henry V**, is no ordinary panorama. The essential fact of that matter is the need to free mankind from the childish superstition of bare sense-perception as merely that.

The characters presented as on stage, are shadows cast by Shakespeare whose effect is as if dreaming aloud on stage. More than just that; the drama shows something crucial in the subject's, **King Henry V**'s vision, that of a drama which had been fashioned by the imagined actual existence of the players attributed to the events, when witnessed as if they might be imagined to be really on stage.

Shakespeare, acting as if through the medium of *Chorus*, presents an adopted choice, an imagined drama placed as if by a personal narration by a Shakespeare as author and narrator, then presenting an account of events on an imagined stage for a real history, but behind the narrator's curtained place. Shakespeare is as if the sole speaker on stage; he can be seen and heard; the rest, are ghosts, like shadows, imagined as shadows whose heard voices are a substance which is hidden behind the curtain of chronicled events, which is heard as the sights and sounds of the story being told, a recitation of events which might be placed actually from behind the curtain, as done for the purposes of a demonstration of a principle.

As for the players which had been actually assigned by Shakespeare himself to the performance, the players on stage, are not seen directly in this cut from the proceedings; they are imagined creations of the author, and, like the best drama performed on a Classical stage, carry a power of persuasion which no ordinary flesh and blood speakers could have conveyed: only truly polished performers and directors on stage could have been so intimately persuasive in such a presentation intended by Shakespeare. The action of the imagined characters is thus suggested to be more real than that drama itself.

Now, turn around the setting identified above. Now, the images of the actors as on stage come forward,



John Trampler

*Shakespeare's Globe Theatre, now reconstructed and seen from the inside. What appeared on this Classical stage, carried "a power of persuasion which no ordinary flesh and blood speakers could have conveyed."*

while the voice of *Chorus* recedes into the background in times when *Chorus'* voice and accompanying sounds appear to the audience's imaginations.

Now, let me speak of that drama on my own account, as if I were performing the voice of Shakespeare's figure of *Chorus*.

I have not been idly playing with your attention in the foregoing bit of thought-experimenting. There is a deeper purpose to my course of action here and now. Follow me now, accordingly.

### ***No Tricks on This Stage***

Now, it is time to revise what had appeared to have been the script of this drama. Now, sense-certainty takes its turn in playing the fool. The fool caught out, is now what is commonly known as *sense-certainty*. Now, that once said, on top of what had been the topic of discussion for this present chapter, we have touched the grisly truth of the story which has already been in progress: the story which you may have been misled to believe, had been that of sense-perception. It is the inten-

tion of Shakespeare to function in the role of *Chorus* in the selection of either a time past, or a future time.

Now, shift the point of emphasis, to the Classical image of the traditionally ancient Greek Chorus. On that account, I shall speak for myself here and now.

The essential, but, unfortunately, only rarely acknowledged fact, which separates the human mind from that of the beasts or their living likenesses, is that only the human mind is known to us, presently, as being enabled to generate knowledge of a physically efficient principle which shall actually generate an actual future state in, for example, the immediate future of society.

On that account: take the case of a Bernhard Riemann, "speaking" on behalf of his account in his own habilitation dissertation, or, later, the cases of both great scientists Max Planck and Albert Einstein, who are also, like the Bernhard Riemann of his own habilitation dissertation, speaking for the future which already exists in their expressed foreknowledge. All essential discoveries of a future truth by human individuals, express the true principle of the human mind's ability to know, and to

relay actual knowledge of a quality of change of principle for a future which lies, efficiently, in the actual future, rather than that of merely sense-perception as such. Contrast the case of Bertrand Russell, who had no actual principle, but whose forecasts were expressed as if coming out of an unkempt outhouse, where he had recently deposited something nasty, perhaps some likeness to that credulous Russian scientist Alexander Oparin who had served, repeatedly, as a dupe of such as the British circles of Russell and Haldane, that in opposition to the still originally great Russian-Ukrainian scientist V.I. Vernadsky, still to this present date.

### ***The Actual Principle of the Human Mind***

It is necessary, at this point, to emphasize the fact that I have accomplished more than several, rather widely known notable discoveries of future principled states of qualitative changes in the mid-courses of actually future history, chiefly political-economic forecasts, such as that which became most notable in my late 1960s forecast of the collapse of the U.S. economy

which actually “exploded” during the Summer of 1971. There have been some actual such unique historical occurrences earlier and later. These have been notable publicly because they had occurred as abruptly expressed events in the public domain of national economies, or even internationally, and had been thus notable for reason of the emphatically political character of the implications of the relevant developments.

Notably, since the assassination of President John F. Kennedy, and, the subsequent assassination of his brother Robert Kennedy, there has been an accelerating decline in the occurrence of publicized actual discoveries of economically consummated, principled achievements of discoveries of actual physical principles in the United States. In general, not only have the competently defined “I.Q.” implications collapsed, but the level of intelligence within the general population has experienced a still-currently accelerating decline in rate of validatable discoveries of actual principle, which has been obscured by the accelerating accumulation of vicious stupidities associated with the spiral of “green” mental degeneration of the citizens spread among so-called “environmentalists.”

However, all those are, in the main, *merely* phenomena, although they merely reflect matters of principle which, essentially, go much deeper. We shall now consider the more crucial points. The case of what I have presented here, earlier, as my argument respecting William Shakespeare, remains the essentially relevant point to be emphasized.

---

### 3.

## The Noëtic Principle

---

The challenge posed by my arguments presented here this far, is typified most efficiently by the inherent corruption expressed in the absurd, but popular, reductionist dogma of the wretched Euclid. It was a doctrine which I had met, in a manner of speaking, in my introductory secondary-school class in geometry, which had, in fact, demonstrated to me the fraud inherent in the Aristotelian method, the method expressing such notable nonsense as the ontological farce of Euclidean geometry.

Consider the following, pregnant excerpt from Shakespeare’s **Hamlet**, in his tour to doom. The subject which I call to your attention, consists of 10 concluding lines from the celebrated Act-III soliloquy of Hamlet:

... *But*, that the dread of something after death—  
... The undiscover’d country, from whose bourn  
... No traveller returns, —puzzles the will,  
... And makes us rather bear those ills we have  
... Than fly to others that we know not of ?  
... And, thus, the native hue of resolution  
... Is sicklied o’er with the pale cast of thought;  
... And, enterprises of great pith and moment,  
... With this regard, their currents turn awry,  
... And, lose the name of action . . . .<sup>5</sup>

This wish for Hamlet’s protracted and foolish flight in search of death, had thus become his thus compelled intention, while that extraordinarily maddened and tormented life, went from blow, to blow, to the end. That end to his declaration portrays an experience from that moment in Hamlet’s depicted life which had thus become transformed, by an implicit intention to fulfill a horrid desire for death, the mission of the murderous coward who fears nothing as much as his own gruesomely tormented inner life, the will to wish he would have died, thus to have lived out a brutish obsession which carried him to a place beyond a protracted, gruesome outcome, which, despite all since, is a kind of crime which re-enacts itself among many nations of the world today.

The question thus put, repeatedly before the nations of this planet today, continues to be ominously prophetic still, from the presently living, unquieted moment, in comparison with the impassioned torment of successive, self-inflicted follies, upon our nations now.

When we make such matches in Shakespeare’s dramas, as between that of his **King Henry V**, and of his **Hamlet**, when compared with our critical, real-life moments of the nations of the world today, we may be justly compelled to wonder if, in certain of the works of Shakespeare, in particular, there lies an echo, as a kind of prototype, of what is concerning the sense of an actual destiny now lurking nearby us, now, today. That is, in fact, my comparison on this account, which is no idle sort of speculation: so much so, that we are obliged to view some subject-matters of history as having been omens supplied to us by those of us who are both wise, and who also tend to wonder: *were this truly a forecast which has expressed the human individual’s natural advantage over the beasts, in making the species of great forecasts of the present future*, which I, as others, have done, on a

---

5. Copyright MCMLXXV by Crown Publishers, Inc. Library of Congress Catalog 74-28554.

number of occasions, as the portent of an uniquely natural gift of mankind as a species, the consequent ability to truly forecast the pending outcome of a foreknowledge of an actually pending future. Others should have recognized the nature of certain human affairs on this account.

There are two, notably alternative explanations for what may appear to have been such foreknowledge of the actual future. I explain the relevant allusion to certain among Shakespeare's forecasts from the set of his presented quasi-historical dramas: first, the role of "Chorus" in **King Henry V**, and, second, the later **Hamlet**.

From my own experience, there is nothing in such forecasts which might not be placed in some of Shakespeare's dramas, nor, which does not fit some real-life experience of successful forecasting, and that of a type which I had experienced such on a significant number of actually historical occasions, and, as also representing that same, implied method of forecast which Shakespeare had often crafted as such conceptions of actual forecasting in certain notable instances. Nor should such connections be considered as improbable matches.

Those two occasions which I have selected from Shakespeare's works, have what we might regard as tell-tale evidence to such an effect. I describe the relevant argument.

### What Does 'Genius' Properly Signify?

The essentially functional distinction of what is properly identified as a human quality of "genius," is that the effect as identifiable of exactly that, is a natural effect, one specific to the best of our present knowledge, as unique to the human mind, and as distinct from the capabilities of other known species. The relevance of that connection among other things, is that it requires actual evidence of a type corresponding, with remarkable significance, to the plot-design of the two cases from Shakespeare which I have referenced above. A



*Hamlet's question and declaration of his commitment to doom, "put repeatedly before the nations of this planet today, continues to be ominously prophetic still," writes LaRouche. Here, Henry Irving as Hamlet, "sicklied o'er with the pale cast of thought."*

similar phenomenon applies to work of similarly qualified playwrights, Classical poets, and truly exceptional Classical composers, as from Bach, through to Brahms, which also appears in the most notable musical performances of Wilhelm Furtwängler, such as his matchless concluding treatment of **The Ninth Symphony** of Franz Schubert.

This same quality of "true genius," permeates science, poetry, and the discoveries of physical principle, alike. It is the same quality of genius which defined the work of Cardinal Nicholas of Cusa, as also the unique quality of genius represented by Johannes Kepler. In fact, the only true geniuses known among us, are those who exhibit that same general qualification of individual human creativity.

The best evidence bearing efficiently on this general category of truly "creative" subjects,

is to take note of the cases in which there is no essential distinction in practiced method, among Classical works of true discoveries in the domain of physical science and Classical modes of composition generally which also define the truly greatest Classical poets and Classical artists as a category. It is the category itself which is defining, rather than isolated manifestations of types of such principled creativity.

The interesting subject of needed attention on the account of such distinctions, is the great surge of a volume of failed attempts to match truly Classical compositions, by some purported substitutes. That latter trend, especially since the death of such as President Franklin Roosevelt and the assassination of President John F. Kennedy, are instances which demonstrate the principle of their genius, and its effects, as distinct from such specimens of the most publicized representatives of three successive generations of the family of a Prescott Bush notable for his financial rescue of the political ambitions of Adolf Hitler. Throughout U.S. history to date, it is fairly stated that the failures of our republic have been largely due to what are fairly described

as morally bankrupted incumbents installed in our nation's Presidencies.

This matter of the difference of a relative handful of great candidates for U.S. President, from the numerous alternatives, should be our present leading subject for consideration now. The history of relatively ancient, through contemporary European and U.S. traditions, are ably instructive on this account.

### Good or Evil?

From readings of ancient through medieval and modern societies and their governments, the rough estimate of the contrasted qualities of nations and their systems of government, corresponds with often clear distinctions, to characteristics of two categories of systems of government; these categories correspond with impressive fidelity to William Shakespeare's concept of two counterposed notions of the quality of mankind: the one, to work to ruin the moral and intellectual qualities of mankind as mankind, the other to liberate nations and peoples from such expressions of the so-called oligarchical conceptions of society. Wall Street, for example, is absolutely nothing but oligarchical, or, in other words, typical of reigning systems of society which are inhuman-on-principle in practice.

Such have been the cases of such as the mass-murder of the relatively ancient society of Troy, or the Roman empire, or the contemporary Anglo-Dutch empire (of which William Shakespeare, and later, the Massachusetts settlements had had a relevant experience), a British Empire created by the tyranny of the Dutch imperialists.

The principal motive for the nastiness of the imperialism-modeled systems of tyranny, has been the suppression of the morally superior cultural impulses, as typified by the mass-murder of the Christians under repression by the Roman Empire and also its heirs in intention.



*The morally superior cultural impulses of mankind define the need for a fight against oligarchism, and "practical" ideologies, in favor of the intellectual qualities of the human soul. St. Paul, as depicted here by Rembrandt, fought the bestial Roman Empire on behalf of a true morality.*

What, therefore, is the key to the Christian Apostle's superiority over the Roman rulers, for example? The New Testament, for example, had a rich Apostolic account of this matter.<sup>6</sup>

The effect of an induced, reductionist world-outlook, is shown with significant precision by such examples as the conflict between the great scientists such as Max Planck and Albert Einstein, and the rabidly evil Bertrand Russell and his present-day accomplices.

The effect of what are properly defined as reductionist ideologies, shows the lack (or, loss) of the ability to understand the functions of mankind on Earth, or, clearly, also, the Solar system. The effect of loss of an actual human mentality, in favor of so-called "practical" ideolo-

gies, is a loss of an entire category of the functions of the human mind, by such as among the members of the Wall Street gang, now, or the Emperor Nero, then.

This contrast, as shown by William Shakespeare's craftings, when they are contrasted with the Anglo-Dutch faction assembled since Queen Elizabeth and the Stuarts, and their combination as the British empire, is a kind of loss of connection to the notion of the actual soul which no amount of preaching, or science-education could actually correct.

That is, not really merely coincidental with not only the masterpieces produced by William Shakespeare, as reflections of the work of Cardinal Nicholas of Cusa and Cusa's heir in science, Johannes Kepler. That is what each among the young should make certain that you understand.

6. There are two, closely related points of evidence on this account: **I Corinthians**, Chapter 13, and the distinction of the silly witchcraft of Euclidean geometry from a competent physical geometry, such as that discussed concerning the work of Jonas Bolyai, by his father Farkas, and the cautious support given by the great Carl F. Gauss. Euclid's geometry is founded in an evil design, which is so to be recognized by actual scholars in a treatment of merely deductive methods.

# *Glass-Steagall Is the Lifeboat*

It's a scene we've seen before, particularly in the Fall of 2008, when Wall Street and its kept politicians insisted that a massive bailout was absolutely necessary in order to avoid disaster. In fact, they were executing a diversion from the only solution to the crisis, the Glass-Steagall reform LaRouche demanded at that time. One could compare the bankers' tactic to demanding a mobilization to save the *Titanic*, while insisting that nobody man the lifeboats.

Today, the emergency that Wall Street is proclaiming is the threat of a U.S. sovereign default if the debt ceiling is not raised. A shrill scare campaign is escalating, in an attempt to panic the Congress and the public to fall in line behind not only a debt ceiling increase, but a new package of deadly fiscal austerity for the American population. Once again, this campaign is a diversion from the available policy to prevent such a crisis, in this case, the immediate reinstatement of FDR's Glass-Steagall.

There are many, even on Capitol Hill, who know better. It was only three weeks ago, during the Lehman Brothers anniversary week of Sept. 18, that two leading Congresswomen, Marcy Kaptur (D-Ohio) from the House, and Elizabeth Warren (D-Mass.) from the Senate, came forward with prominent appeals for their fellow legislators to sign on to their Glass-Steagall bills. Representative Kaptur appeared on the floor of the House of Representatives Sept. 18 to blast the failed policies of the last five years, and insist on Glass-Steagall. Senator Warren, in a widely reprinted op-ed, insisted that a modern Glass-Steagall should be put into place *before the next crash*.

There was an obvious juggernaut developing in favor of immediate action for Glass-Steagall. Wall

Street had already sensed it in August, and now it was getting even more serious. Yes, Wall Street has consistently been able to count on British tool Barack Obama to kill Glass-Steagall, but Obama was getting to be a less reliable instrument. After all, he was forced to call off the war against Syria, even, as some U.S. intelligence sources attest, *after* he had given the order for the strike.

This is the real context for the allegedly impossible stalemate between the Republican leadership, also controlled by Wall Street, and Obama, over funding the government, and raising the debt ceiling. The game is to create a crisis to escalate the austerity, and *take Glass-Steagall off the table*. And so far, it's worked.

On Oct. 8 leading Wall Street bankers, and their magazine *American Banker*, began shrieking that any U.S. Treasury default later this month will blow out the banks. On the same day, leaks began from the Social Security Administration indicating that Social Security checks might be held up in the event of a default—a clearly unlawful threat intended to panic the public into accepting Wall Street's deal.

Lyndon LaRouche had a clear answer for the banksters.

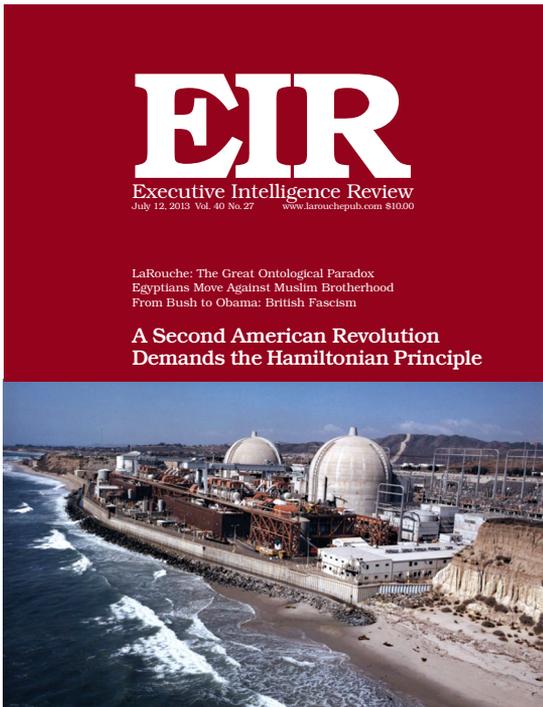
"No, it will not blow out," LaRouche said, "for the simple reason that Glass-Steagall will solve this problem. And nothing else will solve it; no other policy can possibly work but restoring Glass-Steagall.

"These bankers have never really earned any money honestly, to be crying about losing it because of the government. We should *shut Wall Street down*. Ram through the whole Glass-Steagall policy. That, and only that, will solve the problem."

SUBSCRIBE TO

# EIR Executive Intelligence Review

## EIR Online



**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

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



I would like to subscribe to **EIR Online**

(e-mail address must be provided.)

- \$360 for one year
  - \$180 for six months
  - \$120 for four months
  - \$90 for three months
  - \$60 for two months
- Send information on receiving **EIR** by mail.

—EIR Online can be reached at:

**www.larouchepub.com/eiw**

e-mail: **fulfillment@larouchepub.com**

Call **1-800-278-3135** (toll-free)

Name \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Country \_\_\_\_\_

Phone ( \_\_\_\_\_ ) \_\_\_\_\_

E-mail \_\_\_\_\_

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 \_\_\_\_\_