

The system is collapsing:

Australia, UK Must Join BRICS in New Economic Order

15 November 2014—The world now stands at a branching point, unprecedented in the known history of the human race. This issue of *The New Citizen* presents you, citizens of Australia or the United Kingdom, in particular, the essentials you need to know, to choose one road or the other.

The first road, now being travelled under the policies of the British Crown and its appendages in the City of London, Wall Street, the European Union, the IMF and World Bank, and related institutions, will assuredly lead, in the months ahead, to the greatest financial crash in history, and a likely thermonuclear war against Russia and China, with the extinction of the human race. Over the last year, Russian and Chinese leaders, in particular, have repeatedly, clearly warned that the West intends to unleash such a deadly war. Its opening salvoes are the Anglo-American “Asia Pivot” against China, and the relentless march of a war-mon-

gering NATO to the borders of Russia (Fig. 1, p. 2), including by the installation of a [neo-Nazi-infested regime](#) in Ukraine.¹

The second pathway is being blazed by the BRICS group (Brazil, Russia, India, China, South Africa, and their allies). It opens up a radically different vista: a new, just world economic order of sovereign nation states, collaborating to ensure the Common Good of all of their citizens. Such cooperation will replace the London/Wall Street “free trade” imperial looting system, ending governments’ “bail-in/bail-out” sponsorship of its “Too Big to Fail” banks (p. 13); halt its sponsorship of al-Qaeda and ISIS to spread chaos worldwide (p. 4) and justify the fascist-style police states at home; and stop its drive for world war.

Schiller Institute founder Helga Zepp-LaRouche provides an overview of the two contending pathways (p. 6). For four decades, she and her husband, American economist Lyn-

don LaRouche, have been leaders in the struggle for precisely such a new, just world order as now being pioneered by the BRICS. The triumph of this alternative will ensure the greatest economic and cultural renaissance in world history, allowing, among other things, mankind to soon take up its rightful destiny among the stars.

The policies and intentions of China, the leading protagonist of the BRICS alliance, have been the subject of an avalanche of lies in the Western media. As you review the evidence of that ancient nation’s stunning progress over recent decades (p. 8), ask yourself: Would I prefer the China-led BRICS vision of the future, or the continued plunge into Hell and probable thermonuclear war, led by the Anglo-American imperialists and their pathetic toadies, such as Abbott, Cameron and Obama?

This is no academic matter. Upon reviewing the charac-



Building “a parallel economic order with giant steps” (p. 6), President Putin (Russia), PM Modi (India), and Presidents Rousseff (Brazil), Xi (China), and Zuma (South Africa) (l. to r.)—of the countries whose initials give the BRICS group its name—meet Nov. 15 in Brisbane. Facebook/Narendra Modi.

teristics of these two contending systems as we present them here—essentials which you almost certainly have read nowhere else—then you, personally, must *act* to ensure that your

nation, and mankind as a whole, will have a future worthy of man in the image of his Creator. Either that, or accept the bestial Hell into which the British Crown and its City and Wall Street accom-

plishes are plunging you—if you even live to experience it.

1. “Western Powers Back Neo-Nazi Coup in Ukraine”, *The New Citizen*, Feb.-Mar. 2014.

British Oligarchy Planning New 9/11 to Trigger WWII?

To prepare the agenda for the 4-5 September 2014 NATO summit in Wales, the British Parliament’s House of Commons Defence Select Committee on 29 July issued a lengthy report entitled “Towards the Next Defence and Security Review: Part Two—NATO”. Chief among its bloodcurdling recommendations for NATO preparations towards a final showdown with Russia, was its recommendation to lower the threshold for invoking the NATO Charter’s famous Article 5, which specifies that an “armed attack” against any of NATO’s 28 members is an attack against them all. Without offering proof, the Committee claimed that Russia is now deploying “asymmetric”, “ambiguous”, or “deniable” acts of war, such as “information” or “cyber” war, as well as irregular units of “little green men”, which are insufficient to trigger Article 5 as presently written.

As the chief example of threats for which NATO must be prepared, the Committee cited the 11 September 2001 attack on the Twin Towers in New York:

“The use of airliners hijacked for attacks in New York and the Pentagon in the USA in 2001 were considered sufficient to invoke a NATO Article 5 response, even though not immediately attributable to any nation state but to non-state actors.”

Even though no nation-state could be identified as the author of 9/11, the declaration of Article 5, “the only one since the incep-

tion of NATO”, had been made, and it was used to justify the NATO-spearheaded invasion of Afghanistan, the report pointed out. (Emphasis added.) It stated that such “vicarious” or “deniable” actions must be expected more frequently in the future, on the part of Russia, “as in the situation in Ukraine”.

On cue, British Prime Minister Cameron warned at a 2 September meeting of EU leaders in Brussels, on the very eve of the summit, against “appeasing [Russian President] Putin as we did Hitler”, echoing the line already enunciated by Prince Charles back on 20 May, during a state visit to Canada, that Putin “was doing just about the same as Hitler”. Though ostensibly made in the course of a “private conversation”, Charles was surrounded by media at the time and his charge made worldwide news. The British, with the wholehearted support of U.S. President Obama, rammed through an agreement to upgrade a British-led NATO Rapid Reaction Force for permanent deployment in Eastern Europe, while the UK announced plans to form still another force, British-led but not formally under NATO, including Denmark, Latvia, Estonia, Lithuania, Norway and the Netherlands.

And although the British government, in its 27 October response to the Defence Select Committee’s proposal, did not endorse a formal revision of Article 5, it granted the substance



The “inside job” of 11 September 2001 was used to orchestrate more than a decade of regime change and war.

of the Committee’s argument, by stating that such decisions should “be taken by the North Atlantic Council on a case-by-case basis”. In the meantime, a relentless Anglo-American military build-up in eastern Europe continues, setting the stage for either a 9/11-style provocation, or an armed confrontation, which such a density of military activity on Russia’s very borders renders almost inevitable (Fig. 1, p. 2).

Why is the British Empire step-by-step, relentlessly whipping up the political and military atmosphere for a final showdown with Russia? Because the City of London/Wall Street-centred financial empire could explode any day now, and Anglo-American power along with it. Moreover, the recent emergence of a new world economic order around the BRICS alliance, led by Russia and China and com-

mitted to rapid rates of technological and industrial growth, will soon eclipse the collapsing Anglo-American trans-Atlantic financial system.

The Original 9/11: The Setting

In the wake of the near-cataclysmic GFC of 2008, many have forgotten the sequence of accelerating, severe financial crashes that set the stage for 11 September 2001. Sixteen years after the end of the Bretton Woods system of physical economic growth in 1971, came the Black Monday Wall Street crash of 19 October 1987, a nearly 23 per cent plunge that was followed by an even greater shift into speculation and looting, as the global financial system became dominated by derivatives trading. Events in the years just prior to 9/11 included:

* The “Asia crisis” beginning

July 1997, which saw the devastation of many Asian nations which suffered speculative attacks on their currencies by London and Wall Street;

* Another Black Monday Wall Street crash on 27 October 1997, now almost forgotten;

* The August 1998 Russian GKO bond default, caused by the same type of international hot-money speculative flows as in Asia;

* The consequent September 1998 collapse of the U.S.-based Long Term Capital Management (LTCM) hedge fund, which

came within a whisker of detonating a global financial collapse;

* The manufactured “Y2K” crisis of 2000, used to build up the dot-com bubble.

Surveying this pattern shortly after the election of London/Wall Street puppet George W. Bush (whose Wall Street banker grandfather Prescott Bush had financed Hitler’s rise to power in Germany) as U.S. President, the world’s leading economic forecaster, Lyndon H. LaRouche, Jr., warned on 3 January 2001, eight months before 9/11:

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EDITORIAL

Which Way for the UK: Glass-Steagall, or Bust?

The process leading into the 18 September 2014 Scottish independence referendum, together with the stunning victory of the United Kingdom Independence Party (UKIP) in the 22 May 2014 European Parliament elections, have raised the issue of “independence” in the United Kingdom, in a way not seen in the British isles at least since the Sinn Féin-led struggle for a sovereign Ireland in the early 20th century. It is crucial to ask, “Independence from what, exactly?” However just and noble your aspirations, if you don’t fully realise who is oppressing you—and how—you will not win your sacred freedom.

Even within the UK, many acknowledge that the successive regimes of Margaret Thatcher, John Major, Tony Blair, Gordon Brown and now David Cameron were and are nothing but

fronts for the City of London, which loots the British population under the guise of the “free market”, with its mantras of “free trade”, “privatisation”, “deregulation”, and savage “budget balancing”. Intensified from Thatcher’s decade onward, this regimen has been exported throughout the trans-Atlantic region. It has ruled Australia ever since the Hawke-Keating governments, starting in 1983, as we in the CEC have [documented](#) chapter-and-verse.

Fortunately, however, the patriots of Australia, the United States, Ireland, Scotland, Wales, and England itself, and those of other nations, have a weapon with which to defeat this tyranny, if we only decide to wield it: the passage of Glass-Steagall legislation, to separate normal commercial banking from the notoriously predatory, specula-

tion-centred “investment banking” of London and its branch office on Wall Street.

Astonishingly, if perhaps lawfully, the most [impassioned debate](#) over Glass-Steagall anywhere in the world to date took place in the British Parliament during the July to November 2013 deliberations on the *Financial Services (Banking Reform) Bill 2013*. After deliberation, the Parliamentary Commission on Banking Standards, a bipartisan joint committee of the House of Commons and the House of Lords, recommended full Glass-Steagall banking separation. As expected, the Cameron government rejected that, whereupon it was put forward as an amendment in the Commons, losing by a close vote of 225-274 on 8 July, and in the House of Lords, where it was defeated by a mere nine votes, 220-229, on

26 November 2013.

Typified by their looting of Scotland, the City of London/Wall Street financial oligarchy and their government toadies are plunging the populations of the trans-Atlantic region into ever deepening misery, all to prop up this oligarchy’s reign for just a little longer. Now, with the Bank of England’s demand that all G20 nations adopt “bail-in” legislation, that misery is scheduled to increase beyond belief. Bail-in authorises the seizure of funds from creditors when “Too Big to Fail” banks fail. In the “Cyprus model” of March 2013, individual depositors were treated as unsecured creditors. BoE Governor Mark Carney’s disclaimers about protecting depositors notwithstanding, individuals and households will be smashed by “bail-in” in any

form, since bank “creditors” include institutions that purchase bank securities, such as the pension and insurance funds people rely on. Bail-in will inevitably usher in mass death.

By demanding that their Parliamentary representatives force through Glass-Steagall in the coming weeks—before “bail-in” and the greatest financial crash since the 14th century sweep all away—the inhabitants of the British isles have a unique opportunity to strike a blow for their own true independence, and for much of the rest of the world as well. Every elected representative of the Labour Party, the Scottish National Party, UKIP, and every other party must be put on the spot: “Where do you stand on Glass-Steagall? Do you represent us, or are you a flunky for the City of London?”



Craig Isherwood
CEC National Secretary

As discussed elsewhere in this issue of *The New Citizen*, Glass-Steagall legislation is not the only thing that needs to be done to secure a nation’s freedom and independence. But it is an excellent, indispensable start.

British Oligarchy planning new 9/11 to trigger WWII?

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“What you’re going to get with a frustrated Bush Administration, if it’s determined to prevent itself from being opposed—its will—you’re going to get crisis-management. Where members of the Secret Warfare types, of the Secret Government, the secret police teams, and so forth, will set off provocations, which will be used to bring about dictatorial powers and emotion, in the name of crisis-management.”

The Morning of 9/11

At the moment reports of the attacks on the Twin Towers hit the airwaves, LaRouche was giving a live radio interview to Jack Stockwell of KTKK-AM (“K-Talk”) in Salt Lake City. LaRouche commented, “The first suspicion that’s going to be on this is Osama bin Laden.” Once the later, Pentagon attack was reported, LaRouche, a veteran of decades in intelligence and security matters, suggested that the operation must have been protected from high quarters, exclaiming: “You can’t go around snatching planes in a coordinated fashion, like this. You can’t do it.”

Consider the chronology of that fateful morning. Between 8:25 a.m. and 8:32 a.m. the Federal Aviation Administration’s Boston Center flight controllers reported that Flight 11 had been hijacked. The North Tower was hit at 8:46 a.m. and the South Tower hit at 9:03 a.m. The Pentagon was not hit until 9:37 a.m. This building—the headquarters of the U.S. Department of Defense—presumably the most protected building in the world, was hit more than an hour after the first reported hijacking, yet not a single fighter jet had yet been scrambled from Andrews Air Force Base, just 18 kilometres from the Pentagon. These were well-practised routines. With more than 4,500 aircraft continuously sharing U.S. airspace on any given day, the U.S. military between September 2000 and June 2001 had launched fighters on 67 occasions to escort wayward aircraft.

Despite the shutdown of all air travel shortly after the attacks and for days following, some planes did manage to fly. A private jet landed in Washington D.C. later on 11 September, carrying the head of the British Secret Intelligence Service (MI6) and the deputy chief of Britain’s domestic intelligence service (MI5). By the end of the week, another private flight was granted clearance to leave the USA, this one carrying some 140 Saudi Arabi-

an citizens, including 24 members of the family of Osama bin Laden—the man credited with the attacks.

Thousands of highly qualified experts have pointed out the impossibility of the official line of the U.S. and British governments: “al-Qaeda did it alone.” Though most influentials who knew better were cowed from speaking out, some did.

* Dr Paul Craig Roberts, former Assistant Secretary of the U.S. Treasury, observed that “Washington’s explanation of the attack implied a security failure too massive to be credible.” A former presidential appointee to high office, Dr Roberts’ security clearances and knowledge of FEMA national emergency policy well qualifies him to make such statements.

* Former German Defence Minister Andreas von Bülow has also long charged that 9/11 was an inside job: “I know a lot of people, including very influential ones, who agree with me, but only in whispers, never publicly.”

* Former British Environment Minister and long-time MP Michael Meacher, in a 6 September 2003 article in *The Guardian*, “This war on terrorism is bogus”, devastated the official account, and asked socratically, “Could U.S. air security operations have been deliberately stood down on September 11?”

Orchestrated “terrorist” events as provocations are not new in history. Elected as Chancellor of Germany in January 1933, Adolf Hitler was widely regarded as a joke, who would soon pass from the scene. But his Nazi party set fire to the Reichstag Parliament building on 27 February 1933, which allowed Hitler to consolidate a police state within Germany and set the course for World War II. In 1962, the U.S. Joint Chiefs of Staff drafted Operation Northwoods, which called for Pentagon secret warfare units to kill innocent Americans and commit acts of terrorism in U.S. cities, creating public support for a war with Cuba. That plan was vetoed by President John F. Kennedy.

The 28 Pages: British/Saudi Authorship of 9/11

On 9 September 2014, three U.S. Congressmen joined seven family members of those killed in the 9/11 attacks, in a powerful Capitol Hill press conference, demanding that President Obama fulfil his long-standing promise to declassify 28 pages of the report by the Joint Congressional Inquiry into the 9/11

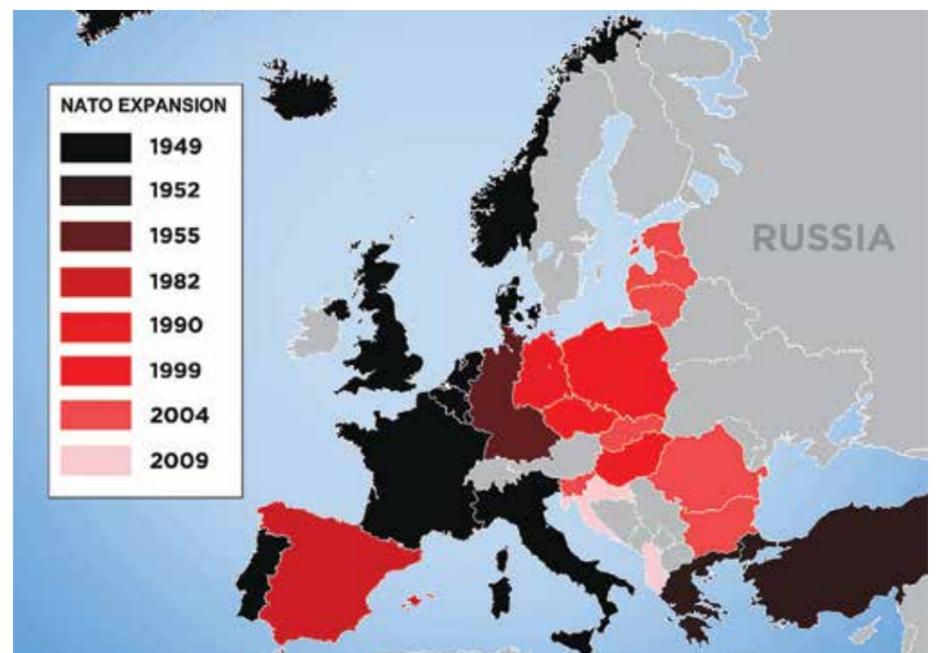
events, which were withheld when it was released in 2002. This issue also received powerful coverage on CNN on 8 September. Those pages document the role of the Kingdom of Saudi Arabia in supporting the terrorist attack. Indeed, long-time Saudi Ambassador to the United States Prince Bandar bin-Sultan, along with his wife, aided, abetted, and personally financed some of the hijackers in the United States for a period of two years before the attacks. An intimate of the Bush family, Bandar bin-Sultan later became head of the Saudi Intelligence Agency, on top of operations promoting “Islamic fundamentalism” all over the Middle East and beyond.

But the story goes deeper still. As LaRouche’s *Executive Intelligence Review* magazine has documented in an explosive series of dossiers, the real story of 9/11 begins in London in 1985, when Bandar-bin Sultan, an intimate of Prince Charles, met British PM Margaret Thatcher and set up what became infamous as the “Al-Yamamah Affair”, a 20-year deal between the giant British Aerospace firm BAE and the Saudi monarchy for massive British arms shipments to Saudi Arabia in return for oil, a deal worth anywhere from \$100 to \$160 billion. This massive deal provided a multi-billion dollar “slush fund”, which Bandar used to build up al-Qaeda and other Islamic terrorist groups. Al-Yamamah was investigated for years by U.S. and British authorities, but its patrons in the British Crown, the City of London and the British secret intelligence services ultimately managed to cover up most of the evidence of a worldwide criminal and terrorist combine. Bandar personally received \$2 billion out of the deal, which went through Saudi accounts at the Riggs Bank in Washington and were likely used to finance some of the chief actors in 9/11, those documented to have received an estimated \$75,000 in “charitable donations” from his wife.

The Consequences

British Prime Minister Tony Blair pyramided the lies of 9/11 into still a bigger lie: that Iraqi president Saddam Hussein had “weapons of mass destruction”, capable of striking Western capitals “within 45 minutes”. This argument became the pretext for the Anglo-American-led invasion of Iraq in 2003. Iraq and Afghanistan have been virtually destroyed by the “war on terror”. According to a 2006 survey pub-

FIGURE 1



The North Atlantic Treaty Organization (NATO), founded 1949, was a Cold War institution confronting the Soviet Union. After the Berlin Wall fell in 1989, Soviet leaders believed 1990 statements by German Foreign Minister Hans-Dietrich Genscher, U.S. Secretary of State James Baker III, and others, that the eastern part of a reunified Germany would not be in NATO (let alone Soviet then-allies in Eastern Europe). Germany’s 1990 reunification did include full entry of its East into NATO, but with the end of the USSR in 1991, Russian leaders continued to expect non-confrontation. The West was now supposed to be Russia’s friend, and Western officials poured into Moscow to direct all areas of

policy (dictating “free market reforms” that devastated the economy). As Russia, under the Primakov and Putin governments, began to resist such subjugation in 1998-99, NATO escalated its expansion by admitting former Soviet allies Hungary, Poland and the Czech Republic. Dick Cheney, U.S. vice-president in 2001-09, pushed the forward basing of anti-missile batteries in Eastern Europe, threatening Russia’s nuclear deterrent, as well as further eastward expansion. Today, NATO is exploiting the Western-foisted Ukraine crisis, to step up activity on Russia’s borders. A terrorist incident, blamed on Russia, could trigger NATO’s Article 5 “mutual defence” clause—and World War III.

lished in *The Lancet*, 601,027 violent deaths out of 654,965 excess deaths (above the normal death rate) related to the Iraq War occurred between March 2003 and June 2006 alone. At least 174,000 civilians have died violent deaths as a result of the “war on terror” in Iraq, Afghanistan and Pakistan as of April 2014. Illicit opium production in Afghanistan increased 40-fold after 9/11 (especially in the zones occupied by the British Army), poisoning millions of human beings on the Eurasian continent and beyond.

Meanwhile, the “war on terror” has been used to justify ever stronger police states throughout the trans-Atlantic sector and elsewhere, including Australia, typified by the surveillance of virtually all communications of any type by the “Five Eyes” intelligence arrangement, centred at the U.S. National Security Agency and Britain’s Communications Headquarters (GCHQ) in Cheltenham. Already in 2002, the Howard government used 9/11 to push through a set of draconian “anti-terror” laws, which

The Pathway Out: A New Economic Order

As with the financial crises leading into the original 9/11, the British Crown and the City

This article is based on a CEC Media Release, dated 11 September 2014.

British SIS/ASIO Planning a Terrorist Attack on Australia?

As things presently stand, a near-term terrorist attack upon Australian soil is almost guaranteed. Why? Is it because there are so many terrorists out there, whether home-grown or returning from Iraq, Syria, Afghanistan or elsewhere, such that at least one “lone wolf” is bound to “slip through”? No! It is because the British Crown and the City of London, which control the British and Australian intelligence services, intend for such an attack to occur. And, right on cue, legislation just passed by the Australian parliament will grant virtual immunity to any Australian officials who orchestrate or participate in such an attack.

Think back. The ever-escalating “war on terror”, in the main, dates from the 11 September 2001 attack on the World Trade Center and Pentagon in the USA. That event was used to justify the invasion of Afghanistan in 2001 and then of Iraq in 2003, which, in turn, unleashed the spiral of mayhem throughout that region that has continued ever since. Yet, a virtual avalanche of revelations since 9/11 (article, p.1-2) demonstrates that the events of that day were orchestrated and financed by Saudi Arabia, with the connivance of dirty U.S. and British intelligence agencies.

Consider: why was 9/11 launched in the first place? And why is that same Saudi Arabia—the single largest financier of ISIS—now scheduled to serve as the headquarters to train a supposed “moderate” Arab/Islamic opposition to ISIS? The evidence below will provide you the answers to those questions. If you don’t want yourself or your loved ones to be injured or killed in a terrorist attack or to live under a fascist police state, you had better read it, and act upon it.

The trans-Atlantic financial system is now plunging towards a far worse collapse than even that of 2008. Therefore, the Crown and its City of London/Wall Street accomplices are driving for fascism and war—even a thermonuclear war against Russia and China—rather than see their imperial power evaporate along with the “too big to fail” (TBTF) banks, which are now 40 per cent larger than in 2008. A new “9/11”, whether of the “lone wolf” variety within Australia, and/or on a 9/11 scale elsewhere, would be used to consolidate Australia as a fascist police state, and to steamroll any opposition to Australia’s full participation in the present Anglo-American drive for war.

The New Terror Laws

Right now, the Parliament is passing the first of a raft of new terrorism laws. Collectively, these laws will make permanent the existing fascist powers, rushed through in 2002-03 in the wake of 9/11, and add new, even more draconian powers.¹

The *National Security Legislation Amendment Act (No. 1) 2014*, presented to Parliament in July, received its Royal Assent on 2 October and is now the law of the land. It gives ASIO cover to commit virtually any act, by granting immunity from prosecution to officers of ASIO and its affiliates, engaged in



The new terrorism laws being pushed by the Abbott government, with the support of Labor, will make permanent the existing fascist powers, rushed through in 2002-03 in the wake of 9/11, and add new, even more draconian powers. Photo: AFP / Prime Ministers Office

“special intelligence operations” (SIO). The term “ASIO affiliates” is a new, far-reaching category now added to the *ASIO Act 1979*. It may include private contractors and even foreign intelligence agencies. The *National Security Legislation Amendment Act (No. 1) 2014* also carries jail terms for reporters who publicise even general information about an ASIO operation.

The *Counter-Terrorism Legislation Amendment (Foreign Fighters) Act 2014*, which received its Royal Assent on 3 November, makes it a crime, punishable by 10 years in prison, to travel to certain “declared areas” around the world without proof of a legitimate purpose. The *Telecommunications (Interception and Access) Amendment (Data Retention) Bill 2014*, now before the Parliament, will empower ASIO to collect so-called metadata on any individual’s communications. On top of this, certain powers enacted in 2005 that were due to expire will be extended at least four more years. These include ASIO’s powers to detain in secret any person, including Australian citizens not suspected of terrorism, for questioning for a week, and jail them for refusing to answer; to issue control orders putting every aspect of a person’s life under restrictions and monitoring, without any trial or court finding; and to issue preventive detention orders to hold people in secret and without charge for 14 days, allowing them to phone only their employer and a family member, and then to say only that they will be “out of contact for the time being”.

Australia’s ASIO and ASIS intelligence agencies were established as mere branch offices of the British Empire’s Secret Intelligence Service (SIS), and remain so to this day. Throughout its entire history ASIO’s agents have referred to MI5 as “head office”, while MI5 and its sister MI6 themselves report not to the British government, but solely to the British Crown. Therefore, when MI5’s Joint Terrorism Analysis Centre on 29 August raised the UK’s terrorism threat alert to its second highest level (“Severe”) just days before the NATO Wales summit with its warnings of impending war with Russia, ASIO promptly raised Australia’s alert to “High”, meaning that a terrorist attack is “likely”. Like MI5, ASIO could point to no specific threat to justify the new alert.

Nonetheless, the police began high-profile raids against suspected terrorists in Brisbane and Sydney, in the pre-arranged full glare of accompanying news media, seen in the 800-strong police operation in Sydney on 18 September. After all the hoopla, only one 22-year-old suspect was charged with anything.

“Australians should prepare for more counter-terrorism raids as big as the recent 800-strong police raids in Sydney and Brisbane, the Australian Federal Police’s counter-terrorism chief

has said”, reported the *Sydney Morning Herald* of 4 November. AFP assistant commissioner Neil Gaughan said that despite its almost negligible results, “What we will see now is more raids like we saw in Sydney.... The paradigm has changed such that we will be forced to react much quicker than what we previously have, and I think the community will see more of this where we will do a larger number of execution of search warrants and probably only one or two arrests.”

British Empire Runs Terrorism: the Case of Londonistan

Throughout the long history of the British Empire, London has served as the headquarters of numerous terrorist or “liberation” movements, which were deployed against the Empire’s enemies abroad, or even against the Crown’s opponents within the UK itself. That practice continues today, and is a major reason why the British Labour and Liberal Democratic parties are today demanding oversight powers over MI5.

From at least the late 1970s, when the Anglo-American imperialist faction sponsored the rise of fundamentalist jihadis in Afghanistan (the Mujahedin) to fight the Soviet Union, Britain has harboured the world’s worst Muslim terrorists, including Osama bin Laden himself during the 1990s. Authors Sean O’Neill and Daniel McGrory reported in their 2006 book, *The Suicide Factory: Abu Hamza and the Finsbury Park Mosque*, that at one point terror suspects living in Britain were wanted “by over a dozen friendly governments.” Among these, “Russia claims prominent Chechens who helped organise bombings on civilian targets in Moscow are sheltering in London. The Indian, Pakistani, Sri Lankan, Israeli and Turkish authorities, together with half a dozen European allies and the US government, have all presented Whitehall with lists of suspects they want to put on trial, but all of them are still waiting. The prominent French judge Jean-Louis Bruguière was so appalled by Britain’s attitude that he talked of ‘Londonistan’ as being the city of choice as a safe haven for Islamic terrorists, and a place ‘full of hatred.’”

One particularly horrific pre-9/11 example was the so-called Islamic Group, which massacred 62 people, mostly tourists, in Luxor, Egypt in 1997, following smaller terror attacks earlier. Islamic Group was headquartered in London, where its leaders, despite convictions for murder in Egypt, were granted asylum; a furious Egyptian President Hosni Mubarak blasted the British authorities and security services for repeatedly refusing Egypt’s requests to extradite the leaders of Islamic Group. Now the world watches in horror as a masked ISIS member with a British accent ritually beheads Western captives. Are we expected to believe that the UK, with its vaunted security services and all-pervasive Government Communications Headquar-



As part of an 18 September 2014 anti-terror operation, state and federal police conducted raids in Sydney and Brisbane, including at this house in Bass Hill in Sydney. Photo: AFP / Saeed Khan

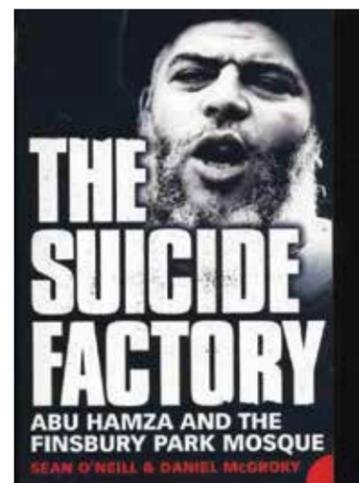
ters (GCHQ) intercepts, has no control over the hordes of terrorists within its borders, or those flooding from Britain to join ISIS?

Despite its already enormous powers, MI5’s ASIO branch office is similarly letting terrorist recruitment and promotion happen in Australia, right under its nose. Recently, Australians were sickened by horrific images of two Australian jihadis, and the seven-year-old son of one of them, Khaled Sharrouf, holding aloft the severed heads of Syrian soldiers. These images helped trigger the latest anti-terror laws, yet this same Khaled Sharrouf, described as “poor intelligence”, was well known to ASIO: though previously arrested for terrorism offences, he was able to travel on his brother’s passport from Australia to Syria; two months later, ASIO allowed his wife and his young sons to join him.

The authorities professed to be embarrassed that Sharrouf was able to flee, but he is only one of at least 200 Australians known to have gone to Syria, along with numerous American and British nationals. Such jihadis serve a two-fold purpose: they participate in the Anglo-American drive to overthrow Syrian President Bashar al-Assad, and then, fully trained, they are allowed to return home to commit terrorist acts, in order to justify police-state measures in their countries of origin.

A Case Study: Hizb ut-Tahrir

ASIO has allowed the notorious pro-terrorist group Hizb ut-Tahrir to operate freely in Australia, even though it is banned in almost all Arab countries including even Saudi Arabia, in Russia and all the former Soviet states, and in most European countries. Alongside Australia, our “Five Eyes” intelligence partners Britain, the U.S., and Canada have failed to ban Hizb ut-Tahrir. That organisation has long preached for a Muslim Caliphate, or single Islamic State, for which ISIS is now deployed in Iraq and Syria. Under the pressure of public outrage following the London subway terrorist bombings in July 2005, British PM Tony Blair briefly talked about banning Hizb ut-Tahrir, but that idea was later quietly dropped. Australia’s then-Attorney-General Philip Ruddock followed the



So many Middle Eastern terrorists have congregated in Britain, including Osama bin Laden in the 1990s, that the capital is called “Londonistan”. At one point terror suspects harboured in the UK were wanted “by over a dozen friendly governments”, this book reports.

British lead and ordered an ASIO investigation into Hizb ut-Tahrir, only likewise to decide against banning the organisation, even though the 2002 laws authorise such a ban.

Even when NSW Premier Morris Iemma in 2007 requested that the federal government ban Hizb ut-Tahrir, the Attorney-General stuck fast with the British policy and refused. In September 2012 the group held a noisy demonstration in Sydney, in which young children held signs, “Behold all those who insult the prophet”. It still operates freely today, indoctrinating young Muslims to go fight in Syria, and to join ISIS.

But the Anglo-American intelligence services are capable of much worse than merely turning a blind eye to terrorist attacks. They are also capable of “false flag” assassinations or acts of terror, which are blamed upon someone else, based on planted “evidence”. One must ask why high-level British circles now warn that Russia intends to launch a “new 9/11”, probably in Eastern Europe. Really? Who would benefit?

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¹ *The New Citizen*, April 2004, p. 59, archived at www.cecaust.com.au.

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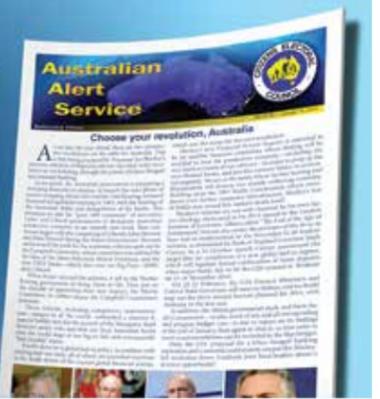
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Charles of Arabia

and the Al-Qaeda/ISIS Nexus

In early November 2014, the Prince of Wales recorded a video to herald a new report by the Catholic charity "Aid to the Church in Need", documenting atrocities against Christians and other religious minorities in the Middle East. Charles bemoaned the "indescribable tragedy, that Christianity is now under such threat in the Middle East", and called events in Iraq and Syria, where ISIS' Sunni fanatics are rampaging, "horrendous and heartbreaking."

Such hypocrisy might redden the cheeks of even that infamous serial liar, former British PM Tony Blair. Why? *Because it would be hard to find a Western leader who has done more to support the rise of Sunni fanaticism and mass murder, than Charles himself.* On behalf of the British Crown, Charles has cultivated financial and personal relationships with precisely those leading government and other personalities in Saudi Arabia, Qatar, Kuwait, and the UAE, who bankrolled and fomented the growth of al-Qaeda, and now ISIS.

Students of the British empire's systematic promotion of bloody sectarian warfare in the Middle East over the last century would be astonished, if Charles were doing otherwise.

The Murderous Saudi Kingdom

Saudi Arabia in its present form was created by the British Empire in 1901-32, as an extension of that Empire. When Abdulaziz al-Saud, known as Ibn Saud, became the first King of Saudi Arabia in 1932, he had already been collecting a British stipend for more than a decade. The Kingdom was a British-sponsored fusion of his tribe with the fanatical Wahhabi clerics infesting the Saudi peninsula, who preach the doctrine of the 18th-century Abdul Wahhab (who allied with the Saud family in 1744), that all "non-believers", including Shiite Muslims, should be put to the sword. The British and Saudi crowns have remained intimately linked.

The "Arc of Crisis"

It is no secret that today's militant jihadis emerged from the "Arc of Crisis" policy, associated with Zbigniew Brzezinski of the late-1970s Carter Administration in the USA. This scheme was rooted in British designs to dismantle the Soviet Union, out of which emerged the "Bernard Lewis plan", named for a top British Orientalist. Lewis and Brzezinski sought to promote Wahhabite fundamentalism in an "arc of crisis" along the southern border of the Soviet Union, to crack the Communist regime through religious movements. Charles's friends in the Saudi, Qatari, and other Gulf kingdoms were leaders in that effort, into which they poured untold billions of dollars.

Today, with continuing British imperial sponsorship, those creators of al-Qaeda have created ISIS. And while the Soviet Union is no more, Russia is still a principal target, as the jihadis themselves proclaim. Their British patrons intend to eliminate any and all nation-states, in favour of Anglo-American world rule, using classic imperial methods: fomenting endless bloody religious warfare on all sides, to the advantage of a small ruling elite.

Saudi Intelligence and Al-Yamamah

Chief among the British agents in the al-Qaeda/ISIS project is Prince Bandar bin Sultan, one of the most influential Saudi personalities of recent decades. He has been Saudi Ambassador to the

USA (1983-2005), Secretary-General of the Saudi National Security Council (2005-present), and head of Saudi Intelligence (2012-14). According to his biographer, William Simpson, Bandar personally funnelled \$3 billion to the mujahedin who gave birth to al-Qaeda. American intelligence sources report that the devoted Anglophile Bandar was recruited to British SIS during his education at the elite Cranwell Royal Air Force College, which Charles

also attended.

In 1985, Bandar and Prime Minister Margaret Thatcher negotiated the Al-Yamamah arms contract between Saudi Arabia and Britain, the largest export deal in British history, later phases of which were facilitated by Charles in person. The Saudis provided up to 600,000 barrels per day of oil, in return for arms from the British Ministry of Defence and Britain's largest arms company, BAE Systems. The deal cre-

ated an "off the books" slush fund, estimated at over \$100 billion and implicated in financing al-Qaeda and ISIS.

As Saudi Ambassador in Washington, Bandar was up to his ears in money and protection for the 9/11 attackers against the Pentagon and New York's Twin Towers. Those events unleashed the Anglo-American-led "war against terrorism", beginning with aerial attacks on Afghanistan in 2001 and the invasion of Iraq in 2003. Bandar is known

to figure in the 28 pages of the Joint Inquiry into the 9/11 attacks, withheld by the George W. Bush and Obama Administrations.

Bandar's career, and his own and his family's and associates' relations with Prince Charles, are testimony to the British Crown's fostering of endless religious warfare in the Middle East, and fascist police states in Britain, the United States, Australia and elsewhere, under the banner of "fighting terrorism".

Bandar: Prince of Jihadis

Veteran British journalist Patrick Cockburn titled his 13 July 2014 column in *The Independent*, "Iraq crisis: How Saudi Arabia helped ISIS take over the north of the country". "How far is Saudi Arabia complicit", he asked, "in the Isis takeover of much of northern Iraq, and is it stoking an escalating Sunni-Shia conflict across the Islamic world?" Cockburn gave part of the answer, in a chilling revelation:

"Some time before 9/11, Prince Bandar bin Sultan, once the powerful Saudi ambassador in Washington and head of Saudi intelligence until a few months ago, had a revealing and ominous conversation with the head of the British Secret Intelligence Service, MI6, Sir Richard Dearlove. Prince Bandar told him: 'The time is not far off in the Middle East, Richard, when it will be literally "God help the Shia". More than a billion Sunnis have simply had enough of them.'"

Cockburn continued, "The fatal moment predicted by Prince Bandar may now have come for many Shia, with Saudi Arabia playing an important role in bringing it about by supporting the anti-Shia jihad in Iraq and Syria. Since the capture of Mosul by the Islamic State of Iraq and the Levant (ISIS) on 10 June, Shia women and children have been killed in villages south of Kirkuk, and Shia air force cadets machine-gunned and buried in mass graves near Tikrit.

"In Mosul, Shia shrines and mosques have been blown up, and in the nearby Shia Turkoman city of Tal Afar 4,000 houses have been taken over by Isis fighters as 'spoils of war'. Simply to be identified as Shia or a related sect, such as the Alawites, in Sunni rebel-held parts of Iraq and Syria today, has become as dangerous as being a Jew was in Nazi-controlled parts of Europe in 1940.

"There is no doubt about the accuracy of the quote by Prince Bandar, secretary-general of the Saudi National Security Council from 2005 and head of General Intelligence between 2012 and 2014, the crucial two years when al-Qa'ida-type jihadis took over the Sunni-armed opposition in Iraq and Syria. Speaking at the Royal United Services Institute last week, Dearlove, who headed MI6 from 1999 to 2004, emphasised the significance of Prince Bandar's words, saying that they constituted 'a chilling comment that I remember very well indeed'."

Dearlove, continued Cockburn, said that he "does not doubt that substantial and sustained funding from private donors in Saudi Arabia and Qatar, to which the authorities may have turned a blind eye, has played a central role in the Isis surge into Sunni areas of Iraq. He said: 'Such things simply do not happen spontaneously.' ... The forecast by Prince Bandar, who was at the heart of Saudi security policy for more than three decades, that the 100 million Shia in the Middle East face disaster at the hands of the Sunni

Continued page 12



The Friends of Prince Charles (centre) in the Saudi Cabal Behind al-Qaeda/ISIS

In the centre picture, Charles "goes native" on a February 2014 visit to Saudi Arabia, during which he performed a sword dance with members of the Saudi royal family. Surrounding him are board members and financial backers of the Oxford Centre for Islamic Studies (OCIS), known as "Charles's OCIS", including members of the Faisal and Bin Laden families, who have contributed to it. Each of the Persian Gulf figures pictured here is also implicated in financing terrorism.

1. Prince Bandar bin Sultan. His biographer calls his friendship with Charles "close". He was a wedding guest of Charles and Camilla. In 1990, Bandar contributed an estimated \$US13-24.4 million to the OCIS. At Bandar's behest, then-King Fahd pledged a \$32.4 million donation from the Kingdom to the OCIS; Bandar announced the gift at a 1997 private dinner with Charles. Former Saudi Ambassador to Washington and Intelligence chief, Bandar heads the Saudi Security Council. He and his wife have been implicated in funding the 9/11 attackers. He also arranged the first Al-Yamamah oil-for-arms contract with PM Margaret Thatcher in 1985, an ongoing deal in which the Prince of Wales later took a hand.

2. Prince Turki bin Faisal is a member of the Board of Trustees of the OCIS and chairs its Strategy Advisory Committee. Another of Charles's wedding guests, he resigned as director of Saudi General Intelligence (1979-2001) ten days before 9/11. Turki financed and organised the rise of al-Qaeda in the 1980s. He was Saudi Ambassador to the UK (2003-05) and USA (2005-06).

3. Prince Mohammed bin Faisal, is another member of the Faisal clan, which has sponsored the OCIS. A full brother of Turki, he heads the Dar Al-Mall Al-Islami Trust (DMI) banking group, which financed al-Qaeda, according to a 2002 report to the UN Security Council. Mohammed was named in a 9/11 family-member lawsuit.

4. Prince Abdulaziz bin Abdullah, deputy foreign minister of Saudi Arabia, is chairman of the Board of Trustees of the Centennial Fund, established by Charles in 2004. He is an expert on Syria, where Saudi financing of the radical Sunni opposition groups, out of which ISIS emerged, is notorious.

5. Abdullah Omar Naseef co-founded the OCIS and chairs its Board of Trustees. He has long been associated with the Prince of Wales through the OCIS. He was Secretary General of the Muslim World League (MWL) in 1983-93, at the height of Anglo-American backing for the Afghan mujahedin against the Soviet Union. The future King Faisal had set up the MWL in 1962 to coordinate Wahhabite propaganda and subversion (including backing the Muslim Brotherhood, a British Intelligence project). The MWL spawned significant parts of today's global jihadi apparatus. Naseef also chaired the Pakistan-based Rabita Trust, an MWL financial project. In the 1980s, Naseef co-created Maktab al-Khidamat, the backbone organisation of the Arab-Afghani mujahedin in Afghanistan, which in 1989 changed its name to al-Qaeda. According to the 9/11 families' suit, Naseef knowingly funded al-Qaeda through the MWL, Rabita, and the International Islamic Relief Organization (IIRO).

6. Yusuf al-Qaradawi was formerly a board member of Charles's OCIS (1985-2006). This Qatar-based spiritual leader of the Muslim Brotherhood issued fatwas for the overthrow and assassination of Libyan head of state Muammar Qaddafi and Syrian President Bashar al-Assad. In July 2012, he threatened the assassination of Egyptian leader Gen Abdel Fattah al-Sisi, now President.

7. Abul-Hasan Ali al-Nadwi. Co-founder of the OCIS and its chairman from its inception in 1985, through the late 1990s, when Charles was its patron. In 1962, Nadwi had been a founding board member of the MWL.

8. The Bin Laden family (shown here, Mohammed bin Laden, father of Osama) was among the Saudi, Qatari, and Kuwaiti private donors of approximately \$US70 million to Charles's OCIS. The Bin Laden family endowed the Mohammed bin Laden chair at OCIS. Osama bin Laden was recruited by Charles's friend and wedding guest, Prince Turki bin Faisal, to set up the Maktab al-Khidamat network, the future al-Qaeda, in which Charles's colleague Naseef was also closely involved. His financial network included dozens of City of London banks and corporations, according to a 2001 French parliamentary investigation.

1. The Islamic State in Iraq and Syria (or "and the Levant"—ISIL).

Ebola: A New Black Death?

by Glen Isherwood

If the world were not still largely dominated by an Anglo-American financial oligarchy committed to mass genocide (see box), the Ebola virus by now would be on its way to elimination in the three west African nations of Liberia, Sierra Leone, and Guinea, where the current outbreak was first reported way back in March 2014, and it would not have spread to other countries. The looming prospect of a new Black Death on a global scale would have been defeated, and the disease would be well on the way to being mopped up even in Africa.

Instead, it is spreading exponentially, and no one even knows how bad it is because the health personnel on the ground in West Africa are so swamped that they are unable to diagnose and report more than a fraction of those estimated to have the disease. New York Council on Foreign Relations senior fellow for global health Laurie Garrett told the *Washington Post* on 12 September that the number of infected in the region could hit 250,000 “by November”, at least half of whom would die, while Dr Kent Brantly, who had contracted Ebola in Liberia, was flown back to the United States for treatment and now has recovered, told U.S. Senate hearings in mid-September that “In nine months down the road, we are looking at hundreds of thousands, not just in cases, but in deaths”, while even the conservative U.S. Centers for Disease Control and Prevention (CDC) has predicted 1.4 million cases by the end of January. A study by the University of Oxford Department of Zoology, 10 September, warned that the disease could spread to a further 15 countries, putting another 50 million people at risk, in addition to the 20 million at high risk in Liberia, Sierra Leone and Guinea.

On 16 September, Bruce Aylward, Assistant Director General for Polio, Emergencies and Country Collaboration for the World Health Organization of the UN starkly captured the reality: “Quite frankly, ladies and gentlemen, this health crisis we’re facing is unparalleled in modern times. We don’t know where the numbers are going on this.” Two days later, in the

first-ever UN Security Council emergency meeting held to address a public health crisis, one-hundred thirty member nations unanimously adopted a resolution which determined that “the unprecedented extent of the Ebola outbreak in Africa constitutes a threat to international peace and security.” On 8 October World Bank President Jim Yong Kim told *The Guardian* that the current response has “failed miserably”. Unlike the usual London/Wall Street hacks who head the World Bank, Kim is a medical doctor and international health specialist with Partners in Health, so he knows what he is talking about: “We should have done so many things. Healthcare systems should have been built. There should have been monitoring when the first cases were reported. There should have been an organised response. ... We were tested by Ebola and we failed”, he concluded.

LaRouche Forecast This Decades Ago

Viewing the murderous austerity implemented by the City of London, its Wall Street junior partner and their stooges at the IMF and World Bank, already by 1974 the American economist Lyndon LaRouche established a Biological Holocaust Task Force, to warn of coming world health disasters unless these policies were junked in favour of economic development, particularly in the “Third World”. LaRouche’s task force forecast a worldwide resurgence of old forms of epidemics and pandemics such as bubonic plague (the Black Death), polio, cholera, tuberculosis and others, and the emergence of entirely new ones, as proceeded to happen with AIDS, Ebola and others such as the mosquito-borne Chikungunya virus, now spreading its excruciating infection through South and Central America, and even into the USA.¹ The austerity continued, and LaRouche renewed and updated his warning in a July 1985 *EIR* special report *Economic Breakdown and the Threat of Global Pandemics*. In a 3 March 2006 article, Schiller Institute founder Helga Zepp-LaRouche called for an urgent international campaign to stop pandemics.² In the USA, as in the UK, Australia and most of the rest of the

West the looting continued. Obama’s policies, for instance, have decimated the U.S. health system, closing hundreds of hospitals and slashing funds for health care. The United States itself now has only four hospitals fully equipped to treat Ebola patients.

Already in March, the French organisation Médecins Sans Frontières (Doctors Without Borders), the biggest and most experienced medical NGO, starkly warned that the new strain of Ebola (the Zaire strain) was more deadly than any previous one and that had to be tackled immediately in the infected African countries or the world would suffer grave consequences. The virus, believed to originate in bats, kills over half of those it infects, and can have a mortality rate as high as 90 per cent. Although vaccines are being researched, none is yet available. The virus causes internal bleeding and organ failure, and can kill just a few days after the first symptoms appear. It is transmitted from person to person through blood, sweat and saliva of those infected. As with bubonic plague, there is evidence of its spread by “aerosols” of such fluids, including through sneezing and coughing. Authorities such as Dr Michael Osterholm of the University of Minnesota’s Center for Infectious Disease Research and Policy have highlighted this danger, contrary to lying assurances from Obama and others. And the longer the epidemic rages, the more likely the virus is to mutate to new, still more deadly strains. Experts also point out that the world is now in uncharted waters, because Ebola has never before spread to urban environments, as it has now done.

That the virus would spread precisely as MSF warned was obvious from the outset, given its lawful appearance in a region where 70-80 per cent of the population lives in abject poverty. Liberia, for example, had a total of 61 physicians and 1,000 nurses even before the crisis, 234 of whom had died of Ebola by mid-October, for lack of adequate protective gear. And Sierra Leone, with over 6 million people, has only 327 available hospital beds. As Ken Isaacs, a longtime leader of emergency relief for the U.S. government who had been in Liberia recently, demanded of a 5 October Con-



The Ebola epidemic has claimed over 5,000 lives in West Africa alone.

Photo: Sipp Spaingroup

gressional hearing, “Why would the world allow what is potentially a global epidemic to be managed by three of the poorest countries in the world?”

A “Berlin Airlift” for West Africa

Speaking to the UN General Assembly on 25 September, International President of MSF Dr Joanne Liu called for an “international military-style mobilisation” against Ebola, and described there and elsewhere exactly how that should be done. On 7 September Obama called the Ebola outbreak a “national security priority” and pledged a response involving the U.S. military.

On 16 October, Osterholm, who is one of the world’s foremost experts on infectious disease policy, told Minnesota Public Radio, “When we talked about this way back in July, we talked about the opportunity here to intervene in an aggressive way to try to stop this from spreading, and we have not done that. We still have not constructed one single hospital bed in West Africa, we, being the United States, even though we promised weeks and weeks ago, we would do so.”

If we are to have any hope of averting a global catastrophe, Osterholm and numerous other international experts have warned, time is of the essence: “we have to absolutely just swarm West Africa with resources and medical personnel”, Osterholm said. The obvious model for such an effort is the Berlin Airlift of 1948-49 when the Soviet Union blocked food and other supplies to the western half of the German city of West Berlin then administered by Western allies, and the U.S. military responded by flying hundreds of thousands of tonnes of supplies in over the course of almost a year. Similarly, the glaring lack of hospital beds in the West Africa epicentre could be greatly alleviated if a joint international effort were mobilised, with the United States, China, Russia, and Great Britain sending their fully equipped hospital ships into the waters off the coast of the affected areas to provide actual treatment.

As has LaRouche, Osterholm has also called for an “international Manhattan Project” effort to develop an Ebola vaccine, “bringing together a group of world experts to challenge all the notions, all the timelines, all the resource needs that are really critical to making this happen. In the end that’s going to be the fire hose that will put out that infectious disease forest fire there, which in turn is throwing out these sparks, these embers, that are going around the world...” One billion people live in Africa, at least half of whom would need to be vaccinated, in order to halt the disease, Osterholm said.

As *The New Citizen* goes to press, almost two months following the stark warnings by the UN and others, almost nothing of consequence has yet been done.

Meanwhile, in Australia...

Despite Tony Abbott’s boast to the UN General Assembly in September that Australia is “the world’s 12th larg-

est economy with global interests and with some global reach”, his government has belatedly committed up to a pathetic \$42 million dollars to help fight Ebola, and for too long refused to send personnel and equipment to West Africa. MSF has described Australia’s response as “lethally inadequate”. The tiny nation of Cuba, which has sent hundreds of doctors to West Africa, has done far more. Australian Medical Association president Prof Brian Owler pointedly noted already in early September, “If the Government can get military arms airlifted to northern Iraq at short notice, surely we can airlift medical arms and legs to West Africa just as quickly to save lives. The Ebola emergency is on the verge of becoming a major international public health crisis.”

Moreover, as in the United States, the economic rationalist policies pursued by both the Coalition and the ALP since the Hawke/Keating government in 1983 have slashed Australian health care facilities, even as, “We should expect new and more frequent epidemics”, in the words of University of Sydney infectious disease expert Prof Eddie Holmes. Based upon his unique research into important human and animal viruses such as HIV, Hepatitis B and C, yellow fever, dengue, rabies, lyssaviruses and influenza, Holmes was quoted in the *Sydney Morning Herald*, 12 September on his evaluation that “A dangerous strain of flu can just get everywhere so quickly”.

In an 8 October article in the *Australian Financial Review*, titled “Ebola aside, let’s prepare for the real disease crisis”, Anthony Bergin, deputy director of the Australian Strategic Policy Institute warned that “If a large-scale influenza pandemic occurred in Australia, for example, and spread more quickly than anticipated, then the surge capacity of our health response systems would almost certainly be rapidly overwhelmed.” (Emphasis added.) Decades of systemic takedown of Australia’s health care system directed by the British Empire’s Mont Pelerin Society (MPS), typified by former Victorian premier and MPS stooge Jeff Kennett in the early 1990s has taken its toll. Following MPS diktats, Kennett cut the state budget by 10 per cent, shut down many regional hospitals and sacked 20,000 healthcare workers.³ Bergin warned, “Most of our healthcare facilities are now operating at close to their maximum capacities, and hospitals have fewer resources for preparedness in harsh financial times.” Bergin also called for a major expansion of Australian aid to West Africa because “That’s the best way we’ll prevent infectious diseases from reaching Australia.”

Ebola: British Imperial Genocide

Since the dawn of time, empires have always ruled by committing genocide against their subject populations, whether through mass starvation, unleashing endless religious strife, or outright mass murder, as favoured by Hitler’s Nazis. The great 5th-century B.C. dramatist Aeschylus in his play *Prometheus Bound* recorded of the semi-mythical Olympian tyrant Zeus, that “he purposed to annihilate” the human race. The British Empire has been no different. At the turn of the 18th to the 19th century, Parson Thomas Malthus concocted an official rationale for genocide. Plagiarising the work of Venetian imperial ideologue Giammaria Ortes, he claimed that since population increases geometrically, while food supplies grow only arithmetically, the world will face chronic “overpopulation”.

Therefore, Malthus demanded in his 1798 *Essay on the Principle of Population*: “we should facilitate, instead of foolishly and vainly endeavouring to impede, the operations of nature in producing this mortality; and if we dread the too frequent visitation of the horrid form of famine, we should sedulously encourage the other forms of destruction, which we compel nature to use. ... In our towns we should make the streets narrower, crowd more people into the houses, and court the return of

the plague.”

The British East India Company (BEIC), the greatest monopoly in world history and the actual administrator of the British Empire, installed Malthus as the “first professor of political economy in Britain” (in the words of his admirer, the eugenicist John Maynard Keynes), at its Haileybury College, set up to train employees. For the next three decades, Malthus trained hundreds of top BEIC officials in his genocidal dogma. These men went on to administrate British colonies in India, Ireland, Africa and elsewhere. Just as IMF/World Bank austerity has unleashed Ebola in West Africa today, so the BEIC’s looting of India in the 19th century unleashed an epidemic of cholera. Almost unknown until then, cholera spread quickly from India throughout the world. The “John Company” also killed an estimated 30 million more Indians later in the century by confiscating food supplies and starving them to death, a method also applied in Ireland during the 1845-52 “Potato Famine”, in which a million Irish were starved to death and a million more forced to emigrate, one quarter of the entire nation’s population.

Leading British imperial spokesmen continually preach the doctrine of “overpopulation” to justify genocide, as Lord Bertrand Russell did in his 1952 book *The Impact of Science*



Royal Consort and Virus Prince Philip in 1988.

on *Society*, on population reduction: “War ... has hitherto been disappointing in this respect, but perhaps bacteriological war may prove more effective. If a Black Death could be spread throughout the world once in every generation survivors could procreate freely without making the world too full.”

Today, as in the past, this policy comes from the top, notably from the leaders and dupes of the “green” movement. Among his many pronouncements on the subject, WWF founder Prince Philip, consort to Queen Elizabeth II, told the German Press Agency in 1988: “In the event that I am reincarnated, I would like to return as a deadly virus, in order to contribute something to solve overpopulation.”

1. “LaRouche’s 1974 Task Force Forecasts Global Epidemics”, *EIR*, 24 Oct. 2014.

2. Helga Zepp-LaRouche, “Threat of Pandemic Requires Crash Bio-Defense Initiative”, *EIR*, 3 March 2006.

3. “An Ecumenical Response to *Evangelii Gaudium*: Listen to Pope Francis!” (www.cecaust.com.au)

The New Silk Road Leads to the Future of Mankind!

by Helga Zepp-LaRouche, August 2014

This article, reprinted from Executive Intelligence Review (EIR) of 29 August 2014, was written as the Introduction to the forthcoming EIR Special Report "The New Silk Road Becomes the World Land-Bridge".

When the authors of this study decided last year to set out a new concept for peace in the 21st Century, by producing a revised version of the World Land-Bridge program—23 years after the first proposal for the Eurasian Land-Bridge—it was their intention not only to provide a concept for reconstruction of the world economy, but to present a war-avoidance strategy in the context of an acute strategic crisis at the same time. For in the intervening years, the danger of an intentional—or even an accidental—thermonuclear world war has grown dramatically. The attempt, fed by geopolitical motives, to associate Ukraine with the EU, and thus bring it, de facto, into the NATO sphere of influence, has triggered a series of escalating confrontations, which, in the worst case, could end in the extinction of the human race.

But in addition, nearly the entire Near and Middle East is burning; set off by wars built on lies, against so-called rogue states, the seeds of violence were sown which have called to life a million-headed hydra, which has not only levelled the Cradle of Civilization to the ground, and created there a Hell on Earth, but has also become an existential threat to the West.

The consequences of this policy of "regime change" have long thrown large parts of Africa into chaos, and overrun the continent with wars of terror and civil wars. But there are also geostrategic conflicts breeding in the Pacific, which have the potential to set loose regional wars and beyond. And since absolutely nothing has been done to remedy the causes for the collapse of Lehman Brothers in 2008, the TBTF (too-big-to-fail) banks are, on average, 30-40% bigger today than they were then, the indebtedness still more massive, and the derivatives bubble grown to nearly \$2 quadrillion; so that a new systemic crisis could result at any moment, this time, given the strategic situation we have sketched here, with the danger

that chaos will be triggered, making a strategic catastrophe unavoidable.

The entire world thus finds itself in such an alarming condition that one can only wonder how those responsible for the so-called Western community of values could have let things get to this point.

Pope Francis, who has characterized the global financial and economic system as "intolerable", recently put it this way, in an interview with the Spanish newspaper *La Vanguardia*: "In order for the system to continue, wars must be waged, as great empires have always done. But mankind cannot bear a third world war, and so it seizes on regional wars."

Though one could not put it better than the Pope has done, in this case, he underestimates the satanic energy of the system of globalization, which is ready to defend its privileges with all weapons available. One hundred years after the First World War, we find ourselves in a very similar geopolitical situation, except that this time there are thermonuclear weapons whose use would wipe out the human race.

There Is an Alternative

Meanwhile, an alternative to the collapsing trans-Atlantic system has been created; the attempts of that system to use supranational institutions such as the IMF, World Bank, WTO, TPP, TTIP, and similar monetarist instruments of globalization, to extend a world-wide imperialism, have produced an opposition which might not have been expected to manifest itself as it has.

In less than one year, an alliance of nations has been created, which has built a parallel economic order with giant steps, one which is dedicated exclusively to the building of the real economy, in opposition to the maximization of speculative monetary profit, and which now includes more than half of mankind. This new community of nations represents a power centre based on economic growth, and above all, on leading-edge technology, one which belongs to the future, as shown above all by the success of the Chinese lunar exploration program, focused on the idea of bringing large quantities of heli-



Photo: China State Council Information Office

um-3 from the Moon back to Earth, for the future economy of thermonuclear fusion power. It points the way to a scientific and technological revolution which will increase, by orders of magnitude, the energy-flux density, both in production processes on Earth, and in fuels for space travel, and thereby introduce a completely new phase in the evolution of the human species. The first step in the direction of a new economic world order was the announcement by Chinese President Xi Jinping at a conference in Kazakhstan in July of last year, that China would build a new Silk Road Economic Belt, through Central Asia to Europe, in the tradition of the ancient Silk Road. Then, in October, in a trip to Indonesia and Malaysia, Xi took the initiative to involve all of Southeast Asia in the construction of the Maritime Silk Road.

At the summit meeting between Russian President Vladimir Putin and Chinese President Xi, on 20 May 2014 in Shanghai, and Putin's state visit to China on the occasion of the 4th Summit of the Conference on Interaction and Confidence-Building Measures in Asia (CICA) in Shanghai on 21 May, extensive plans for collaboration of the two great powers were signed, including a 30-year natural gas agreement, and 46 additional bilateral accords. At the end of the summit, the two heads of state published a common declaration of intent, stating that both countries wished to create a new economic architecture in the Asia-Pacific region, oppose interference in the internal affairs of other nations, and intend to coordinate, as much as possible, their responses to important foreign policy questions on which they agree.

They named, among others, one goal of this collaboration as follows: "Increasing the effectiveness of collaboration in high-technology areas, priority projects in the international use of nuclear energy, civil aviation, and a program of cooperation in basic research on space flight, satellite observation of the Earth, satellite navigation, and research into deep space and manned space travel." A further militarization of space should, on the contrary, be prevented, and the unilateral stationing of missile defence installations was judged to be a "destabilizing factor for the world". Other goals include innovative research, improvement of agricultural techniques, and increasing agricultural production. They also expressed the intention to reform the international financial architecture.

The 30-year Russia-China natural gas treaty, with a total value of \$400 billion, can be called historic. The two countries' cooperation in the petroleum field is also to be deepened; coal mines in Russia will be jointly developed; additional power plants will be built in Russia to supply electricity to China; and there will be col-



Presidents Xi Jinping (left) of China and Vladimir Putin of Russia raise a toast in Shanghai, May 2014. Their countries, with India, are the Eurasian "strategic triangle" that is the core of the BRICS alliance.

laboration on many other projects in infrastructure, transportation, water, and nature conservation.

Of still greater importance is President Putin's support for President Xi's strategic initiative to expand the New Silk Road. Their common statement says: "Russia recognizes the enormous significance of the Chinese initiative for the building of the 'Silk Road Economic Belt,' and particularly appreciates the readiness of the Chinese side to take Russian interests into account in its development and realization. Both sides will seek further opportunities to combine the perspective of the 'Silk Road Economic Belt' with the conception of the 'Eurasian Economic Union.' Toward this purpose, they intend to deepen the cooperation of the relevant agencies in the realization of both projects, especially in the development of transportation routes and infrastructure."

The BRICS Summit

Other nations were then drawn into this collaboration at the May 20-21 4th Summit Conference on Interaction and Confidence-Building Measures in Asia in Shanghai. On July 16, the 6th BRICS Summit was held in Fortaleza, Brazil; on the following day, the Latin American heads of state and government joined the conference, and thus, 48% of humanity was represented at this meeting.

At the BRICS Summit itself, and in a series of multilateral and bilateral discussions within and around this summit, the heads of state agreed on the creation of an entirely new economic and financial system, representing a fundamental alternative to the casino economy of the present system of globalization, which is based on maximized profit of the few, and impoverishment of billions of people. Included in the 72 points of the "Declaration of Fortaleza" is the real thunderbolt: the announcement of the creation of a new financial architecture. The new architecture was launched with the formation of a New Development Bank with an initial capitalization of \$50 billion,

and a Currency Reserve Agreement (CRA) with an initial capacity of \$100 billion to help participating nations defend themselves against capital flight and other forms of financial warfare.

China had already previously decided to found an "Asian Infrastructure Investment Bank", the AIIB, to have an initial capitalization of \$100 billion, with the invited participation from the start of more than 30 countries. *Xinhua* quoted Jin Liqun, under whose direction the Chinese Finance Ministry placed the founding of the Bank:

"The means of the Asian Development Bank and the World Bank fall far short of satisfying the hunger for more infrastructure.... The Bank will open a new financing channel for developing countries, especially for those with low income.... In October 2013, during a visit to Indonesia, China's President Xi Jinping proposed an Asian Infrastructure Investment Bank to support economic integration."

The general secretary of the Chinese Centre for International Economic Exchanges emphasized that the AIIB is to be an open and freely accessible platform, welcoming not only nations in Asia, but also others, such as the United States and the European countries. Up to this point, the nations of ASEAN, at a summit in Myanmar, on August 9, agreed to deepen their cooperation with China on "New Silk Road" development projects, while Thailand and Singapore agreed to join the AIIB as charter members, as has Bangladesh. South Korea, despite direct U.S. pressure not to join, is considering charter membership, and requested that Seoul be considered as a possible location for the Bank.

In the course of this series of summits, collaboration was decided upon, among the various states, in a large number of projects, above all, the development of nuclear energy in Russia, China, India, Brazil, Argentina, and South Africa, and also, such groundbreaking projects as a second Panama Canal to be built by China through Nicaragua, and a transcontinental high-speed rail connection

Establish a New, Just World Economic Order!

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from Brazil to Peru.

The multiplicity of projects decided on among this community of nations in the areas of infrastructure, energy, industry, agriculture, research, and education, has reached a dimension which dwarfs the investments made by the U.S.A. and Europe in the same spheres over the past 30 years. The claims that Russia is only a “regional power”, and China only a “cheap-production country”, as was said at hastily arranged seminars at various think tanks on the theme of the allegedly minor significance of the BRICS nations, have rather the character of whistling past the graveyard.

For in reality, there are now two economic and financial systems built on completely different principles. One, the trans-Atlantic system, as an imperial structure, seeks constantly to extend the boundaries of its sphere of power through supranational structures which threaten the sovereignty of other nations. It forces regime change against governments it disapproves of, insists on submission to a “consensus”, and in the process, uses methods which do indeed produce an aura of domination for a while, and the feeling of powerlessness among the populations dominated in this way, but it ultimately goes the way of all empires. The moment this aura of power fades, whether because the imperial financial system is bankrupt, or because the people realize the hollowness of the values handed down, then the capability for intimidation disappears.

The newly arising system of the BRICS nations and the countries associated with them, bases itself on entirely different principles. Indian Prime Minister Narendra Modi formulated it most expressively at the plenary session of the summit: “BRICS is unique as an international institution. In the first instance, it unifies a group of nations, not on the basis of their existing prosperity or common identities, but rather their future potentials. The idea of the BRICS itself is thus already aligned with the future.”

Modi stressed that the high percentage of young people, in India for example, represents an enormous potential for the future, and proposed forming a BRICS forum for young scientists, and a school of languages “offering language training in all of our languages”. Modi made an appeal: “Excellencies, we have an opportunity to define the future—not only for our countries, but for the entire world... I conceive that as a great challenge.”

The Future Lies in Outer Space

Nicholas of Cusa, the founder of modern natural science and a revolutionary scientific method, came to the conclusion, in the 15th Century, that every human being who strives to do so must be capable of reproducing virtually the entire evolution of the universe in its essential qualitative levels of development, and that this standpoint makes it possible to determine the necessary next step in scientific progress.

Today, this necessary next discovery, which defines the future for the entire world, is the conquest of the energy source that will bestow energy and

raw materials security on mankind for thousands of years into the future: the utilization of thermonuclear fusion power on the basis of helium-3.

Therefore, the success of the Chinese Chang'e-3 mission this past December, in achieving a soft landing of the “Jade Rabbit” rover on the Moon, was a milestone in achieving this goal. The Chang'e-4 mission will follow immediately this year, in preparation for Chang'e-5 in 2017, which can start the phase of flight back and forth between the Earth and the Moon, in preparation for the future industrial exploitation of the Moon. This will bring within reach, the separation of the helium-3 found on the Moon in great quantities, for the nuclear fusion economy on Earth.

In the scientific collaboration among the BRICS nations, but above all, among Russia, China, and India, helium-3 plays a prominent role, because as a fuel for fusion, in contradistinction to deuterium-tritium, it does not produce energetic neutrons, which are very problematic for the reactor materials, but instead produces positively charged protons, which makes possible a revolution in energy generation. Instead of producing energy through the customary method via steam and turbines, in which there is a great energy loss, it will become possible to convert the energy of fusion reactions directly into electricity, at much higher efficiencies.

But Russia, too, according to the Russian space agency Roscosmos, plans a mission between 2016 and 2025, which is intended to create the basis for the industrial exploitation of the Moon. In the first phase, this involves robotic infrastructure for work on the Moon, thus, among other things mobile cranes, dredges, and cable-laying machines. After the landing probe Luna Globe 1 in 2015, and the orbital module Luna Globe 2 in 2016, then in 2017 the hard-landing apparatus Luna Resource, developed together with the Indian Space Research Agency, will reach the lunar surface and, among other tasks, convey the Indian lunar vehicle onto the Moon.

The collaboration among China, Russia, and India is paradigmatic for the new era of mankind, in which we—instead of plunging ourselves into geopolitical wars—will concentrate on the common aims of mankind. With the attainment of energy security for at least 10,000 years on the basis of helium-3-fed thermonuclear fusion power, and with the technologies associated with this, such as the fusion torch technique which will enable raw materials security by reducing waste and all types of materials into isotopes which can be recomposed as needed, mankind will reach a completely new economic platform on the basis of a very high energy-flux density. This new economic platform begins a new age of mankind. The utilization of helium-3 sources for the fusion economy will be the game-changer which will revolutionize all relationships in science, economy, and politics on the Earth and in the Solar System.

It is obvious that a continuation of the geopolitical thinking which already led to two world wars in the

The Role of Helga and Lyndon LaRouche in the Silk Road

Professor Bao Shixiu, Professor (Emeritus) of Military Science, PLA Academy of Military Science, gave the speech excerpted here, at the conference “One Belt, One Road”, held in Beijing on 5 September 2014.

The new concept of the Silk Road has been given very high praise by many intellectual leaders. And this new concept is trying to absorb new contributions and insights from scholars and from people in academia. Actually, many people of great knowledge had made contributions. But I think it is very important for us to mention the dean of the Schiller Institute, Mrs Helga Zepp-LaRouche, and her husband, Lyndon LaRouche.

To change the decades-long irrational global governance system, and to make the global governance system and the global order more sound and healthy, the couple, as early as the 1990s, had come up with a new idea about building a tunnel under the Bering Strait, as well as establishing a Eurasian Land-Bridge to connect the world, so that people of all countries and continents can benefit from this new connection. So the common prosperity is the basis for a new global governance system.

These two dignitaries, who have been making contributions to the establishment of a new global order and a governance system, have paid special attention to the role of China and Asia in establishing this kind of new order. Mrs LaRouche, as early as 1997, published an article about the Eurasian Land-Bridge as the most important geopolitical issue in the world, and has made a great effort in introducing China to the world. ... Now we have a common consensus in the world, which is that the New Silk Road is only the first step of the economic



Helga Zepp-LaRouche and Col Bao Shixiu, PLA officer, in Beijing, September 2014. Photo: EIR

integration of the world and the first light in the darkness toward a new human civilisation.

20th Century, into a third, and this time, a thermonuclear world war, will cause the extinction of mankind. Instead of seeing the rise of China as a threat to the West's supposed geopolitical interests—and thus, as the American Joint Chiefs Chairman Gen. Martin Dempsey has repeatedly warned, groping around in a new “Thucydides Trap”—we need a new conception, a new paradigm which considers the development perspective of mankind as a whole.

A New Economic Order

The late German-American space pioneer Krafft Ehrlicke described the long arc of evolution as an upward development, in which, at first, life spread from the sea to the continents by means of photosynthesis in the plant world, and then led gradually to the rise of biological species of high complexity and metabolism with higher energy-flux density. He described how the human species, as the highest expression of this evolution up to now, initially settled on the coasts and the shores of rivers, and then along roads and canals, and finally along railroads and modern infrastructure, making the landlocked regions of the continents more and more accessible.

This process is still not completed—and exactly this is the goal of the World Land-Bridge presented in this study, to achieve the infrastructural development of the continents of the Earth. Krafft Ehrlicke saw, in space travel and the colonization of the universe, the natural next phase of the evolution of mankind, and saw in the industrialization of the Moon, in particular, the springboard for excursions of human beings into the Solar System and potentially beyond. He was convinced that the evolution of the human species would only effectively reach adulthood with manned space travel; that only the “great challenge of the extraterrestrial imperative”, as Krafft Ehrlicke called it, will raise mankind to its true purpose and destiny: namely, representing through its power of reason, the only creative species (known up to now), to act on verifiable universal principles, and not on the illusory world of sense-perceptions.

By doing so, the human species will achieve a considerable advance in bringing its relationships to this planet and to near-Earth space, into harmony with the cosmic order. Perhaps the most important contribution of Lyndon LaRouche consists in that by the further development of the Leibnizian term “physical economy”, he has created a theory of scientific economy which corresponds to the real laws of

development of the physical universe.

One of its basic concepts is that it is indispensable for the continuously sustained existence of the human race that its relative potential population density should increase on the basis of rising energy-flux densities in the production process, because at any arbitrary stage of economic development, there is a relative exhaustion of resources. The entire history of human development, particularly the most recent 10,000 years, in which the population potential has risen from a few millions to presently over 7 billion, demonstrates the correlation of the entropic character of human creativity with the knowable universal principles of the physical universe.

The use of the helium-3 resources on the Moon for the fusion economy on the Earth also recalls in an interesting way the controversy between Plato and Nicholas of Cusa, over whether ideas possess an existence already effectively present in the objective universe, independent of mankind, or whether it is only with human creativity that these ideas are created. Helium-3 supplies on the Moon are, in the first instance, only deposits in the upper layer of the regolith. Only human creativity, in mastering thermonuclear fusion power, makes these isotopes into the fuel which can even exceed the power of nuclear fusion in the Sun!

But mankind has reached a phase-change not only from the scientific standpoint, but also from that of universal history; that is, the end of geopolitics is necessary for the survival of the species. Shortly before the Berlin Wall fell, LaRouche proposed the “Productive Triangle Paris-Berlin-Vienna” infrastructure program, and thereby, the plan to make this triangle the scientific motor and starting point for development corridors for the transformation of the Comecon states (the then-Soviet Union and Eastern Europe).

When the Soviet Union disintegrated in 1991, and thus the Iron Curtain disappeared, Schiller Institute teams further elaborated this program into the conception of the Eurasian Land-Bridge. Thus the idea was developed of linking the population and industrial centres of Europe with Asia by so-called development corridors, and thus providing the landlocked regions of Eurasia with the same site-characteristics which the regions with ocean or river access already had.

In the 23 years which have passed since then, this idea has not only been presented in innumerable conferences and seminars in cities around the world, but also further filled out into

the idea of the World Land-Bridge. The linking of peoples through this World Land-Bridge is now the realistic perspective emerging from the collaboration of the BRICS nations, Latin America, and the ASEAN nations, and in which the U.S.A., Europe, and Africa must urgently participate.

A new strategy for mankind means the ability, from now on, to see the human species as a unity, and to see that unity in the process of mutual development. Thus, along with Friedrich Schiller, we see no contradiction whatsoever between the inviolability of national sovereignty, which is guaranteed by the law of nations and by the United Nations Charter, and the rationality of the world citizen who has in view the interests of mankind as a whole. For this unity lies in the higher development of all; the concordance of the macrocosm requires the maximal development of all microcosms to their reciprocal benefit, as Nicholas of Cusa said.

This also signifies a new model of cooperation among the nations of the world. It means that all potential treaty organizations and alliances must be inclusive, that they cannot be for the security and economic interests of some nations, while excluding others. While the support of mutual development is the premise, they must nonetheless respect the different levels of development, history, culture, and social systems, and above all, respect national sovereignty. That is Cusa's idea of unity in multiplicity, and it must be inspired by a tender love for the idea of the community of nations, for the idea of mankind as the creative species.

We must learn to view this mankind from the same perspective as the astronauts, cosmonauts, and taikonauts have seen it, as so wonderfully expressed by one of the Apollo astronauts who walked on the Moon:

“The fact is that evolution is now taking place in space, as much as on Earth. Man has shown that as a species mankind was willing to commit itself to living in environments that were completely different than those in which the species evolved—with a shield of life around ourselves in order to protect the life within. But the willingness to go out there, is there. We've shown that. The curve of human evolution has been bent.”¹

Translated from German by Paul Gallagher.

1. See the [NASA video](#), “Apollo 11: For All Mankind”.



The success of the Chinese Chang'e-3 mission in December 2013, with a soft landing of the “Jade Rabbit” (Yutu) rover on the Moon, was a milestone in moving to a thermonuclear fusion-based economy fuelled by helium-3.

China: Engine for the New World Economic Order

By Jeremy Beck

China is presently undergoing the greatest economic transformation in the history of the world, one with the power to uplift the entire planet, as the Chinese themselves have expressed the intention to do. Read the following sketch of this remarkable development, and ask yourself: should Australia align with China and its optimistic vision of the future, or stick with the UK/USA-led trans-Atlantic powers, which are presently committed to endless economic and financial collapse and a cycle of terrorism and “wars on terrorism”, all set in a 14th-century-style explosion of Ebola and other epidemics?

Just glance at China’s progress in the two areas that are increasingly transforming its economy: space exploration and domestic infrastructure.

Space

China launched its first manned space flight in 2003, followed by one in 2005 and another in 2008, and announced in 2011 that it would construct its own manned space station by 2020. Its third robotic lunar mission, Chang’e-3, landed on the Moon in December 2013, the first soft lunar landing by any country, since the one done by the Soviet Union in August 1976. The Chang’e-3 landing of the Yutu (Jade Rabbit) rover was no mere copy of earlier U.S. or Soviet Moon landings, but a breakthrough, both in its own right, and as the next step in the Chinese plan to set up a permanent lunar base. Part of that plan is to mine the Moon’s huge reserves of helium-3 to power controlled thermonuclear fusion reactions, which will secure the energy needs of the Earth for the next 10,000 years (article, p. 9). Chinese scientists are also working on robotic expeditions to Mars during the next two decades and a manned landing on the red planet as early as 2040. The deputy general director of the Chang’e-3 mission, Zhang Yuhua, has said, “I believe that in 100 years, humans will actually be able to live on another planet.”

Meanwhile, successive U.S. presidents George W. Bush and Barack

Obama have slashed NASA’s budget every year, and Obama has cancelled manned space exploration altogether.

Infrastructure

Rail. China has the world’s only commercial magnetic levitation (maglev) railway, linking Shanghai to Pudong Airport. Its trains can travel up to 500 km/h, with a maximum speed of 431 km/h in commercial service. There are ambitious plans to expand the maglev system, including development of a lower-speed prototype for urban areas. Its initial application is planned in Beijing (pop. 21 million). Maglev will be more efficient and comfortable than today’s wheels-on-steel.

China also has the world’s leading research program on vacuum maglev, using an evacuated tube to eliminate air resistance. A prototype with speeds of 600 to 1,200 km/h, as fast as a plane, has already been developed; possible speeds, using this technology, could exceed 6,000 km/h.

The Chinese high-speed rail (HSR) network (mostly steel wheels on steel rail) is already over 12,000 km long, more than half the world’s total HSR, with plans to reach 18,000 km by the end of 2015, and 50,000 km in 2020 (box, below).

Water. China has more dams than the rest of the world combined, including the famous Three Gorges Dam on the Yangtze River. Another 100 dams are planned or under construction on the Yangtze and its tributaries. China has the world’s tallest dam, the Jinping-I Dam on the Yalong River in Sichuan Province. The Chinese South-to-North Water Diversion project will, upon completion, be the greatest water project ever built. China also plans a 38 GW (gigawatt) hydroelectric power station on the upper Brahmaputra River, to provide power to the Himalayan region. This plant will be half again as large as the Three Gorges project, with a generating capacity nearly half as large as the UK’s entire national grid.

Power. China is the world’s largest producer of electricity, with plans to build some 100 GW of new capacity, more than the UK’s total

generating capacity, each year. Coal-fired stations produce about three-quarters of China’s electricity, its coal mining accounting for half of world production, almost triple that of the U.S. and Australia combined. While continuing to build new coal-fired power stations, China is ploughing ahead with an advanced nuclear fission program. Twenty-six reactors are under construction, in addition to 22 already operating. Nuclear power capacity will at least be tripled by 2020, reaching 30 per cent of electricity production by 2050. The United States, in contrast, has only five reactors under construction, at three existing nuclear power stations (NPS). Other countries are slashing their plans or even, like Germany, abandoning nuclear power altogether. China boasts the world’s largest R&D program on thorium as a nuclear fuel, an area in which India is also making excellent progress. Chinese thorium reserves could meet its electricity needs for 20,000 years. Australia, with the world’s third largest reserves of thorium and largest reserves of uranium, has no plans at all for NPS.

China is now largely self-sufficient in reactor design and construction, as well as other aspects of the nuclear power cycle, but is making use of Western and Russian technology, adapting and improving it. The average reactor construction time in 1992-2012 was 5.8 years, but this rate is becoming shorter. Within a decade, at the current pace of development, China will rank first in the world in nuclear power generation. By a few years later, it will have double the U.S. nuclear capacity!

Impressive as their NPS R&D is, in both breadth and depth, including meltdown-proof Pebble Bed Reactors, the Chinese clearly realise that the future lies with fusion power. China already boasts an advanced experimental superconducting tokamak reactor (one of only two in the world), and far and away the most ambitious plans for developing fusion power. The United States, meanwhile, has relentlessly shut down fusion research, with annual fusion budgets fluctuating between



Deng Xiaoping, who launched China’s post-1976 reforms, was committed to the ideas of Confucius (r.), which underpin today’s Chinese desire for collaborative development.



\$350-500 million, while pouring billions of dollars into subsidies and tax breaks for fraudulent “renewable energy” schemes.

New cities. China has constructed hundreds of new cities over the past 30 years, to provide better living conditions for its 1.3 billion people. Hundreds more are planned for coming decades.

Manufacturing Work Force

While all the supposedly “developed” nations, including Australia, are plunging into a “post-industrial society” with soaring unemployment, particularly among youth, China has gone in the opposite direction. The Chinese manufacturing labour force surged to nearly 106 million workers in 2012, a staggering seven times larger than that of the second-ranked United States. Compare China’s determination to industrialise and lift its society to a more advanced level, with the situation in the rest of the world (Table 1). Between 2002 and 2012, China’s manufacturing workforce grew from 85.9 million to 105.9 million, an astounding growth of 20 million manufacturing workers in 10 years. Some economists suggest that this official estimate may understate the Chinese manufacturing workforce by as many as 20 million workers.

Under the imperial London-Wall Street policy of returning the world to feudalism under the banner of a “post-industrial society”, Western nations have closed down factories and shipped work overseas, “hollowing out” the manufacturing base, as this process is called in Japan. The combined manufacturing workforce of the United States, Japan, and Germany totalled 37.7 million in 2002. During the subsequent decade, these three countries axed 4.8 million workers. Thus, in 2012 China’s manufacturing workforce was triple the 32.9 million combined manufacturing workforce of the United States, Japan, and Germany. The Chinese expansion is driven by the high-technology investments described above. *R&D* magazine reported in December 2013, “China has increased its R&D investments by 12% to 20% annually for each of the past 20 years; while at the same time, U.S. R&D spending increased at less than half those rates.”

China has issued some \$US10 trillion in credits since the 2008 GFC, three times what the U.S. Federal Reserve has poured out.

A great portion of the Chinese credit-expansion has been invested in infrastructure, while the Fed’s money stream went not into the productive economy, but almost solely to Wall Street and European banks, collapsing productive activity while unleashing galloping inflation. Russian Academician Sergei Glazev, advisor to President Vladimir Putin

on Eurasian integration, summarised the difference in approach, in a 12 May 2014 interview with the Russian financial wire service RBC: “During the recovery of the Chinese economy, currency emission rates were exceptionally high. It was the same during the Japanese economic miracle.... If currency issues are given away to banks for speculation, inflation follows. If it is for refinancing of the real sector and investment in the modernisation of scientific and technical potential, it is anti-inflationary.”

While the Chinese government finances and builds new infrastructure, “Infrastructure Prime Minister” Tony Abbott and his City of London stooge Treasurer Joe Hockey pursue a looting plan by flogging off federal and state infrastructure left and right to their private sector mates. Whatever small amounts of new infrastructure are built will be “user pays”—strictly for the benefit of the private sector.

What Makes China Tick?

Warmongering western geopoliticians and their mass media prostitutes portray China’s remarkable growth as evidence of plans for world conquest, despite overwhelming evidence to the contrary. China’s “One Road, One Belt” project aims to use the Chinese economy as a platform to transform the entire world for the better, through two great development corridors: the New Silk Road, and the Maritime Silk Road (article, p. 6).

Speaking 7 September 2013 at Nazarbayev University in Astana, Kazakhstan, Chinese President Xi Jinping called for a Silk Road “economic belt” of development, benefiting people in countries “from the Pacific Ocean to the Baltic Sea.” Now is “a golden opportunity for development”, Xi urged, calling to “build a region of harmony [and] ... pass on our friendship from generation to generation.” Xi said that China’s policy is one of respect for all nations and non-interference in their internal affairs. “We must expand the development of Eurasia, creating an economic belt along the Silk Road”, he continued, pointing out that three billion people live along this corridor.

Schiller Institute President Helga Zepp-LaRouche, a champion of the New Silk Road as the cornerstone of a world industrial and moral renaissance (box, p. 7), and a frequent visitor to China since 1971, recently summarised: “With a view to the old Silk Road, which fostered the exchange

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Russian Expert: High-Speed Rail Drives Economic Development

Dr Sergei Sazonov, senior researcher at the Russian Academy of Sciences Institute of Far East Studies, characterized China’s high-speed rail (HSR) program and its impact, in an interview with the Russian Railways newspaper Gudok, 24 June 2014.

In 2006, the highest altitude railway in the world started operating between Qinghai and Tibet, with a high-speed segment, Golmud-Lhasa. Construction began in 2008 on the 1,318 km Beijing-Shanghai HSR, which had been in planning for 18 years. December 2012 saw operations start on the Harbin-Dalian (904 km) and Beijing-Guangzhou (2,298 km) HSR; the latter cut the travel time between the country’s two largest megalopolises from 22 hours, to eight. Construction was completed 28 December 2013 on the 1,249 km Beijing-Harbin HSR; in all, that month, seven new HSR segments, with a total length of 2,285 km, began operating.

Thus, in 10 years, as of the beginning of 2014, the biggest HSR system in the world had been created, with a total length of 10,463 km, of which around 7,000 km is in the interior regions of China. As of early 2014, high-speed express trains are running on 34 dedicated HSR lines. Around 60 per cent of the Chinese HSR network’s trains run at 200-250 km/h, while the rest have speeds of 300 km/h or more.

HSR has substantially increased the mobility of the Chinese population: as of the beginning of 2014, around 25 per cent of all passenger rail carriage is on high-speed lines. The number of passengers on the Beijing-Tianjin HSR has grown 20 per cent annually since it opened, while the Beijing-Shanghai HSR line’s passenger growth has been 40 per cent each year. High-speed trains on these routes now depart every four or five minutes.

A key achievement of the Chinese railway sector’s re-



CRH380 (China Railway High-speed) Harmony bullet trains are seen at a maintenance base in Wuhan, Hubei Province, 25 December 2012. Photo: Wiki Commons

form has been to allow specialisation within the railway complex, making possible a radical increase in speeds and a simultaneous increase in the carrying capacity of conventional-speed railroads, reducing the cost of bulk freight carriage on those older lines. According to analysis by the Chinese Ministry of Railways, removing just one train from a mixed-use mainline (that is, building a special, dedicated HSR for the passenger traffic) raises the carrying capacity of the mainline by 1.5 to 2 freight trains daily. After the Beijing-Shanghai [passenger] HSR began operating, the daily carrying capacity of freight trains on this route rose by 140,000 tonnes, or 50 million tonnes per year.

The development of HSR in China produces a significant multiplier effect within the industry. High-speed rail “compresses” the great distances within China, not only connecting various cities, but driving domestic demand, and it is becoming a strategic sector of Chinese industry, promoting the development of related high-technology industries, as well.

TABLE 1

Manufacturing Workforce (millions of workers)		
	2002	2012
China	85.9	105.9
U.S.A.	17.2	14.7
Japan	12.0	10.3
Germany	8.5	7.9
Australia	1.1	0.95

China's Helium-3 Program: A Global Game-Changer

by Jeremy Beck

China is now leading the world into an industrial and scientific revolution, the sheer scale of which will of necessity soon require an entirely new form of energy, never before mastered on Earth: controlled thermonuclear fusion power, using helium-3 (He-3) as its fuel. The He-3 isotope is extremely rare on Earth, but exists in abundance on the Moon, and the Chinese leadership has already begun an ambitious program to acquire it.

About three-fourths of China's energy is now produced by coal-fired power plants, but a typical coal train of more than a kilometre long, carrying 5,000 tonnes of coal, would be replaced by just 40 grams of He-3, dramatically reducing transportation costs. Just eight tonnes of He-3 in fusion reactors would provide the equivalent energy of one billion tonnes of coal, burned in power stations.

China's plan to bring back He-3 from the Moon will benefit not only the Chinese, but all mankind, just as any scientific breakthrough anywhere in the world has always done. Moreover, China is not alone in needing huge new supplies of energy. Human civilisation now and in the foreseeable future already requires orders of magnitude more energy, while per capita energy consumption must also rise dramatically, if we are to eliminate poverty and transform industry, agriculture, transport and water management everywhere.

The Moon—"Persian Gulf" of the Solar System

Professor Ouyang Ziyuan, the chief scientist of the Chinese Lunar Exploration Program (CLEP), has said that the Moon is so rich in He-3, that this could "solve humanity's energy demand for around 10,000 years at least." While talking about the Moon's reserves of iron and other metals, Ziyuan particularly drew attention to He-3, which he called "an ideal fuel for nuclear fusion power, the next generation of nuclear power." He added, "It is estimated that reserves of helium-3 across Earth amount to just 15 tonnes, while 100 tonnes of helium-3 will be needed each year if nuclear fusion technology is applied to meet global energy demands. The Moon, on the other hand, has reserves estimated at between one and five million tonnes."

There are two stable isotopes

of helium on earth, He-3 and He-4. The nucleus of each has two protons, but He-3 is lighter because it has only one neutron, while He-4 has two. He-3 accounts for just 0.000137 per cent of Earth's helium, while the rest is He-4. He-3 is emitted from the Sun and carried throughout the Solar System by the solar winds, but is repelled by the Earth's magnetic field, with only a tiny amount penetrating the atmosphere in cosmic dust. On the Moon, however, which has a weak magnetic field and no atmosphere, He-3 over the eons has been deposited in significant quantities. In recent years China has launched a remarkable plan not only to land on the Moon in the near future, but to industrialise it. At the centre of this program lies the intent to mine He-3 and bring it back to Earth.

The long-term perspective, emphasised by Ouyang Ziyuan, is shared by the famous Apollo 17 astronaut and former U.S. Senator Harrison Schmitt. Following the December 2013 landing of China's Yutu (Jade Rabbit) lunar rover, Schmitt observed, "China has made no secret of their interest in lunar helium-3 fusion resources.... In fact, I would assume that this mission is both a geopolitical statement and a test of some hardware and software related to mining and processing of the lunar regolith." Schmitt has numerous papers and books on the prospect of lunar development and helium-3 mining, and has worked closely with the group at the University of Wisconsin which is developing helium-3 fusion technologies.

Yutu landed as part of the Chinese robotic lunar exploration program named Chang'e, after the mythical goddess of the Moon. Chang'e-1, the first probe, was launched on 24 October 2007. It provided high-resolution images of the lunar surface and data for estimating He-3 reserves. The millions of tonnes of He-3, estimated by CLEP, mean that the Moon will be the "Persian Gulf" of the solar system.

A Second-Generation Fusion Fuel

Most fusion experiments, to date, have used first-generation reactors, fuelled with the isotopes of hydrogen—deuterium and tritium. Deuterium may be fused with tritium (D-T) or fused with itself (D-D). This type of reaction, however, presents a big problem because most of the energy from the fusion reaction is in the form of neutrons, rather than

charged particles. A D-T fusion reaction releases 80 per cent of its energy in a stream of high-energy neutrons. As particles with no charge, neutrons cannot be contained by the magnetic field used to contain the fusion reaction, and they are highly destructive to anything they hit, including the reactor containment vessel.

A second-generation approach to controlled fusion power involves combining He-3 and deuterium. This reaction produces He-4 nuclei and high-energy protons. Some D-D side reactions occur, producing neutrons, but upwards of 90 per cent of the energy produced is in the form of charged particles, which can be directed away from the reactor walls by magnetic fields and used for generating electricity.

Direct Energy Conversion

Plasma products from fusion can be separated by charge, using magnetohydrodynamic or electrostatic "direct conversion", and produce electricity directly. Conventional power stations use heat to boil water, and steam turbines to run a generator. Only 30-40 per cent of the energy released by the fuel (coal, natural gas, uranium etc.) gets converted into electricity, while the rest of the heat energy is lost as "waste heat", typically in cooling towers or ponds. Eliminating the steam turbine and producing electricity directly will more than double the amount of electric power generated for every unit of fuel used.

Magnetohydrodynamics (MHD) is a technology that can be used with virtually any fuel, such as, once again, coal, oil, natural gas, etc., to generate electricity directly from a high-temperature plasma. The basic principle in MHD conversion is to pass a high-temperature plasma through a magnetic field. The magnetic field creates an electrical current in the plasma, which is drawn off by electrodes along the length of the channel through which the plasma flows. There are essentially no moving parts, since the plasma is itself moving through the magnetic field.

These are not simply theoretical concepts: in the 1970s, researchers at Argonne National Laboratory achieved a 60 per cent efficiency with a nuclear fission-powered MHD system, and the experimenters were confident they could reach a level of 80 per cent with future developments. Despite these exciting studies and results, serious MHD direct conversion research was basically

shut down in the 1980s. MHD must be revived for generating electricity with fusion.

The other "direct conversion" method uses an electrostatic converter, essentially a linear particle accelerator run backwards. Fast ions from the fusion plasma enter the "exit" of the accelerator and are decelerated, before being finally collected. By this process, the kinetic energy of the ions is directly converted to electric potential energy.

The Isotope Economy

China's fusion program is not solely about acquiring power for the economy in its existing state. The scientific research will open up many other technological breakthroughs, creating a new *isotope economy*. Atoms of the same element, but varying in mass, are known as different isotopes of the element. For example, tin has ten stable isotopes—the most for any element; tin-112 is the lightest and tin-124 the heaviest. Heavier isotopes contain more neutrons in the atomic nucleus.

An isotope economy will incorporate the 3,000-some isotopes of the Periodic Table into our economy. We can separate and exquisitely fine-tune subatomic processes, generating various species of atoms as raw materials for industrial production.

China's nuclear fusion science is progressing at the Center for Fusion Science (CFS) and the Institute of Plasma Physics Chinese Academy of Sciences (IPP). The CFS consists of eight research divisions, with 285 personnel, including senior academic staff and research scientists. The IPP has more than 400 staff, of which 223 are scientists or engineers.

A few of the countless potential fusion applications and technologies that will transform our economy are highlighted here.

Seawater Desalination

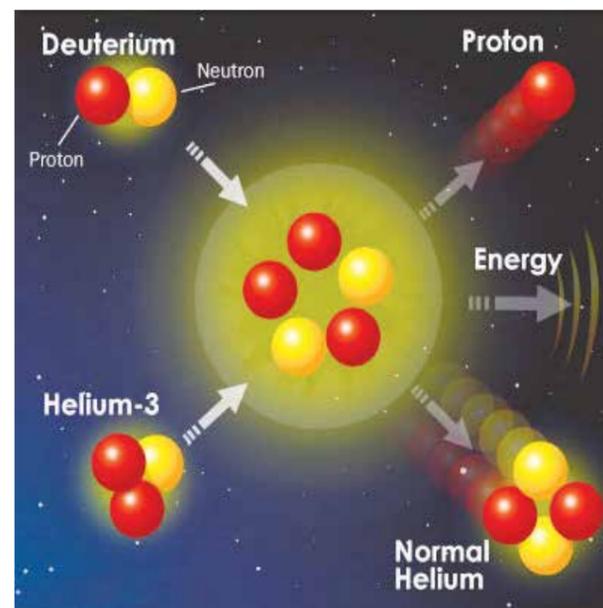
There need be no worldwide water shortage. The oceans cover 71 per cent of Earth's surface, with an average depth of more than four kilometres. Dry continental areas may use water desalination to address local water shortages, and nuclear power is the most efficient way to produce cheap fresh water. China has begun nuclear-powered desalination with the new Hongyanhe Nuclear Power Plant. The site incorporates a seawater desalination plant producing 10,080 cubic metres of potable water per day.

While fission power can produce relatively cheap desalinated water, fusion power's massive increase in energy flux density will enable its large-scale use, even to replenish entire dry river beds. There need not be any deserts on Earth.

The Fusion Torch

The "fusion torch" design, first proposed in 1969 by Bernard Eastlund and William Gough of the U.S. Atomic Energy Commission, uses ultra-high temperature fusion plasma, diverted from a fusion reactor core, to reduce virtually any feedstock (low-grade ore, fission by-products, seawater, garbage from landfills, etc.) to

FIGURE 1
Deuterium and Helium-3 Fusion



its constituent elements. Once the feedstock has been injected into the plasma, the elements become dissociated into electrons and ions, and the desired elements (or isotopes) can be separated from one another by atomic number or atomic mass, creating pure, newly synthesised mineral "deposits" from virtually any substance.

For instance, an average cubic mile of dirt contains approximately 200 times the amount of annual U.S. aluminium production, eight times the iron production, 100 times the tin, and six times the zinc, but most of it is not in a concentrated form, making it impossible to effectively mine and process with current technologies. Lower-grade ores and lower concentrations of ores, which are currently useless to us, will suddenly become available resources. Dirt will become ore. Scrap materials, which already contain concentrated elements, can also be efficiently reprocessed as new raw materials. Urban landfills, containing disorganised forms of all the elements we already use, will become one of the most valuable sources of materials to be processed.

Beyond accessing existing resources, the ability to select and harvest specific ratios of isotopes and elements in substantial quantities creates the potential for a revolution in the qualities and properties of materials. For example, specialty steel can be custom built down to the isotopic level, improving capabilities to handle high-energy processes ranging from industry, to fusion reactors, to space travel. With the fusion torch, bogus claims about "limited resources" will fly out the window.

Chemical Processing by Fusion Torch

Another use for the fusion torch will be to transform energy from the plasma into radiation across the entire electromagnetic spectrum, for use in processing industrial materials and chemicals. By injecting selected "seed" materials into the fusion torch, the frequency and intensity of the emitted radiation from the reaction can be manipulated. Within the fusion plasma it is possible to maximise this energy in specific, narrow bands of the electromagnetic spectrum. This radiation can then be transmitted through a "window" materi-

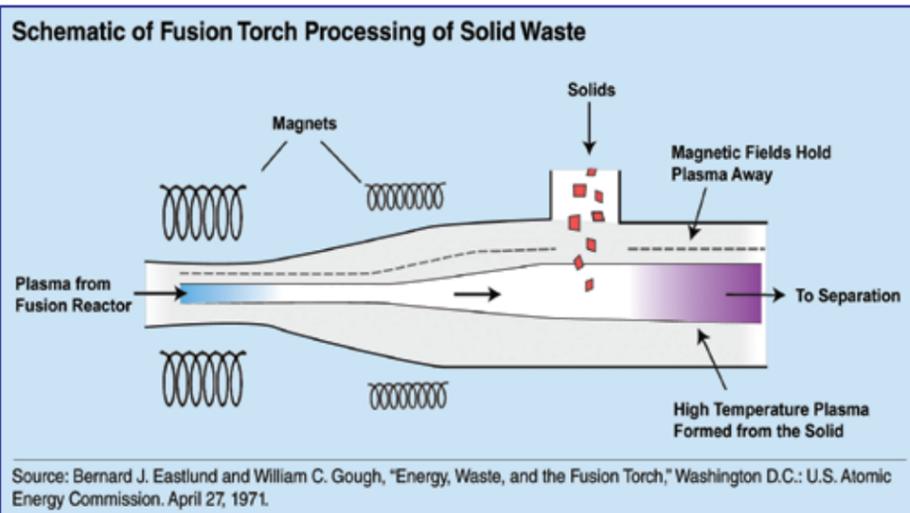
al, to a fluid or other body. Because the frequency of this radiation can be tuned to the material being processed, existing limitations on bulk processing of materials, caused by the limits of surface heat transfer, can be largely overcome. For example, ultraviolet radiation could be generated to sterilise industrial process water or drinking water.

Neutrons from the fusion reaction could be used for heating process materials to temperatures ranging from 1,000 °C to more than 3,000 °C. The neutrons could be used themselves, or converted via a blanket material into high-energy gamma rays for catalysing chemical reactions—thus directly converting the fusion energy into chemical energy. This could greatly increase the efficiency of the production of industrial chemicals requiring high heats or high activation energies, such as hydrogen, ozone, carbon monoxide, and formic acid. This increased power over materials and chemicals processing opens up a scale of production never before possible.

Fusion Rockets

The next platform in the evolution of our human economy, the control of atomic processes like those found in our Sun, will be applicable not only to energy production and materials creation here on Earth: the development of this power will be the means to conquer the entire domain of our Sun's influence, the Solar System, and will ultimately put us in range of our closest neighbouring stars.

To achieve this will require full exploitation of the dynamic relationships that currently exist between the fields of plasma, laser, antimatter, and fusion research, i.e., high-energy-density physics, where much of the work is already vectoring towards the next generation of space propulsion techniques. Only fusion propulsion can generate acceleration conditions equivalent to one earth gravity (1g), which are necessary to sustain the human body. Acceleration at 1g, the equivalent of Earth-like gravity, would mitigate some of the deleterious effects of microgravity, and reduce travel time, thus limiting exposure to harmful cosmic radiation. For example, at 1g acceleration, achieving a maximum velocity of 3,000,000 km/h, a trip to Mars would take just two days when the planet is at its closest to Earth.



Source: Bernard J. Eastlund and William C. Gough, "Energy, Waste, and the Fusion Torch," Washington D.C.: U.S. Atomic Energy Commission, April 27, 1971.

The fusion plasma, controlled magnetically, flows over the injected waste solids, ionising them, so that they can be separated out into their constituent elements.

China: Engine for the New World Economic Order

From page 8

of goods, ideas, and culture during the Han dynasty 2,000 years ago, to the mutual benefit of everyone along the way, the Chinese government has placed a modern form of this model of global cooperation on the international agenda. It is an open concept; all states are invited to participate.

“Chinese President Xi Jinping and numerous government officials have repeatedly emphasised in international forums, the principles on which the New Silk Road economic zone is based: mutual development, non-confrontation, mutual respect and dialogue, respect for the other’s choice of social system, support for the strategic interests of the other state, absolute respect for sovereignty, and renunciation of any form of hegemonism.

“The basic idea is that China’s tremendous economic development, which has transformed most of the country since the reforms of Deng Xiaoping, can be replicated by other developing countries, thereby overcoming poverty and underdevelopment. Various aspects of the Silk

Road policy are already on the agenda: connections along the historic route in Central Asia; the maritime Silk Road, including construction of a ‘second Panama Canal’ in Nicaragua, with Chinese help; and the strategic cooperation between Russia and China which was adopted at the summit in May between Presidents Vladimir Putin and Xi Jinping. The principle also includes the offer by Prime Minister Li Keqiang, that China is ready to connect all the African capitals by high-speed rail.”

Indeed, China’s HSR plans for Africa and its planned space station typify its interest in cooperation. China’s senior astronaut Yang Liwei told the 10-15 September annual meeting of the International Planetary Congress of the Association of Space Explorers, whose members are astronauts and cosmonauts from 35 nations who have flown in space, “We’ve reserved a platform to cooperate with other countries in missions, by having designed interfaces for our space modules so that they can dock with modules of other countries.”

Confucian Reforms

Under Chinese Communist Party chairman Mao Zedong (1893-1976), during the Great Proletarian Cultural Revolution (1966-76) when the so-called Gang of Four leaders took charge, China was plunged into a virtual Dark Age. The educated elite were either killed, imprisoned, or sent to the countryside for manual labour and “re-education”. With Mao’s death on 9 September 1976 and the arrest of the Gang of Four the next month, Deng Xiaoping rapidly established himself as China’s new leader.

The only formal position Deng would ever hold was Chairman of the Central Military Commission, yet his vision of a modern China was the most significant factor in transforming the country since that time. Deng’s vision stemmed from his commitment to the ideas of the philosopher and statesman Confucius (551-479 B.C.). Whereas this great Chinese thinker had been attacked, and his writings banned, during the Maoist era, Deng organised state-sponsored conferences and educational programs, dedicated to reviving the ideas and outlook of Confucius. Central among them is the Confucian concept that development within nations, as well as between nations, is not a competitive zero-sum game. Rather, the development of one benefits all. Foremost in Confucianism is the “people’s livelihood”, a principle identical to the Common Good, upon which the first nation-states were founded in the 15th-century Golden Renaissance, and which is enshrined in the Preamble of the U.S. Constitution, as the General Welfare.

During the Maoist era, almost an entire generation of young people had been deprived of higher education. Deng Xiaoping from the moment of his rise to power, according to his biographer Ezra Vogel, prioritised the development of a scientific and techno-



China’s Three Gorges Dam on the Yangtze River, the single biggest electricity generator in the world. Photo: Flickr/Pedro Colmenares

logical cadre, over all other responsibilities and initiatives. He emphasised to colleagues that if China could train a generation of world-class scientists and engineers, within 30 years it would emerge as a world power. China now has 2,000 fusion scientists, for instance, in a rapidly expanding program, while fusion researchers in the United States are leaving the field by the dozens, as funding and projects are shut down.

With Deng’s “reform and opening up” (*gaige kaifang*) policy, typified by the establishment of diplomatic relations with the United States in 1979, China agreed to become a source of cheap labour for Western economies. The Chinese Government acceded to these conditions in the short run, all the while planning to overcome them as quickly as possible, and leapfrog to a higher stage of development. In 1986, China launched its “863 program”, also called the National High-Tech R&D Program, which specified seven areas of science in which resources would be concentrated, to make scientific and technological breakthroughs: space, lasers, energy, biotechnology, new materials, automation, and information technol-

ogy. The government established a national science foundation, modelled on the U.S. National Science Foundation, and in 1997 upgraded its R&D to the “973 program”, with the following objectives: 1) to support multidisciplinary and fundamental research of relevance to national development, including by building advanced research facilities; 2) to promote frontline basic research; 3) to support the cultivation of scientific talent capable of original research; and 4) to build high-quality interdisciplinary research centres. Aside from the breakthroughs in space, energy and transport, noted above, China has developed the world’s first light quantum telephone network and the fastest computer in the world, the Tianhe-1A.

Almost half of China’s population still lives on the land in impoverished areas, but under improving conditions. President Xi Jinping constantly emphasises the Confucian “people’s livelihood” principle. Today nine per cent of the Chinese population is college-educated, a figure the government intends to raise to 20 per cent by 2020, and China’s share of the world’s middle class has doubled since 2000.



China’s Experimental Advanced Superconducting Tokamak fusion reactor. Photo: ITER

Nuclear Power: The Safest Energy for Mankind

By Jeremy Beck

There have been over 15,000 cumulative reactor-years of commercial nuclear power operation in 33 countries, since the first nuclear fission power plants opened in the 1950s. While Anglo-American-owned media outlets have promoted mass hysteria over the prospect of “nuclear meltdowns”, consider both what has actually happened, and the science behind the latest generation of fission reactors, which renders “nuclear meltdowns” impossible.

There have been three notable major nuclear accidents: Three Mile Island (USA, 1979), Chernobyl (USSR, 1986), and Fukushima (Japan, 2011). There were no injuries or adverse health effects from the Three Mile Island accident, even though 62 tonnes of the reactor core melted after a cooling malfunction, because the containment building worked as designed.¹

The Chernobyl accident resulted from a flawed reactor design, while the reactor itself was poorly operated by inadequately trained personnel, resulting in a steam explosion and the release of radiation into the atmosphere. Two workers died from non-radiological causes within hours of the explosion. Acute radiation sickness killed 28 workers and first responders within four months of the event. The death toll has since increased to about 56. The United Nations Scientific Committee on the Effects of Atomic Radiation (UNSCEAR) has determined that, apart from increased thyroid cancers, “there is no evidence of a major public health impact attributable to radiation exposure, 20 years after the

accident.” More than 99 per cent of the children suffering thyroid cancer were treated successfully. Modern reactors have numerous safety features to make a Chernobyl-style accident impossible in the future (World Nuclear Association [www.world-nuclear.org], “Chernobyl Accident 1986”).

The Fukushima nuclear accident was touched off by an earthquake and resulting tsunami, which killed 15,889 people, injured 6,152, and left 2,601 missing, yet not one person has died or suffered from radiation sickness due to the damage to the reactors. In May 2012, UNSCEAR reported that, despite skin contamination of several workers, no clinically observable adverse effects have been reported and there is no evidence of acute radiation injury to any of the 20,115 people who participated in accident mitigation at Fukushima. In May 2013, based on research by 80 international experts, UNSCEAR concluded: “Radiation exposure following the nuclear accident at Fukushima Daiichi did not cause any immediate health effects. It is unlikely to be able to attribute any health effects in the future among the general public and the vast majority of workers.”

The latest, fourth-generation reactors have built-in safety features, superior to those of the Fukushima reactors, built in the 1970s. These new reactor designs for higher-temperature operation, scheduled for deployment between 2020 and 2030, will ensure that a Fukushima-type accident cannot occur, even in the event of an earthquake or tsunami (World Nuclear Association, “Generation IV Nuclear Reactors”).

Dangerous Energy Sources

Now consider energy production by other means, notably coal, which accounts for 30.1 per cent of world energy production and over 40 per cent of the world’s electricity. Thousands of workers worldwide are killed each year in coal mines, not to mention the ad-

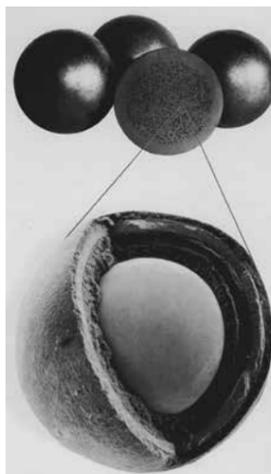
verse health effects (as in China) of burning more than three billion tonnes of coal each year. Moreover, given that power stations require huge tonnages of coal, the mining, shipping and other handling of so much coal (or of any material on that scale) involves hazards, so death rates and injury follow accordingly.

In the United States alone, more than 100,000 coal miners died in accidents in the 20th century. Safety has improved over the decades, yet in 1994-2013, 652 U.S. coal miners were killed in accidents. In the case of uranium, of which a far smaller volume needs to be mined, accidents in the process of mining uranium ore, fabricating uranium dioxide fuel, and handling these materials are negligible by comparison.

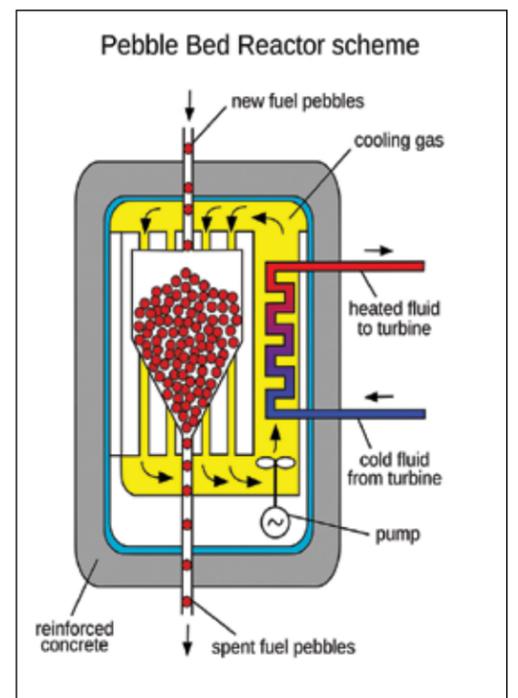
Hydropower is generally safe, but there have been some major dam collapses. The Chinese Banqiao Dam collapse in 1975 killed approximately 26,000 people in the initial flood, and another 145,000 died in ensuing epidemics and famine. The 1979 Machhu dam failure in India killed between 5,000 and 10,000 people. A turbine explosion at Russia’s Sayano-Shushenskaya Hydroelectric Power Station in 2009 killed 75.

The Paul Scherrer Institute, the Swiss-based research centre for natural and engineering sciences, reported from a study of severe accidents (more than five fatalities) across the power industry, that no severe accidents occurred in the nuclear power industry in OECD countries in 1969-2000. Worldwide accidental deaths from nuclear power production are lower, per unit of power generated, than for any other power source.

The latest fission power technolo-



The interior of the ceramic-coated nuclear fuel pebbles that contain the nuclear reaction and by-products, making PBMRs meltdown-proof, as seen in the schematic on the right.



gies, such as the Pebble Bed Modular Reactor (PBMR) and Molten Salt Reactor (MSR), make a meltdown impossible. The PBMR design encases the nuclear fuel in tiny ceramic spheres; in the event of a coolant failure, the reactor shuts itself down without human intervention. In the MSR design, the fuel is already molten. In the event that overheating began, the fuel would expand and become less reactive, blocking any runaway process. If overheating nonetheless continued, a drain plug would melt, allowing the liquid fuel to flow by gravity into tanks serving as safe heat sinks.

What about nuclear waste? In modern nuclear power plants, there should be no such thing. Spent nuclear fuel can and should be reprocessed, so as to produce a hundred-fold more en-

ergy, while valuable medical and industrial isotopes may also be extracted from it. Given recent technological advances, it would be foolish to bury this valuable material. Several countries already reprocess spent fuel. Even in those that wastefully store it, there has been no health or safety disaster in the history of nuclear power generation.

In controlled thermonuclear fusion power, which will power human society for the next 10,000 years, there is no chain reaction that even theoretically could lead to a runaway process. If fusion begins to run too fast, the extra heat actually hampers the reaction. If too much fuel were to enter the containment vessel, the reaction would die immediately. Also, fusion reactors produce negligible radioactivity.

1. There is evidence that the Three Mile Island event may have been no accident. The Fusion Energy Foundation and other responsible bodies explored the possibility of deliberate sabotage (“The NRC Report on TMI: Refusal to Investigate Sabotage”, Fusion, Nov. 1979). The incident was used to create hysteria against nuclear power.

Energy-Flux Density: Global Measure of Economic Progress

by Jason Ross

Over the period 1948-52, Lyndon LaRouche solidified a fundamental advance in economic science, a breakthrough which allowed him to become the most accurate economic forecaster of our day.¹ This breakthrough in understanding what Treasury Secretary Alexander Hamilton called “the productive powers of labour” allows him to offer uniquely competent guidance on global economic matters. Here we elucidate several key concepts of LaRouche’s economic method, including, a central one—energy-flux density as a measure of economic progress.

Physical Chemistry as the Origin of Economy

Unlike all other life forms known to us, human beings are able to discover and apply knowledge of the Universe and social functions, to transform our relationship with nature and with our fellow man. This occurs uniquely through the process of scientific and artistic creative discovery, and through forms of social organization capable of fostering and implementing those discoveries.

A comprehensive standpoint from which to view such progress is that of physical chemistry, from its most humble origins in the use of fire, to the dawn of extractive metallurgy, to the breakthroughs of chemistry proper, to the more modern developments of electromagnetism and nuclear science. Specific periods of development are sometimes denoted by the chemical knowledge characteristic of them: for example, the Stone Age, Bronze Age (beginning 3200 B.C.), and the Iron Age (which began in 1200 B.C. in Europe), in which man had mastered chemical processes related to the use of stone, bronze, and iron, respectively.

Only human beings can have an economy, because only human beings change their mode of existence from one generation to the next. The source of these changes, creative discoveries of new scientific and cultural principles, is the heart of economic value, and the proper origin of a science of economics.

Against this natural process of human development, stands oligarchism.

Zeus vs. Prometheus

Neither history, science, culture, nor economics can be understood as disciplines, without an understanding of the conflict between Zeus and Prometheus,

as classically presented by the 5th century B.C. Greek playwright Aeschylus. This story, often wrongly considered to be only a myth, presents in allegorical form the origins of human science and economy, and the opposition of the oligarchy to such development. The very name “Prometheus” means “foresight”, the ability to creatively innovate.

In order to keep ordinary mortals weak and under his control, the Olympian god Zeus forbade man the use of fire, reserving it for his use, alone. The Titan Prometheus, acting as a friend to humanity, took fire from Zeus’s heaven and brought it to mankind. For this act, Prometheus was violently punished by Zeus, in a torment designed to last eternally; yet Prometheus did not regret his actions.

The wilful use of fire, the first technology, is what sets mankind apart from all animals. In Aeschylus’s drama “Prometheus Bound”, Prometheus describes the state of man, before he brought them fire and knowledge.

“First of all, though they had eyes to see, they saw to no avail; they had ears, but they did not understand; but, just like shapes in dreams, throughout their length of days, without purpose they wrought all things in confusion. They had neither knowledge of houses built of bricks and turned to face the sun, nor yet of work in wood; but dwelt beneath the ground like swarming ants, in sunless caves. They had no sign either of winter or of flowery spring or of fruitful summer, on which they could depend, but managed everything without judgment, until I taught them to discern the risings of the stars and their settings, which are difficult to distinguish.

“Yes, and numbers, too, chiefest of sciences, I invented for them, and the combining of letters, creative mother of the Muses’ arts, with which to hold all things in memory. I, too, first brought brute beasts beneath the yoke to be subject to the collar and the pack-saddle, so that they might bear in men’s stead their heaviest burdens; and to the chariot I harnessed horses and made them obedient to the rein.”

Rather than being slaves to ignorance, superstition, and the arbitrary whims of Zeus, human beings could use these gifts of knowledge from Prometheus to guide their own future, increasing their power over nature through the powers of discovery.

The greatest of the sciences, econom-

ics, treats as its subject matter the unique capability of our species, to increase its standard of living and transform its relationship to nature and itself. But, how can economic progress be measured, scientifically?

Energy-Flux Density: Applying Mankind’s Fire

Begin with the first of the gifts of Prometheus, fire, from which he says man “shall learn many arts.” Archaeologists distinguish between humans and apes by the first appearance of ancient fire pits, used to control the power of fire for the betterment of the lives of those wielding that then-new power.

From then on, mankind could no longer be characterized solely biologically, as simply one species among many. With man, the development of the creative powers of the mind became the determining factor of evolution, superseding biology per se.

Since then, the kernel of economic growth has been expressed in the control over successively higher forms of “fire.” First came increasingly powerful forms of chemical fire: from wood to charcoal, from coal to coke, and on to petroleum and natural gas. The higher types of power not only allowed greater densities of fire-power; they opened up entirely new domains of the control and utilization of matter. Metallurgy, materials development, and physical chemistry all developed in dynamic interaction with the development of new forms of fire.

The revolutionary discoveries of the early 20th century revealed an immense potential, altogether beyond chemical reactions: the fundamental equivalence of matter and energy, as expressed in the domains of fission, fusion, and matter-antimatter reactions. Each in this series of relativistic reactions operates at successively higher energy densities, and the entire set is orders of magnitude beyond the set of successive chemical reactions (Table 1). While this distinction is usefully expressed in the immense difference between the quantity of energy released in nuclear as compared to chemical reactions (expressing weapons in terms of kilotons or megatons of TNT), the measured quantitative difference is an effect of a qualitatively distinct, higher domain of action.

Control over higher energy densities enables the increase in what LaRouche has termed the energy-flux density of

TABLE 1
The Energy Density of Fuels

FUEL SOURCE	ENERGY DENSITY (megajoules/kg)
Solar (Sunlight)	N/A*
Battery (Lithium)	2.5
Wood	18
Coal (Bituminous)	27
Petroleum (Diesel)	46
Nuclear Fission (Uranium)	3,700,000
Helium-3 Fusion	352,000,000
Matter-Antimatter Reactions	89,900,000,000

* Sunlight can not be measured in MJ/kg because it has no weight, but it is absurdly inefficient. The changes in the energy density of fuels being utilised, from wood to matter-antimatter reactions, occur in jumps that are orders of magnitude in size. The greatest single leap is the transition from chemical to nuclear processes. (A megajoule, or MJ, is 1 million joules, and is a measurement unit of energy.)

the economy, as measured by the density-rate of energy use, characteristic of applied technologies, such as the energy concentrated in the beam of a laser used for metal-cutting, compared to a water-mill of the 18th century. A general value for energy-flux density can be measured as the energy use per person and per unit area of the economy as a whole. This increasing power is associated with qualitative changes throughout the entire society—new technologies, new resources, higher living standards, and, essentially new economies.

For a start, consider the biological energy usage, the power rate, of a human body, roughly 100 watts (corresponding to a 2,000-calorie diet). Before the use of fire, all work performed (by human muscle), would be applied at a rate of 100 watts per capita. Compare this rate with those seen in the historical development of nations.

For example, at the founding of the United States, the wood-fire-based economy of the time provided an estimated 2,400-3,000 watts per capita. Thus, each member of that economy represented a potential application of energy up to 30 times greater than a fireless society. Clearly, this was not only more energy, but represented a quality of energy that enabled people to create new states of matter and chemistry, states which could never be created by muscle power alone.²

By the 1920s, the increasingly coal-powered United States had a per-capita power use of 5,000 watts, meaning that every individual on average commanded nearly twice the power as members of the wood-based economy. This supported the powered machinery, transportation, and early electricity generation that transformed life, alongside the development of modern chemistry.

By 1970, the per-capita power rate in the United States, which now made extensive use of petroleum and natural gas, and limited applications of nuclear power, had reached 10,000 watts per capita, another doubling from the level of 50 years prior.

In each of these transitions, the previous fuel declined in use as a power source, allowing non-combustive uses, such as the use of wood for construction

and petroleum for plastics and other petrochemicals, while the array of resources expanded. In today’s electromagnetic, and partially nuclear economies, rare earth minerals have become resources, the excellent fusion fuel of helium-3 on the Moon is being eyed by such farsighted institutions as the Chinese space program, and the future fusion-based economy will be able to process mineral deposits far below the quality of the ores exploited successfully today.

With these power transitions in mind, it is no surprise that per-capita electricity consumption and per-capita wealth (as measured by the admittedly flawed GDP) are so closely correlated (Fig. 1).

Had the advance of nuclear power not been halted, and had fusion power been realized as intended, it would be no stretch to estimate that U.S. power rates would be approaching 40,000 watts per capita in the first generation of this new century. Such potential boggles the mind, and drives home how unacceptable the current world average of only 2,400 watts per capita (comparable to the United States over 200 years ago) is.

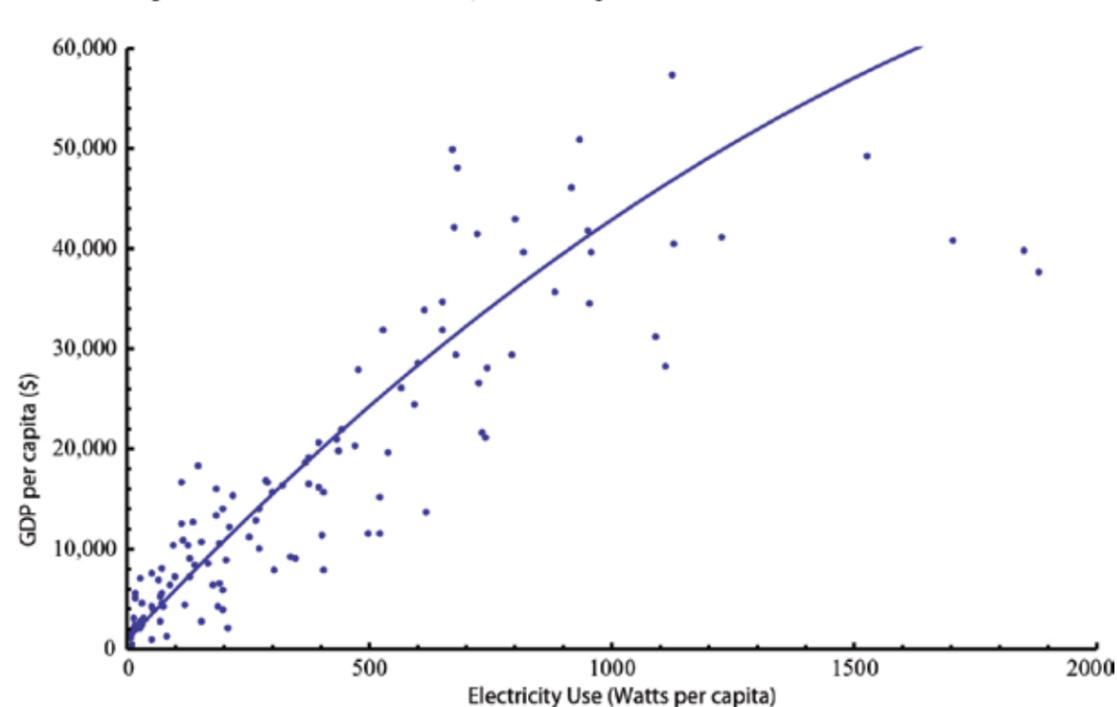
A Lesson from the Biosphere: Development Is All-Pervasive

The “green” ideology holds that most specifically human behaviours are “unnatural”, as though the human species is not part of the natural world. Furthermore, many of the supposedly “natural” virtues extolled by green ideologues—tradition, constancy, eternity, stasis, balance—are *not* found in the biosphere. Quite the contrary: The history of our planet, and of its biosphere long before the emergence of man, is one of upward evolutionary development that foreshadows that of the succeeding human economic development, in surprising respects.

For example, let us apply the concept of energy-flux density to the biosphere. We will measure the specific metabolic rates of both animals and plants, in units of energy flow per body mass (W/kg). For example, a typical reptile uses 0.3W/kg, while a typical mammal uses 4W/kg, an order-of-magnitude difference. The development of new biological “technologies” over time—such as seeds, rather than spores, for plants, and endothermy (warm-bloodedness) for animals—corresponds to higher rates of energy flow per body mass. That is, over evolutionary time, newly developed forms of life require increasingly great rates of energy flow (Fig. 2).

This development process did not occur smoothly (Fig. 3). The relative predominance of amphibians, reptiles, birds, and mammals over evolutionary time (as measured in the diversity of life-forms),³ shows a marked shift from

FIGURE 1
Electricity Utilisation vs. GDP, Per Capita



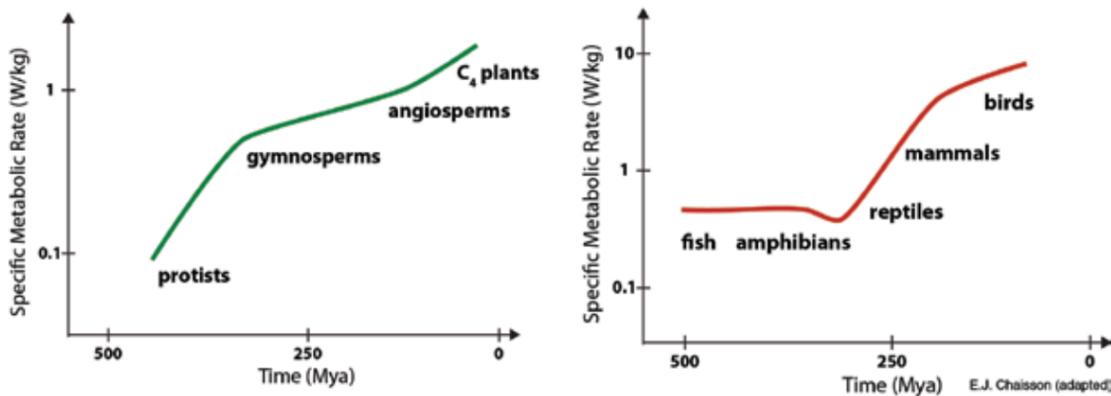
EIRNS/Jason Ross, using 2010 data from World DataBank.

The correlation between per-capita electricity consumption and GDP is remarkably clear: Nations utilising more power have higher living standards. Insisting that developing nations use “appropriate technologies” condemns them to eternal poverty.

1. LaRouche described his discovery in the 1984 economics textbook, *So, You Wish To Learn All About Economics?* His astonishing forecasting record, from the late 1950s to the present, is chronicled in the CEC book, *What Australia Must Do to Survive the Depression.* (<https://www.cecaust.com.au/shopping/>)

2. Could you cook your meat by beating it with a club, or bake bread by banging it with a rock? Can you produce copper from malachite by using your muscles, without a charcoal fire?

FIGURE 2



Over time, the rate of energy flow, per gram of body mass, for both photosynthesisers and animals, has increased. That increase is characterised by specific biological “jumps,” such as the development of plant seeds, and independence from water and ambient temperature for animals.

the relative dominance of amphibians, then reptiles, and finally birds and mammals. Not only do the developing forms of life themselves have more internal diversity (mammals have more biodiversity than the previously developed class of reptiles), but these changes do not occur gradually, but instead as distinct eras of life, similar to the Stone, Bronze, and Iron Ages of man. These very cursory⁴ examples of changes over evolutionary time reflect human economy in two essential respects: 1) they show increases

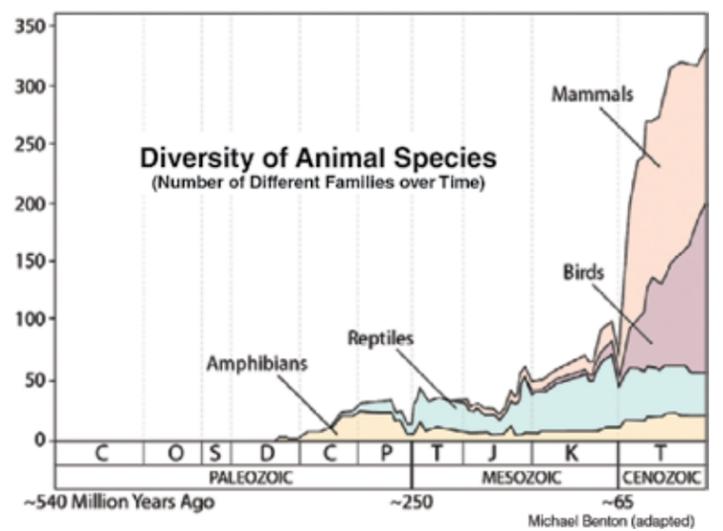
of energy-flux density (and diversity) over time, and 2) these increases are not smooth, typically occurring as almost discontinuous jumps with the introduction of new biological “technologies.” This is a remarkable parallel to human economic development, which is characterized by increases in energy use per capita, driven by new technologies that accelerate its rate. There can be nothing more “natural” than mankind’s revolutionary changes in applied technologies. All of nature changes: all landscapes, all climates,

all forests, and all life change, and in an upward direction. The world is our garden, ours to develop as is best for our human future.

Conclusion

LaRouche’s economic breakthroughs allow him (and those who study his work) a greater insight into economic processes and into history. Those who do not wish to consider themselves as historical actors, with a responsibility to cause the continued development of the human species, may not wish to

FIGURE 3



Animal species evolve over time in upward, discrete jumps, from the less powerful to the more powerful. Healthy human economies follow the same pattern.

adopt this method, but those who are serious about improving mankind will find much benefit in approaching economics from the standpoint and lessons of this wise man.

The article was adapted from its original, longer version in Executive Intelligence Review, 8 August 2014.

3. This method avoids the difficulty of trying to estimate the total body masses of the different classes, based on relatively scarce fossil remains.
4. For a fuller treatment of the concepts developed in this section, see Benjamin Deniston, “Biospheric Energy-Flux Density” in 21st Century Science & Technology, Spring 2013.

Charles of Arabia and the Al Qaeda/ISIS Nexus (cont.)

From page 4

majority, will convince many Shia that they are the victims of a Saudi-led campaign to crush them.” Dearlove’s recounting of Bandar’s intention “has attracted surprisingly little attention”, observed Cockburn. No wonder: to follow its implications leads straight to the door of Prince Charles and his parents.

An Anglican Jihadi Prince

A second generation of relations between the British and Saudi Royal families was established during several days of meetings in Britain in 1967, between Queen Elizabeth II and King Faisal bin Abdulaziz al-Saud (son of Ibn Saud), who had been foreign minister since 1932, continuing even after he became King in 1964. As foreign minister, Faisal had created the Muslim World League (MWL) in 1962, as the coordinating centre for Wahhabite propaganda and subversive activity (including sponsorship of the British intelligence-created Muslim Brotherhood). It was the seed crystal of today’s international Sunni terrorism.

In due course, Prince Charles inherited the “Royal franchise” on re-

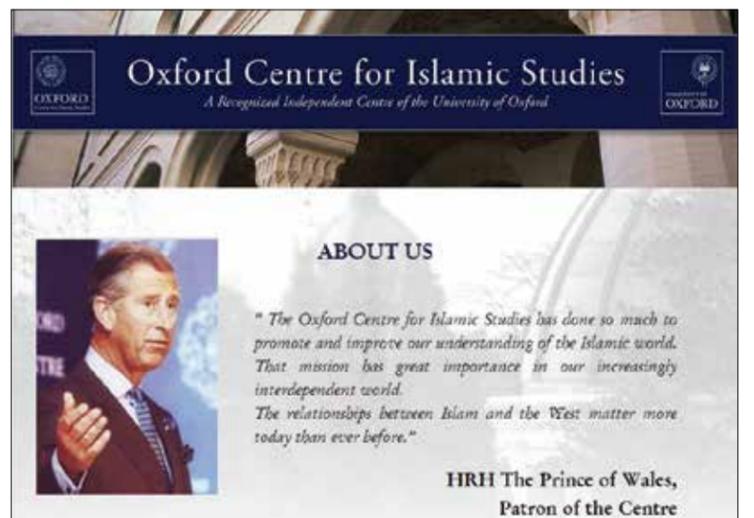
lations with the Saudi kingdom, paying his first official visit to Saudi Arabia in 1986. In the 1990s he helped to arrange Al-Yamamah II, the second phase of the arms-for-oil deal. During his tenth official visit, 17-19 February 2014, he finalised the massive Al-Salem arms deal, in which BAE Systems will sell 72 Eurofighter Typhoon aircraft to the Saudis.

Because of the rampant illegalities in the Al-Yamamah deals, including at least £1 billion in bribes paid to Bandar, the British Serious Fraud Office investigated it in 2003-06. The probe, however, was shut down due to “irresistible pressure”, said Queen’s Counsel Dinah Rose, representing activists against the international arms trade. PM Tony Blair cited “national and international security”, claiming that, “Our relationship with Saudi Arabia is vitally important for our country in terms of counter-terrorism”, while Bandar himself, as head of the Saudi National Security Council, threatened that the Saudis would withdraw their cooperation on security, including intelligence gathering on al-Qaeda. In a groundbreaking two-part series in 2014, Executive Intelligence Review chronicled Charles’s friend-

ship with Saudi and Qatari financiers of terrorism. EIR reported that in the years after 9/11, “The lawyers and families [of 9/11 victims] were pressing for Britain’s official agencies to investigate claims of Saudi financing of international terrorism.” But they hit a roadblock, Mark Hollingsworth recounts in Saudi Babylon: Torture, Corruption and Cover-Up Inside the House of Saud:

“Prince Charles’s relationships with prominent House of Saud members have created serious problems and obstacles to UK agencies investigating claims of Saudi financing of international terrorism, according to Special Branch sources.” (Emphasis added.)

One of “Charles’s friendships”, which New Scotland Yard terms a matter of “delicacy and sensitivity”, according to Hollingsworth, is with Bandar bin-Sultan, who sits in the centre of that web of terrorism financing. Simpson wrote in his Bandar biography, that Charles invited only eight foreign royals to his wedding, among them Bandar and his brother-in-law Prince Turki, head of Saudi General Intelligence from 1979 to 2001, during which time al-Qaeda



The “about us” page on the website of “Charles’s OCIS”, as it is called after its Patron, the Prince of Wales. OCIS Board members and financial backers include Saudi royals, implicated in backing terrorism.

was constructed. Bandar held Margaret Thatcher, with whom he struck the original Al-Yamamah deal, “in particularly high esteem”, Simpson reported. “Equally, his friendship with Prince Charles is also very close, and Charles extended a personal invitation to Bandar to his wedding to Camilla Parker Bowles in April 2005. That friendship can be traced back to their experiences of Cranwell (Charles was also training at RAF Cranwell) and Charles’s fascination with Islam.”

That “fascination with Islam” is reflected in three organisations the Prince of Wales patronises: the Oxford Centre for Islamic Studies (OCIS), created at Magdalen College, Oxford University in 1985 (the inaugural year of Al-Yamamah); Visual Islamic and Traditional Arts (VITA) at the Prince’s School of Traditional Arts; and the Centennial Fund, established in 2004. The boards of all three are packed with the same Saudi/Gulf royalty and clerics who created al-Qaeda and ISIS.

According to the 10 May 2012 Oxford Times, Charles has been an enthusiastic supporter of OCIS since its founding. In 1993 he became its patron, and is so influential in its activities that the press sometimes calls it “Charles’s OCIS”. One OCIS co-founder is Abdullah Omar Naseef, named in the court case brought by families of 9/11 victims, for his role in supporting the hijackers.

In May 2012, Queen Elizabeth II herself granted the OCIS a Royal Charter, in honour of its 25th anniversary. Naseef exulted: “This is very good news. This shows that the British government, the Queen, and the whole state are very much aware that the Ox-

ford Centre for Islamic Studies is doing very well to make relations between the Islamic world and the Western world closer and to bring Islam and its role in the international arena.”

Princes Bandar and Turki also have worked with Charles in VITA, of which Turki served as chairman from the mid-1990s until at least 2010. In 2004, Charles set up yet another charitable front, the Centennial Fund. Chairman of its Board of Trustees is Prince Abdulaziz bin Abdullah, deputy foreign minister of Saudi Arabia; he was adviser to Crown Prince (now King) Abdullah, his father, on Syria, during the build-up of Saudi funding and arming of Wahhabi terrorists there, out of which ISIS emerged.

For Further Reading

- These Executive Intelligence Review articles are available in the EIR Archive at www.larouchepub.com.
- “Charles of Arabia: The British Monarchy, Saudi Arabia, and 9/11” (23.05.14)
 - “King Faisal and the Forging of the Anglo-Saudi Terror Alliance” (27.06.14)
 - “Put Britain on the list of states sponsoring terrorism” (21.01.00)
 - “Bush-Obama 9/11 Coverup Paved Way for Rise of ISIS” (19.09.14)
 - “Scandal of the Century Rocks British Crown and the City” (22.06.07)
 - “U.S. Investigation Takes Direct Aim at Anglo-Saudi ‘Al-Yamamah’ Pot of Gold” (30.05.08)
 - “How al-Qaeda is a British-Saudi Project” (12.08.11)
 - “Saudi Bankrolling of al-Qaeda Well Known to U.S. Government” (27.09.13)
 - Other: Annabelle Quince, “The History of Saudi Arabian Links with Islamic Extremism”, Australian Broadcasting Corporation Radio Rear Vision (20.10.14)

“Unlawful Killing”: The Murder of Princess Diana

After six months of deliberation in 2007-08, during the longest coroner’s inquest in British history, the jury investigating the deaths of Princess Diana, her companion Dodi Al-Fayed, and their chauffeur, MI6 informant Henri Paul, rendered its verdict: “Unlawful killing”. Contrary to Anglo-American media propaganda then and ever since, claiming that paparazzi pursuing Diana and her party on the night of 31 August 1997, had inadvertently caused their deaths in a car crash in Paris, the jury found that they had been murdered.

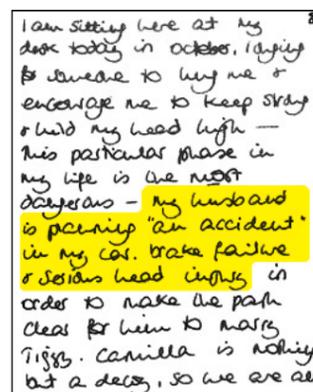
“Unlawful Killing” was therefore chosen as the title of the feature film on the subject, directed by British actor and filmmaker Keith Allen. Released at the Cannes Film Festival in 2011, it has been almost entirely suppressed ever since, with the exception of subsequent screenings at local film festivals in Ireland and Australia and a several-week appearance on YouTube in early 2014.

The movie, Allen insists at the outset, was designed not as an investigation into the fatal events themselves, but as an “inquest of the inquest”. It establishes beyond a reasonable doubt that that proceeding was orchestrated

from top to bottom by the British Crown, through its control over the courts (the “Royal Courts of Justice”, whose officials all swear allegiance to the Crown); over Scotland Yard; and over MI5 and MI6, among others. Top officials of all of these institutions—as well as the Queen’s Private Secretary Sir Robert Fellowes—were caught lying their heads off and covering up evidence. Despite relentless pressure to render a finding of “accidental death”, the evidence was so overwhelming, that the jury returned the verdict which it did.

Though it wasn’t his intention, while dissecting the inquest Allen turned up an almost bottomless barrel of evidence, pointing to the Royals as having ordered the murders. This includes the handwritten note by Diana (above), in which she charged, “My husband [Prince Charles] is planning ‘an accident’ in my car. Brake failure and serious head injury...” Prince Philip, the film reported, had made similar threats, and Diana had reported these to close friends on several occasions.

The Crown has exerted brutal pressure, both within the UK and abroad, to stop the film from ever again being



Diana’s letter, as shown in “Unlawful Killing”.

shown. Perhaps they will succeed. But you can at least read a lengthy review of it. Written by CEC Research Director Robert Barwick following its screening at the Sydney Underground Film Festival on 7-8 September 2013, and titled “Suppressed Film Exposes Royal Stonewall of Diana Murder Probe”, it appeared in Executive Intelligence Review of 9 May 2014.

In justice to the memories of the People’s Princess and her friend Dodi Al-Fayed, you owe it to yourself to read it.

Citizens Electoral Council Submission to Financial System Inquiry

Australia Needs a New Financial System, Based on Glass-Steagall and a National Bank

The document below was submitted by the Citizens Electoral Council on 26 August 2014, to Australia's nationwide Financial System Inquiry. The written submission reprinted here was accompanied by two Appendices, "Memo: The Great Australian Mortgage Bubble" and "The Commonwealth National Credit Bank Bill", drafted by the CEC. These Appendices, together with reference notes for the main text, the full text of the summary statement "Glass-Steagall for the Common Good!", and the names of the hundreds of Australians who signed it, are available on the [CEC website](#).

Australia faces a historic choice, of either sticking with the present financial system which is locked into the bankrupt financial systems of Europe and the United States, or participating in the emerging economic strength of the BRICS nations—Brazil, Russia, India, China, and South Africa—and their partner-nations in economic development.

If Australia sticks with the present system, modified by supposed reforms such as "bail-in", the Australian financial system is at risk of a complete meltdown in the next global financial crisis. International experts are warning that another global crisis is brewing that will be worse than 2008 due to the greatly-expanded level of global indebtedness and resurgence in risky derivatives speculation. Australia's banking system is concentrated in just four too-big-to-fail (TBTF) banks, and a globally notorious commercial/investment banking conglomerate, Macquarie Bank, which are all dangerously exposed to hyperinflated property values and related, rapidly-growing derivatives obligations. A crisis that crashes the domestic property market will wipe out the major banks.

If Australia chooses to participate in the new development opportunities emerging from the collaboration between the BRICS nations and others, it will revitalise Australia's productive economy. Two of the BRICS nations, China and India, are already among Australia's major regional trading partners. The BRICS have established international credit facilities committed to financing economic development projects. Russia has announced an intention to employ internal, sovereign credit to develop its economy; China and India already use sovereign credit from public credit institutions for internal economic development. Australia too should return to a sovereign credit system.

There are two specific measures that Australia must adopt to protect the population from the next financial meltdown, and establish a sovereign credit system that can finance economic development. The first is a full Glass-Steagall separation of retail banking from investment banking; the second is a national bank,

based on the Hamiltonian credit system first developed in the U.S., and implemented previously in Australia using the original Commonwealth Bank.

Glass-Steagall will protect the functioning of the daily economy as the bubble of financial speculation implodes; perhaps more importantly, it will establish the principle that the only economic activity that warrants the support and protection of the government is that which is related to the productive physical economy, not the casino of financial markets. A new national bank will enable the government to direct credit into major public infrastructure projects, and productive industries, which strengthen and prosper the economy.

New Financial Crisis Threat

The FSI Interim Report refers to applying lessons from the 2008 global financial crisis. This is more urgent than the report acknowledges, because another, deeper and more violent financial crisis is looming.

Presumably the well-connected bankers, business executives and academics on the FSI panel are already aware of the looming danger. There have been numerous warnings for a long time that the global debt situation is far worse now than in 2008. The latest information on this danger includes:

* The Bank for International Settlements' latest figures on over-the-counter (OTC) derivatives, the toxic instruments which blew out the financial system in 2008, which reveal that the general plateau and even small decline in total global OTC derivatives from 2008 to 2012 has ended. In the past 18 months global OTC derivatives have resumed the explosive growth that characterised the trade up to 2008, which is expected to be 20 per cent for the year. As of December 2013 the BIS semi-annual survey reports total notional amounts outstanding of \$710 trillion. This figure only includes reported derivatives: analysts at *Executive Intelligence Review* magazine in the U.S., the world's experts in the danger of derivatives, estimate that total reported and unreported derivatives have now reached \$2 quadrillion (\$2,000 trillion).

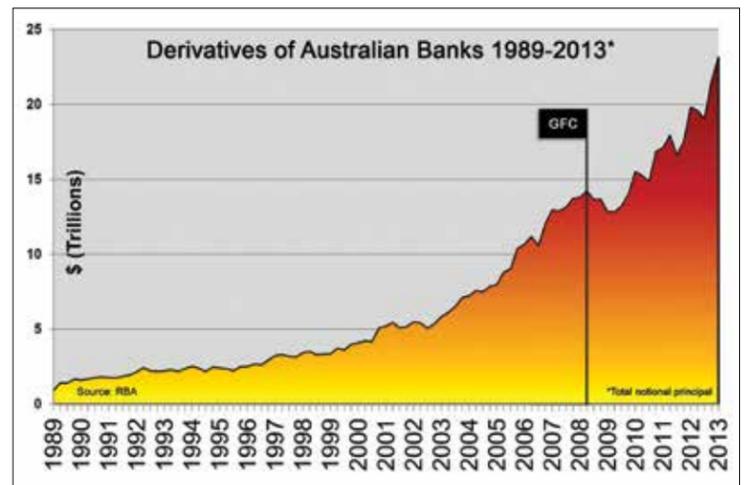
* The 19 August *Financial Times* report entitled, "Investors dine on fresh menu of credit derivatives", which warns that a growing portion of the global derivatives trade is in variations of the same dangerous credit derivatives that caused the meltdown of Lehman Brothers and AIG in 2008. Hayman Capital Management's Kyle Bass, who published the first warning in 2007 that credit derivatives would bring down the system, is cited warning of another AIG. According to Janet Tavakoli, president of Tavakoli Structured Finance, "We've reformed nothing. We have more leverage and more derivatives risk than we've ever had."

* The procession of experts who are warning of an imminent crash, including former Bank for International Settlements chief economist William White, who told *Focus Money* 31 July that the world is still in the midst of the crisis and the worst is yet to come: "I think that the cause of the financial crisis was an excessive policy of cheap money combined with new financial products. This has led to a giant credit bubble, especially in the advanced economies. Since then, nothing has really changed. An active financial policy pumps the credit volume excessively like before, i.e., it does the same thing that has originally unleashed the disaster." Nikolaus von Bomhard, chief executive officer of the world's biggest reinsurer, Munich Re, has likewise warned that the expansive central bank policy called quantitative easing has reached its limit, and is coming to an "inflection point" now in Europe. London investment manager and columnist Liam Halligan wrote in *The Spectator* 26 July, "It strikes me, in fact, that the whole economic shebang is balanced on a cliff edge."

* The new phase of financial meltdown that has already started in Europe, with major bank crashes in Portugal, Austria, and Bulgaria, including Austria's Hypo Alpe-Adria bank, Portugal's failed Banco Espirito Santo, and Bulgaria's Corporate Commercial Bank—the latter two both have close ties back to the major French bank Crédit Agricole. The European Central Bank's "stress tests" are yet another factor, causing large Eurozone banks to attempt to sell off around \$800 billion of toxic assets, to the only set of prospective buyers: the "vulture funds" currently trying to extort Argentina. Such funds purchase distressed debt at a few cents on the dollar, then demand payment of the full face value at a future date. A "Distressed Debt Investing Summit" took place in London on 18 September, with such funds focusing on the ample carrion to pick over in Europe.

* The latest RBA statistics which show that Australian banks' off-balance sheet obligations, which are mostly derivatives, are now more than \$24 trillion. The Big Four banks and Macquarie account for more than half of that exposure (Fig. 1). It is repeatedly claimed that Australian banks' OTC derivatives are simple hedging, and not "dangerous", but that assumes the banks disclose their full positions in an area that is notoriously lacking in transparency. CBA and Macquarie Bank both refuse to disclose the total notional amount, or face value, of their derivatives, which is the relevant figure in a banking crisis; so-called "netting", which drastically reduces the derivatives liability figure down to the net margin of gain, assumes all banks meeting all of their obligations, and doesn't factor in Lehman-style bank failures and the resulting "contagion". The most worrying

FIGURE 2



Australian banks' exposure to toxic derivatives gambling increased rapidly until the 2008 global derivatives meltdown. After that hiccup, their exposure took off at an even faster pace, hitting \$23 trillion as of June 2013.

aspect of the derivatives exposure of Australia's banks, which contradicts the assurances that they are simply hedging derivatives, is their explosive growth since 2008. From 2008-12 when global OTC derivatives growth stagnated, the off-balance sheet business of Australia's banks skyrocketed from \$13 trillion to \$19 trillion, and is now \$24 trillion—most of that, \$18.8 trillion, is OTC derivatives (Fig. 2). The fastest growth was that of Australia's biggest and supposedly most profitable bank, CBA, which suddenly stopped disclosing its full position in 2012 after a dramatic increase in its derivatives contracts.

Regardless of the actual risk in terms of the derivatives exposure of Australia's banks, another global financial crisis will severely impact Australia's financial system in any number of ways. Australia is most vulnerable to a meltdown of the domestic housing market, which has been exceedingly over-inflated for more than a decade. Not so much if, but when, it crashes, as every other housing bubble in the world has crashed, it will wipe out Australia's major banks, which are terminally exposed to these inflated property values. The Citizens Electoral Council elaborated this risk in its first submission to the FSI on 1 April, in the Appendix entitled *Memo: The Great Australian Mortgage Bubble*.

Alternative International Responses

FSI Chairman David Murray has repeatedly stated that Australia must align with international financial developments. In fact, Australia should stand as a sovereign nation which only cooperates with international measures that benefit the people of Australia.

There are two contrasting international responses to the economic crisis: the U.S.-European bailout/bail-in of TBTF banks to preserve the globalist system; and the emerging commitment of certain nations around the BRICS (Brazil, Russia, India, China and South Africa) to reorganise their financial systems to ensure they invest in physical economic development that raises national living standards.

Bailout/bail-in

To date, the governments, central banks and financial authorities of the U.S. and Europe are committed to preserving the system of deregulated, globalist mega-banks which caused the present crisis. When the crisis first hit they sprang into action to bail out the TBTF banks, and imposed brutal austerity measures on their citizens essentially to pay for the bailouts while letting the bankers off scot-free in terms of criminal sanctions for their crimes which caused the crisis. Through the G20 they have since embarked on establishing the radical new bank resolution regime called bail-in, to further entrench the global and domestic TBTF banks.

Bail-in is a fraud. It is presented as the solution to TBTF banks requiring

taxpayer bailouts. TBTF banks only require taxpayer bailouts because they are *too big*—they are multinational banking conglomerates which often combine retail banking, investment banking, insurance, stockbroking, funds management and other financial services. This exposes the deposits in the retail side of the banks to the risks that the investment and other divisions of the bank incur; 2008 demonstrated that the derivatives speculation which dominates investment banking can destroy the financial system. Bail-in does nothing to address the size and conglomeration of the banks. Rather, it forces a bank's unsuspecting customers and other unsecured creditors to wear its losses so the bank can continue to operate as a conglomerate, and continue to honour its obligations to its derivatives counterparties in other banks.

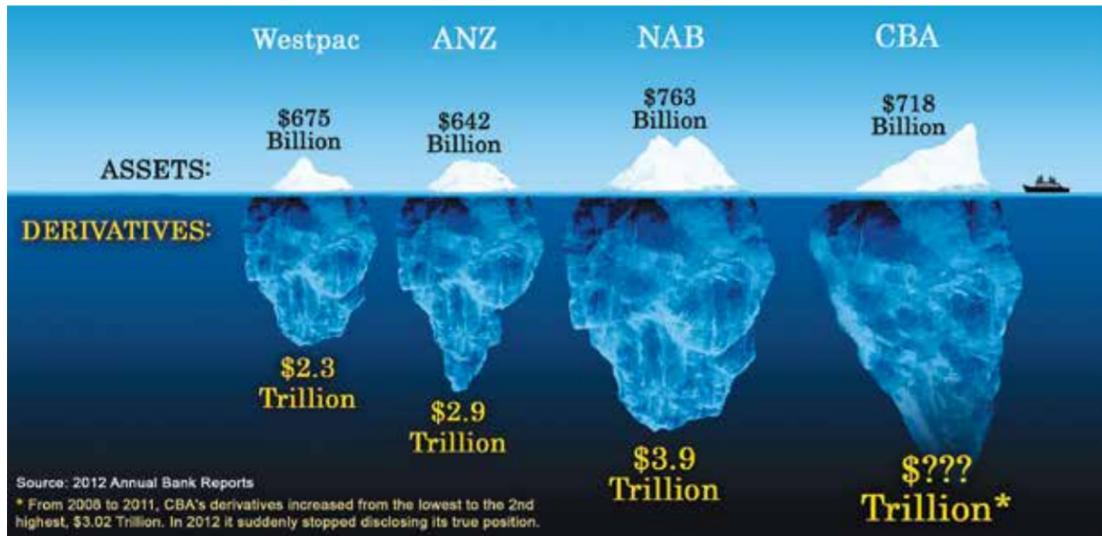
Bail-in as imposed by the European Central Bank and European Commission, devastated the Cypriot economy in March 2013. It destroyed consumer confidence in banks—which is the essence of banking—triggering predictable bank runs that forced the authorities to impose a liquidity freeze involving severe restrictions on daily bank withdrawals. The economy ground to a halt, and unemployment skyrocketed. The European Commission has since established a Europe-wide bail-in regime. France, Germany, the U.S., Canada and Japan, to name some leading nations, have all enacted bail-in laws.

This Financial System Inquiry received submissions on bail-in in the first round, from the CEC, as well as from institutions such as the Treasury. It is an established fact that before the current Treasurer commissioned this FSI, indeed before this present government was elected, plans existed to legislate bail-in for Australia. The Financial Stability Board (FSB), which operates out of the Bank for International Settlements in Basle, Switzerland and which the G20 in 2009 charged with overseeing the implementation of bail-in among G20 member nations, revealed in its 15 April 2013 report to the G20 entitled *Implementing the FSB Key Attributes of Effective Resolution Regimes—how far have we come?*, that bail-in "legislation is in train in some jurisdictions (including Australia...)" and six other nations in addition to the EU. This was unequivocal, and it followed numerous other references to Australia implementing bail-in made in official reports of the IMF and the Australian Treasury in 2012.

This would indicate that plans for an Australian bail-in law are advanced. Yet, under questioning by the CEC and members of the public, representatives of the present government have repeatedly denied any such plans. The FSI interim report discusses bail-in as just a possible option. The CEC is compelled to question whether this is a political charade, given the post-Cypriot notoriety of bail-in?

Later, this submission will demon-

FIGURE 1



What lurks beneath? The enormous derivatives exposure of Australia's Big Four banks is hidden away off-balance sheet, and unregulated. In the case of CBA, it is now fully hidden. The customers of these banks, and indeed everyone dependent upon the domestic financial system that these four banks dominate, are unaware that they are exposed to risks of the kind that melted down the global financial system in 2008.

strate that the present Financial Claims Scheme deposit guarantee makes bail-in a necessity for Australia's Big Four banks, unless the government implements a full Glass-Steagall banking separation.

The BRICS Credit Systems to Fund Economic Development

The alternative to the trans-Atlantic economies' policy of preserving the size and power of the system of TBTF banks is to create a financial system that directs credit into physical economic development projects which uplift national living standards, to which the BRICS nations—Brazil, Russia, India, China and South Africa—and their collaborators are committed.

The 14-16 July BRICS summit in Fortaleza, Brazil concluded with a 72-point Fortaleza Declaration which proclaimed, "We call for an international financial architecture that is more conducive to overcoming development challenges." That summit established the New Development Bank (NDB)—an alternative to the U.S./European-controlled World Bank—with a start-up capital of \$50 billion, which the Declaration stated is to mobilise resources for infrastructure and other development projects in BRICS and other developing economies; the NDB is to be headquartered in Shanghai, China. The BRICS also established an alternative to the IMF called the Contingent Reserve Fund, initially capitalised at \$100 billion, to "help countries forestall short-term liquidity pressures". China, the largest BRICS economy, has invited India, Thailand and other Asian nations to create an Asian Infrastructure Investment Bank (AIIB), with \$50 billion capital from governments and another \$50 billion from other sources, which will be dedicated to funding infrastructure.

Both in keeping with the BRICS developments and under the necessity forced by the sanctions on its economy, BRICS member Russia is planning to shift to a sovereign credit system. Russian economist Sergei Glaziev, an adviser to President Vladimir Putin, told *Bloomberg* on 9 August of his nation's "plan for fast-track development of the Russian economy on the basis of a new technological order. This plan includes a transition to a sovereign monetary system underpinned by internal sources of credit, an active policy of innovation and support for progress in science and technology." [Emphasis added.] Ironically, the U.S.—the source of the sanctions on Russia—invented and pioneered the sovereign credit system that Russia is planning, under the first U.S. Treasury Secretary Alexander Hamilton and later U.S. presidents such as Abraham Lincoln, as did Australia, another nation sanctioning Russia, with the original Commonwealth Bank.

A current working example of sovereign credit being directed into development is Egypt, which on 6 August commenced construction on a second Suez Canal to double the capacity of the first, the world's most important seaway. While in Australia investment banking-connected politicians are pushing the privatisation of assets and public-private partnerships as the only way to attract the foreign capital to fund new infrastructure, Egypt is funding this massive project entirely internally, by issuing debt certificates to Egyptian citizens, denominated in the Egyptian currency. While the European system of financial austerity has driven youth unemployment in Spain and Greece as high as 60 per cent, the Egyptian Armed Forces Engineering Authority, which is supervising the construction of the second canal, has called on all unemployed Egyptians under 45 to sign up for jobs on the project. Egypt is also forging closer ties to the BRICS nations: Chinese Foreign Minister Wang Yi visited Egypt on 3-4 August, inviting Egypt to join in China's transcontinental New Silk Road infrastructure vision. Egypt's President Abdel Fattah al-Sisi travelled to Sochi, Russia on 12 August for a two-day summit with President Putin, which discussed cooperation on trade, nuclear and hydroelectric power development, and space exploration.

As with the BRICS nations, Egypt has given firm support to the nation of Argentina in its dispute with the so-called vulture funds and the U.S. courts which are enforcing their claims. The Argentinian case typifies the widening gulf between those nations which are asserting their sovereignty over financial institutions, and the trans-Atlantic economies of the U.S. and Europe, and Australia, which continue to accept the authority of financial institutions and markets to demand policies such as austerity and bail-in.

CEC Recommendations to FSI

Australia needs a financial system that can safeguard the population against future financial crises and finance the economic development necessary for the nation to prosper. The CEC recommends that Australia take its lead from the practical measures which the BRICS nations and their collaborators are implementing to achieve this goal. Australia should also look to examples from its own history.

But first, Australia must emphatically reject any suggestion of a bail-in regime that makes depositors and other unsecured creditors liable to prop up failing TBTF banks. The specific bail-in measure must be rejected, as well as the principle behind bail-in which is also the principle behind budget austerity—that the functioning of the financial system is pre-eminent in the economy, above the welfare of the people. Pope Francis in

his *Evangelii Gaudium* urged the rejection of "the absolute autonomy of markets and financial speculation", charging, "Such an economy kills."

To secure an Australian financial system that is based on the principle that the system serves the needs of the people, and ensures Australia's ongoing economic development, Australia must implement a full Glass-Steagall separation of retail banking from investment banking, and return to national banking.

Glass-Steagall

The only way to truly protect the vital functions of Australia's banking system is through a full Glass-Steagall separation (Fig. 3). When the U.S. *Glass-Steagall Act 1933* separated out investment banking and other financial services from commercial banking, it brought an end to the run of thousands of bank collapses in the U.S., and initiated a five-decade period of virtually no bank crises in that nation until the 1980s, when the deregulation of Savings and Loans banks exempted the sector from conforming to Glass-Steagall, which triggered the collapse of S&Ls within a few years (Fig. 4). Likewise, after some watering down in the 1980s and 1990s, the full repeal of the *Glass-Steagall Act* in 1999 triggered the flood of mergers and acquisitions and increased speculation that led to the 2008 GFC, and the conundrum of the banks being TBTF.

Presently, Australians are told their deposits in the banks are protected by the Financial Claims Scheme (FCS) up to \$250,000, which covers 99 per cent of all bank accounts, and around 50 per cent of total deposits. However, around 80 per cent of all deposits are in the Big Four banks. This makes the FCS unworkable in terms of those four banks, because the FCS only makes provision for \$20 billion per Authorised Deposit-taking Institution (ADI) to pay out deposits, with the balance to come from a levy on the industry. Given that the Big Four banks each hold around \$400 billion in deposits, of which presumably around 50 per cent, or \$200 billion each, are guaranteed by the FCS, it is obvious that in the event of a collapse of one of the Big Four, the \$20 billion FCS provision won't be sufficient to pay out the deposits. That means that an industry levy would need to raise \$180 billion, which raises the question: how would it be at all possible for a levy to raise that much money, from the Australian financial system?

If it is claimed that the bank would be put through receivership and its assets sold up and the returns distributed to its creditors, among whom depositors have preference, thus decreasing the amount the FCS would need to cover, that argument downplays: a) the Australian banks' heavy use of covered bonds, the claims on which come ahead of depositors; and b) the likelihood that, given that the Big Four banks are very similar businesses, and have similar over-exposure to a collapse of the housing bubble, a crisis in one will be a crisis in all, raising the prospect of a general banking crash which will annul all ostensible guarantees.

The unworkability of the FCS in relation to the Big Four banks is another aspect of their being TBTF, and requiring a bail-in if they face collapse, so that they never go into a liquidation in which the FCS will be proven inadequate.

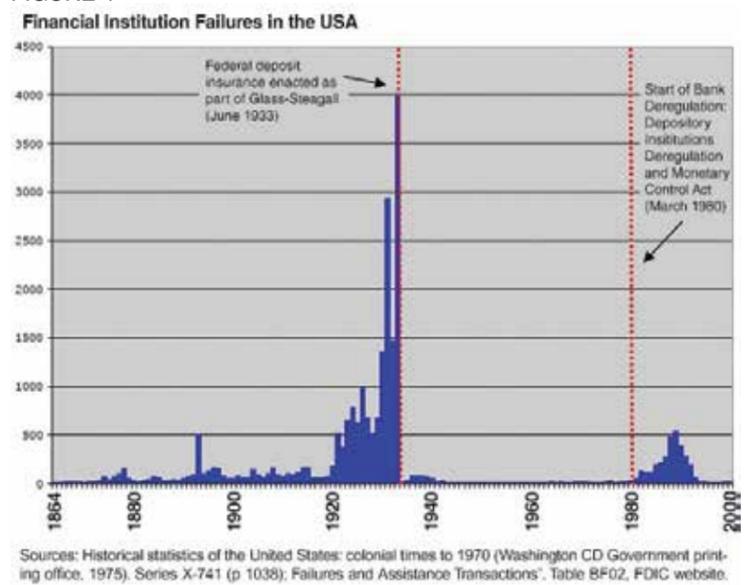
The far better, and indeed *only* way to guarantee deposits in all of Australia's banks is through Glass-Steagall, which separates the deposits from any activity that would put the bank at risk. It is notable that the U.S. Glass-Steagall regime, which also created the U.S. Federal Deposit Insurance Corporation (FDIC), enabled commercial banks to hold relatively less capital than otherwise, because commercial banking activity was so demonstrably safe. This allowed for more credit to be directed into economic activity.

Under an Australian Glass-Steagall separation, the Big Four banks and Macquarie Bank would be split up into completely separate retail and investment banks, with different ownership and management. Government guarantees would only cover the new retail banking institutions; the new dedicated investment banks will know they will sink or

FIGURE 3



FIGURE 4



This graph shows conclusively that in the decades under the *Glass-Steagall Act 1933*, before it was watered down in the early 80s, there were virtually no U.S. bank failures.

swim on their own. Experts recommend a transition period, anywhere from two to five years, for the banks to separate, and unwind the derivatives and other investment positions that are connected to the retail part of the bank.

FSI chairman David Murray has already mooted the possibility of ring-fencing the banks, acknowledging the conflict of cultures, and also interests, between retail and investment banking. However, ring-fencing is a fraud. It is the compromise for which City of London bankers lobbied that country's Vickers Commission, in order to deflect the concerted post-GFC push for a full Glass-Steagall separation. Ring-fencing gives the appearance of separation, while still keeping retail banks and their deposits in a vulnerable position where investment bankers in the same group can try to access their capital. Esteemed members of the U.K. House of Lords, including former Chancellor of the Exchequer Lord Lawson, pointed out in a 26-27 November 2013 debate that ring-fencing isn't a sufficient separation, and that investment banks will naturally attempt to get around it; "bankers are extremely adept at getting between the wallpaper and the wall", former investment banker Lord Forsyth of Drumlean declared. Another relevant fact is that U.S. banks were effectively ring-fenced prior to the 1929 stock market crash and Great Depression; it didn't stop them from engaging in the crimes exposed by the 1932-34 Pecora Commission, only Glass-Steagall did. By mooting ring-fencing, Chairman Murray has acknowledged the problem—the FSI panel should recommend the only real solution, a full Glass-Steagall separation.

Australian opponents of Glass-Steagall argue that Glass-Steagall isn't relevant to Australia's major banks, because, apart from Macquarie Bank, investment banking is a much smaller part of their operations than is the case in banking conglomerates in other countries. That ignores the banks' derivatives operations, which have been a central component of investment bank-

ing for more than two decades; the size and rapid growth of derivatives operations dwarfs the banks' other businesses. Moreover, the investment banking the Big Four banks conduct is known to be very profitable for them, profitability they are doubtless keen to retain, which reinforces the intrinsic conflict of interests. Moreover, all of the Big Four and Macquarie have been involved in banking scandals in recent years, in which bank-employed financial advisers talked retail customers into buying margin loans and other risky investment products, which cost thousands of Australians their life-savings and their homes. These are largely unresolved scandals for which the banks are yet to be fully held to account. The banks blame the scandals on rogue operators—a laughable defence given the proof that many of these operators were promoted long after they were known to be engaged in these practices—but if the banks were fully separated as per Glass-Steagall, the crimes would not have happened. For example, the U.S. Pecora Commission in 1933 exposed the giant National City Bank for similar crimes involving retail customers being sold risky investments, which became a major catalyst for the passage of the *Glass-Steagall Act*.

This submission differentiates between the broad outlook of the trans-Atlantic economies, and the BRICS nations; however, Glass-Steagall also has enormous support in the U.S. and Europe. There are four bills currently before the U.S. Congress, two in the Senate and two in the House, to reinstate Glass-Steagall. They have widespread public support: last month supporters delivered 600,000 signatures to the Congress endorsing the call for prompt passage of one of the bills, the *21st Century Glass-Steagall Act*. In Europe, many of the national parliaments, including in Britain, Iceland, Italy, Sweden and Switzerland, have considered Glass-Steagall legislation at various stages. The only real opposition to Glass-Steagall is

Continued next page

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BOOK REVIEW

The State We Need: Keys to the Renaissance of Britain

Michael Meacher

Biteback Publishing Ltd., London, 2013, 296 pp. £18.99

By Craig Isherwood
CEC National Secretary

This is a truly inspiring book. Author Michael Meacher delivers both a devastating critique of the social, political and economic injustice that grips modern Britain by the throat, and a comprehensive exit strategy from that system. Now 78, he is well qualified to speak: he has been a lifelong member of the Labour Party and Member of Parliament for 43 years, including 29 years on the front bench and 11 years as a cabinet minister. He clearly knows his country as few others do, but, at least to this reviewer's knowledge, he appears almost unique among Britain's elected officials, and those not elected but actually governing, in the depth and insight of his proposals, and his courage to champion them.

To begin with, Meacher is an outspoken proponent of Glass-Steagall legislation to rein in the City of London and direct credit into the productive economy, as elaborated in chapters titled "Alternative to the Current UK Capitalist Model", "The Major Revival of Manufacturing Holds the Key", "Making the Banks Act in the National Interest", and "A Positive Partnership Role Between State and Markets". He broadens those reforms to the global stage in a concluding chapter, "The Global Architecture of National Interest Capitalism", calling for the creation of a new, just world economic order, to be led by the "fast-emerging and soon-to-be-dominant economies of east Asia and parts of the Southern world."

The State We Need is little known outside the UK, and not surprisingly has received little attention at home. I will therefore endeavour here to let Meacher speak for himself, beginning with his summary of the overarching problem, which might almost have been lifted from Pope Francis's *Evangelii Gaudium*, except that it appeared months before that extraordinary exhortation:

"Above all, a spiritual emptiness in the West is almost palpable. The decline of binding moral imperatives has given way to a culture which is increasingly shallow, ephemeral and often trivial. The commercialization of everything has robbed life of much of its deeper meaning and created a chasm that separates acquisitiveness from happiness."

For Britain itself, "An unalloyed market system has increasingly caused individuals to look solely to their own interests, leading the most powerful group, the hyper-rich, to establish a degree of inequality unheard of since the Edwardian era".

Counterposed to this, Meacher writes at the outset: "This book ... propos-



UK Labour statesman Michael Meacher, whose book reflects his passionate commitment to the Common Good.



es a major revival of manufacturing ... and explains in detail how this should be done. It sets out how the economy should be rebalanced, notably by regaining public control of the money supply to ensure that a majority of the nation's resources goes into productive investment and job creation. ... It advocates the break-up of the Big Five banks, which are still too big to fail without colossal taxpayer bail-outs".

He emphasises that the notorious free-market policies of Margaret Thatcher (Prime Minister, 1979-90), which wrecked Britain's economy, "were largely continued or even taken further by New Labour after 1997", under the prime ministerships of City of London puppets Tony Blair (1997-2007) and Gordon Brown (2007-10). Meacher himself challenged Brown, who had been Blair's Chancellor of the Exchequer, for leadership of the Labour Party in 2007. The Thatcher/Blair/Brown era unleashed a maelstrom of "deregulation, privatization and untrammelled market forces", even as "[t]he centralization of state power was taken even further, with the country run essentially through Blair's 'sofa government' by No. 10's private negotiations with finance, business and media leaders without checks or balances from either Parliament or the Cabinet." That process continues under PM David Cameron.

After documentation of how the collapse in manufacturing caused the standard of living of the average Briton to plunge to its present miserable low, Chapter V, "A Dysfunctional Power Structure Resistant to Change", opens with identification of the Olympian structure that has caused this ever-increasing misery: "The link that brings together the ills spelt out in the last chapter lies with the power-brokers who have

condoned these consequences for their own purposes. Britain is run by the elites in finance, business, the media and politics, and each of them has failed profoundly in their role towards producing a viable, sustainable and harmonious interest." Meacher believes that British society will not improve, "Until that structure is radically overhauled". The "very different power system" he desires, would clearly be one committed to the common good. Particularly in Chapter XIV, "Class and Social Mobility", he presents an incisive, detailed description of the present British elite, such as I have rarely seen outside the publications of the LaRouche movement.

Meacher excoriates the City of London's "business model which linked speculative investment with retail deposit-taking", such that a "vast global market was created in credit derivatives". Due to the City's dominance, he writes, "In the absence of any significant reform, Britain retains the most profoundly dysfunctional banking system of any G7 country. It came nearer to collapse than any other in the autumn of 2008", and therefore that there is a pressing need (as with Australia's Big Four), "to break up the mega-banks with their addiction to mortgage lending." Barring that, the "intransigence of the banking lobby against any reform" and "the weakness of political supervision" over it, make "another financial crash almost inevitable."

Westminster-style parliaments have always served as mere window-dressing for imperial rule, but Meacher provides a chapter-and-verse accounting, as to how Britain's parliament has shamed itself almost out of existence in recent decades. In other writings, Meacher has nailed the central flaw of the "parliamentary system": the power of the Crown to simply

ignore Parliament on any issue it chooses, through use of the "royal prerogative". This rule by fascist-type decree has become particularly infamous, even within Britain, since Crown puppet and serial liar Tony Blair invoked it in 2003 to force through the war on Iraq. It was the royal prerogative, which Queen Elizabeth wielded to sack PM Gough Whitlam in 1975, when he and his visionary associates, such as Minerals and Energy Minister Rex Connor and Treasurer Jim Cairns, threatened to "buy back the farm" from Her Majesty's raw materials cartels, in order to actually develop Australia's great material and human resources for the common good. (http://cecaust.com.au/releases/2014_10_23_Whitlam.html)

Similarly, and contrary to the Royal delusions of many patriotic Britons, the Crown has employed the royal prerogative repeatedly, under a succession of prime ministers, to bring Britain itself ever more completely under the rule of the EU, i.e. under the rule of the Crown-centred global financial oligarchy, which owes allegiance to no nation.

Instead of the hyper-rich becoming ever richer on the back of the greatest speculative bubble in human history, Meacher calls for "the share of national resources channelled into productive investment" to be "increased dramatically", stating that "this is a reform of overriding strategic importance". To accomplish it, "the powers of public institutions in credit creation and allocation need to be greatly strengthened" and "direct government credit creation is vitally needed." Against the hysterical worship of the free market, prevalent in the trans-Atlantic region (including Australia as an Anglo-American colony), he observes: "Contrary to neo-liberal propaganda, countries became rich, not through free trade in the initial stages, but through protectionism. Britain imposed ferocious tariffs on almost all manufactured goods in the eighteenth century, and between 1864 and 1913 the US was the most heavily protected nation in earth and the fastest-growing."

He counterposes to this Anglo-American "market" insanity, the role of the German *Mittelstand* (innovative, often family-owned small and medium firms in the productive sector) as the centre of Germany's former industrial prowess and a model to be emulated, but then zeroes in on the importance of the "east Asian model" that emerged following World War II: "Some of the most successful countries after the Second World War also employed direct credit controls to launch their economies on a virtuous spiral of export expansion. Using 'window guidance' the central banks of Japan, Korea and Taiwan determined the

desired nominal GDP growth, then calculated the necessary amount of credit creation to achieve this target, and then allocated this credit across different banks and industrial sectors. Under this system unproductive credit creation was suppressed. In particular, credit for speculative transactions, such as the present extensive UK bank lending to hedge funds, was hard to obtain. ... Most bank credit was allocated to productive use. ... This intervention in credit allocation was widely recognized to underpin the east Asian economic model. Japanese-style window guidance was also adopted by China in the Deng Xiaoping reforms of the 1980s, which laid the foundations for the very high and sustained economic growth that did not fall foul either of the Asian economic crisis in the late 1990s or of the global banking crisis of 2008."

There is one distinct shortcoming in this otherwise excellent book. Along with many other well-meaning "anti-Establishment", pro-Glass Steagall advocates in Britain Meacher apparently accepts at face value such "green" nostrums as "global warming", the "inherent risks of nuclear power", and the supposed reality of "finite resources" and "overpopulation". The very BRICS nations whose models of economic development he otherwise champions understand such unscientific quackery as simply another form of imperialism, as we document elsewhere in this *New Citizen* (p. 11) and in other CEC publications. In fact, given his conscience, Meacher himself would probably be horrified to learn that the chief sponsor of these actually genocidal notions, for the past century or so, has been the same British Crown and its elitist establishment that he has been fighting all his life. "Green" is just one more royal prerogative, actually the most deadly of all. Does anyone really believe that that moral degenerate Prince Philip, the big-game hunter and relentless advocate of slashing global population, founded the WWF in 1961 with such British Eugenics Society leaders as Julian Huxley and Privy Council secretary Max Nicholson, because the prince loves animals or cares about nature?

On the bright side, once Michael Meacher and other devoted champions of human progress grasp the magnitude of the helium-3 revolution, now being pioneered by China (p. 9), mankind will be able to lay to rest the ghosts of British imperial Malthusianism and take up its rightful, unlimited destiny among the stars.

The State We Need is available for purchase from major online booksellers, such as Amazon.com and The Book Depository. Those unable to source it online may contact the CEC.

Citizens Electoral Council Submission to Financial System Inquiry (cont.)

From page 14

from the banking sector; however, when the next crisis hits, this existing support for Glass-Steagall has the potential to rapidly translate into Glass-Steagall laws, which would turn Glass-Steagall into a general standard worldwide. Unlike bail-in, it would be in Australia's interests to align with that standard.

A National Bank

The FSI has identified as one of its nine "priority issues" of inquiry "funding Australia's economic activity". Unfortunately, the Interim Report repeated the tired old myth of Australia's historical dependence upon foreign investment for its funding. Of course Australia, as a colony of Great Britain, has received heavy foreign investment throughout its history, but there were two periods of spectacular exception, which, incidentally, were the periods when Australia was most needy—

World Wars I and II.

Australia's economy flourished in both World Wars without foreign investment, because the nation had its own national bank, the Commonwealth Bank. In World War I the Commonwealth Bank harnessed the nation's own internal sources of credit to direct into the war effort and into public infrastructure projects all over the country. By World War II the Commonwealth Bank had acquired all of the credit-creation powers associated with a modern central bank, but under government, not "independent" i.e. private, control. As such it was able to create all of the credit the nation needed for a war effort that was not only crucial to the victory in the Pacific, but transformed Australia's economy, from an agrarian backwater into an agro-industrial powerhouse.

The undeniable success of the Commonwealth Bank in the wars is one compelling reason why Australia should establish a new national bank. It is also es-

sential if Australia is to be a fully sovereign nation, and not under the economic power of foreign creditors, as is the case today. Finally, only with a national bank can the government of the day fulfil its public duty to provide the essential infrastructure of the nation.

The CEC has drafted legislation for a new national bank, called the *Commonwealth National Credit Bank Bill*. It will enable the government to both harness the existing wealth of the nation, such as the \$1.85 trillion in superannuation, and also create credit: to finance large-scale water, power, transport, and communications infrastructure; to finance local council infrastructure; and to invest in productive agricultural and manufacturing industries.

The Commonwealth National Credit Bank (CNCB) must direct finance to public infrastructure and other capital projects with respect to increasing: energy flux density of the technologies of energy production; per capita con-

sumption at a constant or declining cost to the consumer, thus reducing poverty and improving living standards; energy usage per capita; and affect a rise in the actual, as well as potential population density. For example, the CNCB would direct credit into nuclear power generation, fission and fusion in the future, which will increase the energy flux density in the economy. However, the CNCB would not prioritise large-scale funding for solar and wind power which is intermittent and therefore a decrease in energy flux density.

The power of a national bank to function in this way is not in question; instead, opponents, again in the private banking sector, argue ideologically that governments should not have this power. The CEC argues forcefully the opposite: that only governments should have this power, because only governments represent the interests of the people as a whole, the common good. To be equipped to serve the common good,

governments must have tools, such as national banks to direct their national systems. (See the CEC's draft legislation, *The Commonwealth National Credit Bank Bill*.)

Conclusion

The CEC submission concluded with a statement to the FSI titled "Glass-Steagall for the Common Good!", drafted in response to the FSI's call for a second round of submissions. It was signed by over 300 Australian citizens, including elected officials.

They set forth their strong opposition to bailout and bail-in (confiscation of creditor and, ultimately, depositor money) attempts to save the Too Big to Fail banks, and called for implementing Glass-Steagall and founding a national bank. A financial system, they insisted, should have no other purpose, than to serve the Common Good of all the citizens of the nation.

The New Suez Canal and the Renaissance of Egypt

By Richard Bardon

After centuries of successive invasions and occupations by the Ottoman, French and British Empires, and repeated attacks by Anglo-American-directed geopolitical forces in the 20th century, the ancient nation of Egypt is once more reclaiming its sovereignty, under the patriotic leadership of former General Abdel Fattah al-Sisi. Having overseen the removal of Western puppet and Muslim Brotherhood sympathiser President Mohamed Morsi in July 2013, al-Sisi was elected President in June 2014, after resigning his military commission. On 5 August, less than two months later, he launched the New Suez Canal Corridor Development Project, the first of several great projects designed to employ, educate and inspire Egypt's 87 million citizens and free them from dependence on the nar-

row Nile Valley, a mere 5.3 per cent of Egypt's landmass (Fig. 1).

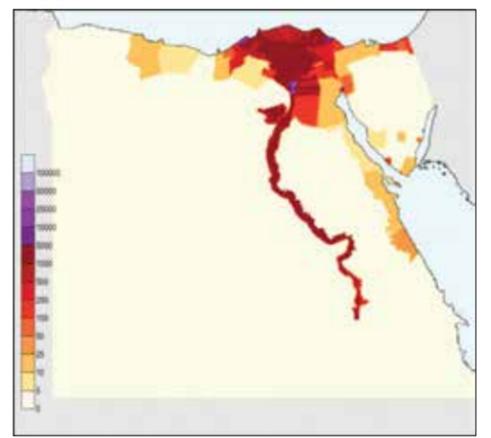
Morsi had proposed to exempt the Suez Canal zone from the Egyptian constitution, handing himself dictatorial power, on the pretext of attracting foreign investors. In stark contrast, al-Sisi has acted in the tradition of Gamal Abdel Nasser, Egypt's President in 1956-70, ensuring national ownership of both the existing and the new canal by funding the project internally, employing Egyptian workers and companies, and sourcing all possible materials and equipment domestically.

Such was the Egyptian people's enthusiasm for this vision, that the requisite 64 billion Egyptian pounds (\$US8.5 billion) was raised through public subscrip-



President al-Sisi (inset) officially opened the New Suez Canal project on 5 August 2014; 7,500 out of a projected one million employees went to work the next day. By mid-October, 60 of the 140 million m³ of the 35 km first leg had been excavated and dredging operations had commenced, over a month ahead of the project's one-year schedule.

FIGURE 1
Egypt Population Density



This is *not* a bank run! Egyptians queue at a Cairo bank to purchase their Suez Canal Investment Certificates on the day of issue, 4 September 2014. The LE64 billion (\$US8.5 billion) worth of certificates sold out in just eight days.

tion—non-tradeable Suez Canal Investment Certificates sold exclusively to Egyptian citizens—in a mere eight days, 42 per cent coming from outside the banking system: money stashed in homes and businesses or otherwise lying dormant, now put to work for the future of the nation and the people.

National Infrastructure

The new canal will double traffic, reduce transit time on the 163 km route from 18 to 12 hours, and eliminate delays of up to 40 hours, a vast gain in efficiency for one of the world's busiest sea lanes, but its greater purpose is to instil the skills and mindset of nation-building into Egypt's growing, youthful popula-

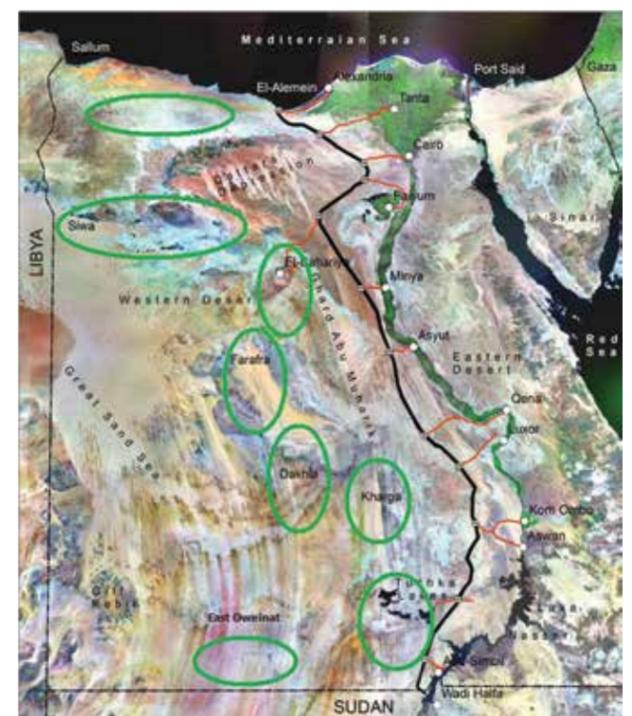
tion, whose median age is just 25. The Egyptian government plans to transform a 76,000 km² area, building new cities to host manufacturing, logistical hubs, technological centres and universities, all connected by a rail and highway system whose trunk route will parallel the canal. Six tunnels beneath it, including at least two for rail, will allow rapid development of the Sinai Peninsula, Africa's land-bridge to Eurasia. China's Foreign Minister Wang Yi met with President al-Sisi on 3 August to offer cooperation on these and other projects, including advanced technologies such as nuclear power, with a view to integrating Egypt's efforts with the Chinese "One Road, One Belt" vision of global development.

Development for Peace

The Sinai borders Israel and Palestine. Egypt hopes to end national and sectarian conflicts in this embattled region, and reorient toward mankind's common future. One area ripe for cooperation is desert land reclamation. A world leader in the field, Israel since the 1980s has produced genetically engineered vegetables, irrigated with salt water, in the Negev Desert. Egypt's New Valley Project, also called the Toshka Project, provides a perfect setting to apply such techniques on a vast scale, if the two nations could put aside their differences for the common good.

Using water from Lake

FIGURE 2
Baz Development Corridor, plus Agriculture



The Toshka project is the keystone of the New Valley Project: The chain of oases (circled in green) stretches along the "Development Corridor" project designed by Dr Farouk El-Baz.

Nasser, the Aswan High Dam reservoir on the Nile, Toshka will turn one million feddans (420,000 ha) of desert into a "new Nile Valley", west of the old. Launched in 1997, the program has been stalled for years for want of vision and political will, but al-Sisi has these in spades: he has not only revived Toshka, but has committed to the even larger scheme of Professor Farouk el-Baz, the Egyptian-American geologist who helped plan NA-

SA's Apollo 11 moon landing (Fig. 2). The el-Baz plan includes 1,200 km of eight-lane superhighway, railway, water pipeline, and power transmission lines through Egypt's undeveloped west, opening up new land for urban development, commerce, agriculture and tourism, creating homes and livelihoods for 20 million, and demonstrating the creative capacity of a great and sovereign people.

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Australia must act independently in its national interest and join the Asian Infrastructure Investment Bank.

TO THE HONOURABLE THE SPEAKER AND MEMBERS OF THE HOUSE OF REPRESENTATIVES

This petition of the Citizens Electoral Council draws to the attention of the House the opportunity, which the Australian government is squandering, to participate in a grand vision for infrastructure development in the Asia-Pacific region, through the Asian Infrastructure Investment Bank (AIIB).

China, Australia's largest and most important trading partner, initiated the AIIB to direct \$50-100 billion per year into building the productive infrastructure of the Silk Road Economic Belt and Maritime Silk Road. This infrastructure will boost physical trade between nations and benefit the entire world. Twenty other Asian nations, including emerging superpower India, have joined the new institution. The AIIB is one of a number of new multilateral financial institutions associated with the BRICS alliance—Brazil, Russia, India, China, South Africa—which are intend-

ed to promote collaboration on economic development among sovereign nations.

It is an outrage that Australia is presently squandering this opportunity, because our national foreign policy is not independent, but is subservient to the militaristic, neo-conservative outlook of the City of London and Wall Street interests who control our strategic allies, the United States and United Kingdom, to whom the rise of China and the BRICS is viewed as a threat to Anglo-American world hegemony.

We the undersigned therefore petition the House to assert Australia's national independence, and ensure that Australia does join the AIIB, so that our nation collaborates with our regional neighbours on economic development that will benefit all of our nations and give to our future generations economic prosperity.

Name	Signature	City/Town/State*	Phone*	Email*
1.				
2.				
3.				
4.				
5.				

* Voluntary information Please send completed petition to CEC PO Box 376 Coburg Vic 3058