

EIR

Executive Intelligence Review

May 3, 2013 Vol. 40 No. 18

www.larouchepub.com \$10.00

All Eyes on U.S. for Glass-Steagall Breakout
Blair Doctrine Redux: Obama Claims WMD in Syria
Eurasian Integration: A Chance for Survival

Boston Bombing: Anglo-Saudi Terror Strikes U.S. Again



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EIR (ISSN 0273-6314) is published weekly

(50 issues), by EIR News Service, Inc.,

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

(703) 777-9451

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#40683579

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

EIR

From the Managing Editor

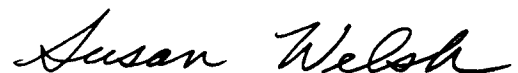
We at EIR have been “writing the book” on who runs international terrorism since many of our readers were knee-high to a grasshopper; our *Feature* this week presents a dossier that is highly relevant to ferreting out what really lies behind the Boston Marathon bombing. Jeffrey Steinberg lays out the broad picture of Anglo-Saudi involvement in financing and steering terrorism going back years, and Edward Spannaus details a “short history” of the FBI’s provocations, from its 1973 incitement against LaRouche, through the 1993 bombing of the World Trade Center, and the horrible events of domestic terrorism that have occurred since that time. We also include reprints of a few highlights of our previous coverage of these corrupt networks at home and abroad.

Our coverage of the Schiller Institute’s April 13-14 conference in Frankfurt, Germany, continues with speeches by international leaders on “The Future of Eurasian Cooperation”: Dr. Natalia Vitrenko (Ukraine) on the post-Soviet destruction of Ukraine and what should be done to reverse it; Dr. Nino Galloni (Italy) on an economic policy for Europe and beyond; Dr. Cui Hongjian (China) on the lessons of Confucius for our fight today; and Mikhail Delyagin (Russia) on the nature of the crisis and “why mankind needs Russia.”

In *International*, we expose the fraud of the Obama-Cameron claim that Syria is now using WMD (chemical weapons) against its people: a replay of Tony Blair’s campaign that started the Iraq War. And Theodore Andromidas contributes a historical study of how the oligarchical system has *always* had as its aim the reduction of the world’s population, through wars and other means.

In the United States, the key fight is around the need for Congress to reenact the Glass-Steagall law. We cover both the motion in that direction (*National*) and the efforts to derail it with various ersatz versions of “too-big-to-fail” banking legislation that will not do the job that Glass-Steagall has to do (*Economics*).

In Europe, although Glass-Steagall remains blocked in Germany and France, we have good progress to report from Italy and Sweden, where the legislatures are debating bills for Glass-Steagall-style reform.



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United Flight 175 heads into the South Tower of the World Trade Center, Sept. 11, 2001.



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Members of Congress are calling for an investigation of the FBI's role in the Boston Marathon bombing, as well as the possible global terrorist links of the two accused bombers. Such an investigation would provide Americans with a profile of the Anglo-Saudi apparatus that has been responsible for every major act of terrorism since 9/11, and before.

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Boston Bombing: Anglo-Saudi Terror Machine Strikes U.S.

by Jeffrey Steinberg and Stu Rosenblatt

April 29—In reaction against the Obama Administration's rush-to-judgment declaration that the April 15 Boston Marathon bombing was the work of two brothers who were radicalized by reading Internet sites, and who had no ties to global terrorist networks, some Members of Congress are demanding a thorough probe of the accused bombers, *and the role of the FBI* in one of the most deadly terrorist acts on U.S. soil since Sept. 11, 2001.

Were such an investigation to take place, in spite of Obama White House and FBI interference, Americans may be given a long-overdue view into the Anglo-Saudi apparatus that has been responsible for nearly every act of global terrorism over the past several decades. This is the apparatus which was behind the Sept. 11, 2001 attacks on the World Trade Center and the Pentagon, and the Sept. 11, 2012 assault on the U.S. mission in Benghazi, Libya, in which U.S. Ambassador Christopher Stevens and three other U.S. personnel were killed.

Appearing April 28 on Fox News, Rep. Michael McCaul (R-Tex.), Chairman of the House Homeland Security Committee, declared that, after consulting with security professionals, he was convinced that the bombs used in the attack on the Boston Marathon were far too sophisticated to have been constructed based on Internet diagrams alone. He noted that the bombs were similar to those used frequently by terrorists in Pakistan, Afghanistan, and elsewhere. Both McCaul and Sen. Joe Manchin (D-W.Va.), who appeared with him on Fox, demanded answers about the recruitment and training of the bombers, and about what global networks the two young Chechens had been tracked into.

In an April 20 letter to the Director of the FBI, the Secretary of Homeland Security (DHS), and the Director of National Intelligence (DNI), Reps. McCaul and Peter King (R-N.Y.), the previous head of the Homeland Security Committee, also demanded an accounting by the FBI of its failure to act on leads provided by Russian security services, well over a year



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Churchill's deep appreciation for the corrupt and barbaric Saudi Royal Family goes back to 1921; he is shown here with King Abdulaziz Ibn Saud, in February 1945, in Fayoum, Egypt.

before the Boston bombings. Russian officials alerted the FBI in 2011 that Tamerlan Tsarnaev, the elder of the two brothers, should be investigated for ties to violent jihadist networks operating in the North Caucasus region of Russia. Similar warnings were provided by Russian officials to both the DHS and the CIA, and Tsarnaev was actually placed on a CIA watch list of suspected terrorists whose travels abroad should be monitored.

In their letter, McCaul and King cited at least five previous incidents, since the beginning of the Obama Administration, in which the FBI failed to pursue terror suspects, and in some cases, actually protected suspects as informants and *agents provocateurs* (see article, p. 23).

Two Tracks, Two Threats

In a very real sense, the Congressional demands for full disclosure from both the FBI and the Obama Administration define two separate, but critical tracks, of any serious investigation.

First and foremost, the Boston bombing, in which three people were killed, and many more grievously injured, demands an end to the coverup of the Anglo-

Saudi guiding hand behind virtually all global terrorism. A serious probe into the apparatus behind decades of irregular warfare in the Caucasus region, Central Asia, Afghanistan-Pakistan, the Near East, and North Africa—an apparatus already implicated in the Boston bombings—would open up the entire British-Saudi alliance, and also lay bare the coverup by the George W. Bush and Obama administrations, a coverup which itself constitutes an impeachable crime.

At the same time that the full exposure of the Anglo-Saudi global terror machine is the top priority, it is also high time that a thorough probe of the criminal misconduct of the FBI be undertaken. The last time that Congress seriously looked into the abuses of power by the FBI, was back in the 1970s, when the Pike and Church committees in Congress, the Rockefeller Commission, and a Joint Congressional Inquiry into the Kennedy and Martin Luther King, Jr. assassinations, found the FBI guilty of widespread abuses of power, including illegal spying on American citizens.

The long-delayed probe of Anglo-Saudi terrorism will also unravel a longstanding British penetration of U.S. national security institutions, which has drawn the United States into British colonial adventures around the globe, particularly in the Arab and Islamic world, that have transformed the U.S.A. into a hate object for some of the very people who previously saw the U.S. as the role model for liberation from the yoke of colonial repression and looting.

A Hundred-Year Marriage

While British domination over the Persian Gulf region dates back to the 18th Century, when the ports of the Gulf were the way-stations and security outposts of the British East India Company's vital trade routes to the Indian Subcontinent, a marriage between the British and Saudi monarchies was forged. This took place in the immediate aftermath of World War I, when the Ottoman Empire was dissolved, and the British and French divided the Middle East under the Sykes-Picot treaty.

In 1921, British Colonial Secretary Winston Churchill had the following words of praise for the House of Saud in remarks delivered before the British House of Com-

mons. They are, he said, “austere, intolerant, well-armed, and bloodthirsty, and that they hold it as an article of duty, as well as faith, to kill all who do not share their opinions and to make slaves of their wives and children. Women have been put to death in Wahhabi villages for simply appearing in the streets. It is a penal offence to wear a silk garment. Men have been killed for smoking a cigarette.”

Churchill, in conclusion, praised King Ibn Saud for his unswerving loyalty to Britain.

From 1917-53, the year King Abdulaziz Ibn Saud died, British Intelligence’s man on the scene was Harry St. John Philby, the legendary “Arabist” and father of the triple-agent Kim Philby. According to British historian Mark Curtis, the elder Philby’s assignment was to “consult with the Foreign Office over ways to consolidate the rule and extend the influence of Ibn Saud.”

In 1973, in the immediate aftermath of the breakup of the Bretton Woods fixed-exchange-rate system, the British government forged a strategic investment partnership with the Kingdom of Saudi Arabia, that also merged Anglo-Saudi geopolitical objectives. In a series of high-level diplomatic exchanges between 1973 and 1975, culminating in an October 1975 meeting between then-Crown Prince Fahd and Queen Elizabeth II, London became the financial center for the Saudi oil empire. “Former” British SAS commandos were deployed in large numbers into Saudi Arabia to train the National Guard, and to establish direct control over the security mechanisms protecting the Saudi Royals.

1975 was also the year that British Intelligence’s Dr. Bernard Lewis was permanently redeployed to the United States. While teaching at Princeton University, Lewis became the leading Middle East policy advisor to a host of American national security policymakers, including Zbigniew Brzezinski and Dick Cheney. Prominent American neoconservatives of the last 30-plus years, including Michael Ledeen and Harold Rhode, were parrots for what came to be known as the “Bernard Lewis Plan.” The essence of the plan was for



Mr. “Al-Yamamah,” Prince Bandar bin-Sultan.

Western powers to support the spread of Islamic fundamentalism across the southern tier of the Soviet Union, from the Caucasus, to Central Asia, to the western provinces of China.

The Afghan mujahideen project, under which Britain, the United States, and Saudi Arabia poured hundreds of billions of dollars in arms into the hands of Wahhabi and Salafist “freedom fighters” battling to drive the Soviet Army out of Afghanistan between 1979 and 1990, directly spawned al-Qaeda, the Afghan Taliban, the Libyan Islamic Fighting Group, and scores of other radical jihadist terror fronts.

Al-Yamamah

The Anglo-Saudi alliance—and joint sponsorship of global terrorism—entered a new phase in 1985, with the “Al-Yamamah” (“The Dove”) oil-for-arms deal between London and Riyadh. The deal was brokered by Prince Bandar bin-Sultan, the longtime Saudi Ambassador in Washington, and the son of Saudi Arabia’s Defense Minister Prince Sultan.

As *EIR* revealed in an exclusive exposé,¹ the Al-Yamamah deal established an offshore black operations fund worth hundreds of billions of dollars, skimmed from the lucrative sales of Saudi oil on the world spot market. Saudi princes pocketed tens of billions of dollars in kickbacks from the deal, which continues to this day, despite major corruption probes in Britain and the United States in the last decade.

In a revealing authorized biography of Prince Bandar, Anthony Simpson boasted, “Although Al-Yamamah constitutes a highly unconventional way of doing business, its lucrative spin-offs are the by-products of a wholly political objective: a Saudi political objective and a British political objective.

“Al-Yamamah is, first and foremost, a political contract. Negotiated at the height of the Cold War, its unique structure has enabled the Saudis to purchase

1. See Jeffrey Steinberg, “Will BAE Scandal of Century Bring Down Dick Cheney?,” *EIR*, June 29, 2007.

weapons from around the globe to fund the fight against Communism. Al-Yamamah money can be found in the clandestine purchase of Russian ordnance used in the expulsion of Qaddafi's troops from Chad. It can also be traced to arms bought from Egypt and other countries, and sent to the Mujahideen in Afghanistan fighting the Soviet occupying forces."

Al-Yamamah funds not only armed the Afghan mujahideen and bankrolled several African coups; payoffs from the British arms cartel BAE Systems to Prince Bandar, laundered from the Bank of England through Saudi Embassy bank accounts at Riggs National Bank in Washington, found their way directly into the hands of at least two of the 9/11 hijackers, Nawaf Alhazmi and Khalid Almihdar. The two San Diego-based hijackers were bankrolled and protected by two agents of the Saudi General Intelligence Directorate (GID), Osama Basnan and Omar al-Bayoumi. The men received between \$50,000 and \$72,000 from Prince Bandar during the period that the 9/11 terrorists were under their sponsorship.

When the Joint Congressional Inquiry staff probing the security failures leading to 9/11 unearthed the money trail from Bandar to the terrorists, and included it in a 28-page chapter in their final report, President George W. Bush ordered the entire 28 pages redacted from the report and placed under national security seal.

Right up to the present, President Barack Obama has maintained the coverup of the Anglo-Saudi hand behind the financing of 9/11.

In a March 30 letter to Rep. Mike Rogers (R-Mich.), Chairman of the House Select Committee on Intelligence, Rep. Walter Jones (R-N.C.) demanded that the 28 pages be released to the public, and that hearings take place on the full implications of the evidence.

Benghazi, Syria, and Beyond

If there is any doubt that the Bandar funding of at least two of the 9/11 terrorists was part of a systematic Anglo-Saudi policy, and *not* an inadvertent act of charity to Saudi nationals in need, just consider the aftermath of the 9/11 coverup.

After leaving his post in Washington, Bandar returned to the Kingdom, and was named National Security Advisor to King Abdullah. In July 2012, the Prince was named Director of the Saudi GID. Senior U.S. diplomatic and intelligence sources have confirmed that, from his posts as national security advisor and GID head, Bandar is directing a far-flung terrorist operation, currently focused on the funding of al-Qaeda fronts in Syria,

Iraq, and Lebanon to overthrow the Assad government in Syria; waging irregular warfare against Hezbollah in Lebanon; and running a terrorist destabilization of Iraq.

Two of the Bandar-funded jihadist groups, al-Qaeda in Iraq (AQI) and the al-Nusra Front in Syria, have recently merged into a united neo-Salafist terror apparatus, now armed to the teeth to wage permanent terror war throughout the Near East and North Africa.

While the Obama Administration at the top is committed to protecting this Anglo-Saudi terror machine at all costs, not everyone in the U.S. government has gone along with the protection racket. At the outset of the first Obama Administration, then-Secretary of State Hillary Clinton established a joint task force with the Treasury Department, to crack down on Saudi funding of jihadist terrorists.

In a Dec. 30, 2009 State Department cable, in preparation for a visit to Riyadh by Richard Holbrooke and David Cohen, the co-directors of the joint task force on terrorist financing, Clinton wrote that "donors in Saudi Arabia constitute the most significant source of funding to Sunni terrorist groups worldwide. Continued senior-level USG engagement is needed to build on initial efforts and encourage the Saudi government to take more steps to stem the flow of funds from Saudi Arabia-based sources to terrorists and extremists worldwide."

Documentation presented in lawsuits against the Kingdom of Saudi Arabia by survivors and relatives of victims of the 9/11 attack makes clear that the "donors" referred to in the Clinton cable are all either members of the royal family, officials of the Ministry of Religious Affairs, or heads of charities all sponsored by the Saudi Monarchy.

While there is no magic bullet solution to the growing plague of international terrorism, and while the recent Boston Marathon bombings show that there is no place to hide from the scourge, the indispensable first step toward eradicating this plague is to break the coverup and expose the top-down Anglo-Saudi hand behind world terrorism.

EIR has been the publication of record, exposing the British role in all global terrorism and illegal drug trafficking—the other primary source of funds to the worldwide terror machine. The Anglo-Saudi alliance must be broken, and the Bush and Obama administration officials who willfully covered up the terror trail must also be brought to justice. The pages that follow offer a small piece of the available evidence of this ongoing crime against humanity.

The North Caucasus Flashpoint for War

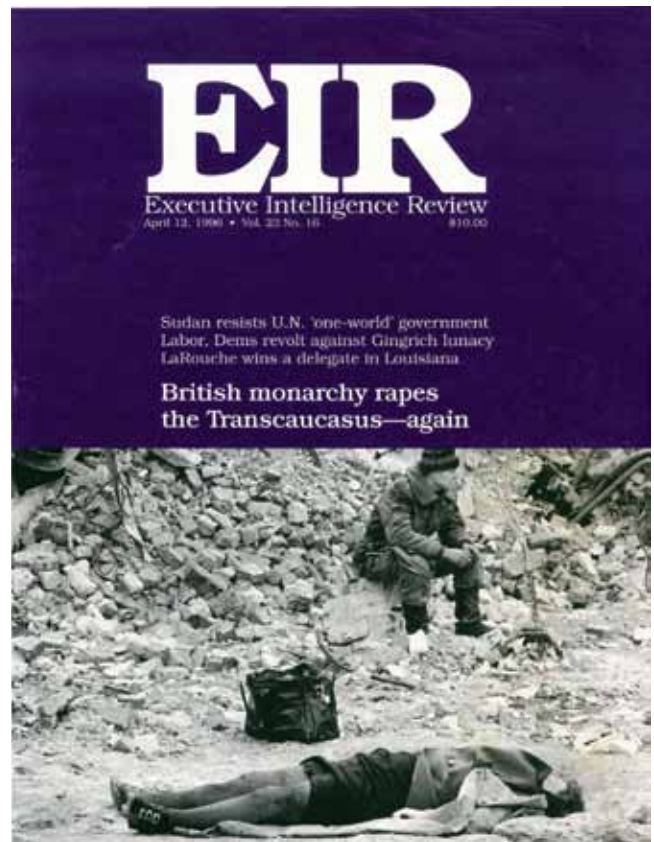
by EIR Staff

This article was first published in EIR, Sept. 10, 1999. The full headline was “Russia’s North Caucasus Republics: Flashpoint for World War.”

In *EIR*’s cover story of April 12, 1996, “Britain Rapes the Caucasus, Again,” the North Caucasus republic of Chechnya figured as one of the main, British-ignited detonators of military-political crisis in the south of Russia. Ex-Soviet Gen. Jokhar Dudayev had proclaimed the independence of Chechnya in 1991, just as the Soviet Union broke up. At the end of 1994, Russian military forces were sent to force Chechnya into compliance with federal rule. The resulting conflict brought casualties in excess of 80,000. It ended in a truce in the Summer of 1996, negotiated by then-Security Council official Gen. Alexander Lebed. Resolution of Chechnya’s political status within the Russian Federation was deferred for five years, until 2001.

It was clear from the outset, that Dudayev was a pawn in a British geopolitical game, played out on the same terrain as the decades-long North Caucasus agitation against the Russian Empire in the 19th Century. For years, analysts and profilers orbiting around British intelligence had predicted a Caucasus revolt that would destroy the Soviet Union. The chief propagandist for this was Prof. Alexandre Bennigsen of the Sorbonne, in Paris, where he was the protégé of Louis Massignon, the Dean of Orientology and a Sufi mystic. Bennigsen’s daughter, Marie Bennigsen Broxup, has followed in his footsteps and is now editor of the British quarterly *Central Asian Survey*.

The “Chechen Republic” was accepted in August 1991 as a full member of the Unrepresented People’s Organization, the key UN-approved non-governmental organization (NGO) for British insurgencies aimed at fragmenting large nations. In October 1991, the UNPO sent a team to monitor the “elections” in Chechnya. The



team’s report was printed in full in Broxup’s *Central Asian Survey*.

Dudayev received encouragement and patronage from former British Prime Minister Margaret Thatcher, her ally Lord McAlpine, who conceived the project for a “Caucasus Common Market,” and the Minority Rights Group of Britain, chaired by Sir John Thomson, former British ambassador to India and then to the United Nations. So did Dudayev’s successor (Dudayev was killed by a remote-controlled missile strike in April 1996), Gen. Aslan Maskhadov.

Today, however, even Maskhadov says openly that unrest in the North Caucasus is being directed by foreign powers, interested in destabilizing Russia. The main operational force is a radical wing of the Chechen independence movement, led by Shamil Basayev, and the Jordanian-national, Commander Khattab (Hottab)—both of them operatives of the British-run international “Afghansi” terrorist capability (see two-part *EIR Feature* on “The New International Terrorism,” Oct. 13 and Nov. 10, 1995). They operate out of areas in Chechnya that are not even under Maskhadov’s control, but are power-domains of the “Wahhabite” factional movement.

Their main target in 1998 has been Dagestan, the

linchpin of the Russian North Caucasus. Not only is Dagestan strategically crucial because of its size, its Caspian Sea coastline, and its potential as an oil pipeline route, but the geographical placement of some of the 23 ethnic groups in Dagestan threatens to make any conflict there into an international one. The Lezgins, who inhabit southern Dagestan, overlap the border with northern Azerbaijan.

Dudayev's Rise to Power

Dudayev's rise did not match the democratic rhetoric of his foreign supporters. In November 1990, the Chechen Popular Congress, whose members largely favored autonomy within Russia, was formed, with Dudayev among its leaders. In June 1991, he was elected its head. The Congress called for complete independence from Russia; those nationalists who favored less drastic steps were purged. On Sept. 1, 1991, Dudayev condemned the Chechen Supreme Soviet as illegitimate, and declared himself Chechnya's ruler. His followers stormed the parliament building that day, and seized control of the Chechen Soviet later that week.

When Russian Vice President Aleksandr Rutskoy called for disarming Dudayev's militias on Oct. 9, 1991, Dudayev ordered a mobilization of all Chechens against Russia, and his allied Vaynakh Democratic Party called for "holy war." A "general election" in Chechnya on Oct. 27 brought Dudayev 90% of the vote, and Dudayev was quickly granted emergency powers by his rubber-stamp parliament. At the same time, Dudayev declared full Chechen independence. No state formally recognized the entity, but various countries did sign treaties with Dudayev—Turkey, Germany, Japan, the Baltic states, Ukraine, and Kazakhstan.

Dudayev was plagued by challenges from various Chechen clans and parties. In April 1993, he summarily shut down parliament and the constitutional court. Rebellious Chechen forces withdrew to the northwest, where they began receiving aid and supplies from Moscow. Civil war ensued. In June 1994, the Chechen opposition launched an unsuccessful bid to seize Grozny, a failure that soon led to direct Russian military intervention.

In early December 1994, Russian aircraft began bombing airfields and army camps in Chechnya. On Dec. 11, some 40,000 Russian troops entered Chechnya, but were badly defeated when they tried to take the capital in January. The Russian Air Force then began carpet-bombing Grozny, razing the city and killing

close to 25,000 civilians. The Russians finally took the ruined city and three others, as the war shifted to the mountains.

Despite a ceasefire in June 1995, and the Russian installation of a new government supplanting Dudayev as President in December, the war in Chechnya continued until the Summer of 1996, characterized by bombings of Chechen villages by the Russian Air Force, in retaliation for guerrilla assaults on occupying Russian troops.

London's Staging Ground

Russia's war in Chechnya officially ended in 1996 with the capture and devastation of Grozny, capital of Chechnya. That war, and the lack of immediate economic reconstruction of the area, led to the conditions that have allowed terrorism to flourish in the region, and have allowed British-American-Commonwealth agents-of-influence to buy up the services of particularly Chechen-based guerrilla commanders.

London already had extensive capabilities in place, as *EIR* documented on Dec. 5, 1997, in the article "British 'Do Business' in the Caucasus." The British capabilities, we reported, comprise "business projects, cultivation of political assets, and irregular warfare." Besides the ongoing maneuvers by ex-KGB officer and longtime British crony Haidar Aliyev, President of Azerbaijan, we pointed to the role of Lord McAlpine, formerly a director of his father's engineering and construction firm, Sir Robert McAlpine & Sons, and a vice president of the European League for Economic Cooperation. Usually resident in Venice, Lord McAlpine was instrumental in bringing Britain's current New Age eco-fascist Tony Blair regime into office. A close friend of Lady Thatcher, and a top Tory Party fundraiser for 15 years, he McAlpine defected to the late financier Jimmy Goldsmith's Reform Party in 1996.

McAlpine's business partner Hozhahmed Nukhayev, president of the Caucasus Common Market Closed Share Society, worked in 1997 to get the franchise to operate the Chechen segment of the Baku-Novorossiysk pipeline. Nukhayev and McAlpine launched the Caucasus Investment Fund and Caucasus Common Market scheme with billionaire Saudi arms dealer Adnan Khashoggi; McAlpine was a partner in the pipeline venture, as well. *Nezavisimaya Gazeta* reported in 1997 that these deals were facilitated by one "Mansur" Jahimczyk, executive vice president of the Caucasus-American International Chamber of Commerce, a

shady Polish-born operator, who styles himself after one of the 19th-Century leaders of anti-Russian guerrilla warfare in the Caucasus (who was, in turn, an intelligence operative from Italy). As a student in London, Jahimczyk converted to Sufism, preparatory to launching his North Caucasus career.

In 1996, the year of the truce in Chechnya, Marie Broxup undertook a fact-finding mission to the North Caucasus. Her message was: Dagestan is next. The Dagestan project has been kept at a boil in British geopolitical circles, ever since. Typical is a feature in *The Economist* of July 18, 1998, titled "Russia and Dagestan: Losing Control?" The commentary suggested, "Add Dagestan to the list of unruly statelets that threaten to tear up Russia's southern rim."

The means for blowing up Dagestan is an insurgency that has next to no basis within that multi-ethnic district: the Wahhabite sect of Islam. Sufism is the traditional religion in Dagestan, not Wahhabism, which is a tiny minority.

Shamil Basayev is the Chechnya-based guerrilla commander most active in keeping tensions high in Chechnya, and launching Wahhabite operations into Dagestan. His closest allies have been Commander Khattab and the mysterious terrorist Salman Raduyev, who is sometimes called, with quotation marks, "Salman Raduyev," on account of the possible death of the original Salman Raduyev in a bombing some years ago. Basayev burst onto the scene in June 1995, when he and 100 of his men seized a hospital and took hostages in Budyonnovsk, Dagestan. Throughout Russia, the violent Budyonnovsk raid hit hard psychologically; it was seen as the expansion of the Chechen war against the rest of Russia.

Shamil Basayev wears his "British pawn" credentials on full display. He trained for his *jihad* in the Afghansi camps, as he said in July 1995: "I was preparing for war with Russia a long time before the aggression against Chechnya began. Together with fighters from my Abkhazian [separatists within Georgia] battalion, I paid three visits to Afghan mujahideen camps, where I learned the tactics of guerrilla warfare."

In July 1998, as acting Prime Minister of Chechnya, Basayev situated his operations within the "Ring around China" geopolitical offensive of the British-American-Commonwealth forces, when he sent an open letter to Chinese Prime Minister Zhu Rongji. According to *Moskovsky Komsomolets*, Basayev gave Zhu an ultimatum, that if China once more referred to Chechnya as part of

Russia, Chechnya would launch support actions for the Uighur population of northwest China to split off as an independent state.

British Irregular Warfare

At the end of 1997, just when Zbigniew Brzezinski's *The Grand Chessboard* design for the fragmentation of Russia was published in translation, thereby provoking a furious reaction from leading political figures in and outside of government in Moscow, the combined political and business offensive from Britain into the North Caucasus stepped up. In March 1998, Chechen leader Maskhadov visited London. He claimed that Baroness Thatcher was going to visit Chechnya as soon as two British citizens, detained by a Chechen gang, were released, but Thatcher's office denied the visit plans, as well as Maskhadov's claim that Thatcher was going to head up a commission of experts to analyze relations between Russia and Chechnya.

It was evident, that other assets than General Maskhadov were being cultivated. It is useful to look at 1997-98 developments through the eyes of a Russian investigative report, published by Shamsuddin Mamyev and Pyotr Ivanov in *Kommersant-Vlast*, on Feb. 10, 1998. We do not vouch for the accuracy of details contained therein, but the report indicates how London was perceived in Moscow as fanning the flames in the North Caucasus.

The *Vlast* report said that a British delegation, arriving in Grozny on Oct. 13, 1997, represented "the financial group of [the late] Jimmy Goldsmith," together with "his son-in-law, Pakistani playboy Imran Khan," and Lord Alistair McAlpine, "Goldsmith's political ally for many years." They were dealing with the Chechens for the right to rent the Chechnya segment of the Baku-Novorossiysk oil pipeline, in exchange for investment in reconstructing the Chechen economy.

"Two weeks later, a day before the first Azeri crude oil reached Chechnya, Khozhahmed Yarikhanov was removed from leadership of the Southern Oil Company (YUNKO), and the company as such was dissolved. With this dissolution, the Moscow-Grozny oil agreement lost its grounds. The financial genius of the dead Sir Goldsmith was preferred by the Chechen powers to [Russian auto and oil magnate] Boris Berezovsky's shuttle diplomacy. Soon, on Nov. 5, Berezovsky was removed from the post of Deputy Secretary of Russia's Security Council. The same day, *Nezavisimaya Gazeta* published the text of the British-Chechen contract, provided to the

newspaper by Maczej “Mansur” Jachimczyk.”

Vlast went on to review the history of the Caucasus Common Market and Caucasus Investment Bank, and suggested that these commercial dealings fold seamlessly into the arrival of British irregular warfare capabilities in the region:

“In late November, the investment fund, promised by the British, was presented in London. On the eve of this event, Goldsmith’s heir Lord McAlpine introduced Nukhayev to Margaret Thatcher. . . . Goldsmith’s group was not going to limit its activity to Chechnya. The game was spreading to Dagestan, where a new political forces, the Wahhabites, were activating.

“On December 10, a tender for the development of Russia’s (including Dagestan’s) oil deposits was held in Moscow. Twelve days later, the Wahhabites, trained by a citizen of Jordan along with Chechens, attacked the Russian garrison in Buinaksk. The terrorist group that destroyed a regular tank unit, questioned the guarantees of oil transit, previously given by Russia.

“To make sure the oil company representatives understood who was behind this armed attack, Goldsmith’s group dropped several hints. On Nov. 14, Lord McAlpine declared his intention to send a squad of former British commandos to Chechnya under the pretext of an operation to save two ethnic British [hostages], but also with a plan to ‘train the (Chechen) government’s troops.’ Nukhayev promised to earmark \$400,000 for these purposes. In December, Imran Khan was going to visit Chechnya. In mid-January, Jachimczyk and Nukhayev initiated sending a group of Polish commandos to Chechnya.”

The *Vlast* authors suggested that Goldsmith’s group was not only “outflanking Russia,” but, by establishing itself in the North Caucasus, had “*challenged the United States*.”

Chechnya and Dagestan

There was a summit of leaders of the North Caucasus republics of the Russian Federation, plus the adjacent territories of Stavropol and Krasnodar, held in Grozny, Chechnya in April 1998. It was the initiative of Russian Vice Premier Ramazan Abdulatipov, who is originally from Dagestan. By the time of the meeting, however, the entire Chernomyrdin government had been dismissed by President Yeltsin, so Abdulatipov presided with diminished authority. While he argued for economic reconstruction and other measures to prevent the further fragmentation of the region and its divi-

sion from Russia, Nukhayev of the British-run Caucasus Common Market showed up and gave a speech that became the conference keynote. Immediately after that summit, Maskhadov made a statement echoing Nukhayev: Chechnya had already effectively separated from Russia, and could restore its economy without Russian assistance. “All the neighbors have understood this,” said Maskhadov, and “the future of the Caucasus is a confederation.”

Coverage of the April 1998 meeting in *Moskovskiy Novosti* makes clear that Maskhadov’s strongest opponent on this issue was Magomedali Magomadov, head of Dagestan’s State Council, who said that “Dagestan has remained, remains, and will remain part of the Russian Federation.”

On April 26, Chechen Deputy Premier Movladi Udugov, leader of the Islamic Nation party, held a “Congress of the Chechen and Dagestani Peoples” in Grozny. Magomadov declined to attend. The Congress declared itself “permanent,” and Shamil Basayev was elected its head.

Almost immediately, there was an escalation of kidnappings, raids, and assassination attempts, inside Chechnya and then, increasingly often, in Dagestan. The targets were key Russian officials, foreigners, and Dagestani political and religious leaders, opposed to the separatist plot.

Kidnappings: In May 1998, Russian Presidential envoy Valentin Vlasov was abducted outside the village of Assinovskaya, Ingushetia near the Chechen border. The place was close to where an NTV television crew from Moscow was captured in 1996. The area around Assinovskaya is described by Russian media as a sort of “well,” under control of neither the Chechen nor the Ingushi authorities, but of the Wahhabites. Udugov denied that Grozny was involved.

There had already been 200 kidnappings in and around Chechnya in 1997. There are kidnappings for ransom, and politically targeted kidnappings. Chechen police who attempted to stop the guerrillas’ activities were kidnapped. Dagestani security official Magomed Tolboyev said in May 1998 that there were “Dagestanis operating between the two republics under the guise of being Chechens. International groups have been formed. An entire network of ‘spotters,’ kidnappers, middlemen, negotiators, etc., is in operation.”

On Dec. 21, former Chechen Prime Minister Salambek Khadzhiyev, who had resigned in October 1995, was abducted.

The origins of the Chechen kidnapping industry and its interface with drug- and gun-running in the region, were traced in Roman Bessonov's series, "Chechnya: the Russian Sicily," (*EIR*, April 28 and May 5, 1995). North Caucasus kidnappings are unpredictable and often barbaric, as in the highly publicized cases of the detention, rape, and release of British citizens Jon James and Camilla Carr in 1997-98, and the capture and beheading of five British and New Zealand electronic communications technicians, accused by Chechen gangs of being spies. Boris Berezovsky, the Russian financial and political operator close to Yeltsin's family, has made a business of arranging for kidnap victims in Chechnya to be freed, often behind the back of a federal government policy of paying no ransom.

Assassination attempts and bombings: In January 1998, federal security forces in Dagestan neutralized explosives in a car placed in front of the House of Parliament in Dagestan's capital city, Makhachkala.

On April 28, 1998, a car loaded with explosives blew up in Makhachkala, just when the car of Dagestan Deputy Prime Minister Ilyas Umakhanov was to pass by. There were several attempts on the life of the anti-separatist Mayor of Makhachkala, Sayid Amirov, during the year. Mufti Sayid-Magomed Abubakarov of Dagestan, a vocal opponent of the Wahhabites, was murdered by car-bomb in Makhachkala in August 1998, after previous unsuccessful attempts.

Akmal Sayidov, Russia's deputy representative in Chechnya, was kidnapped on Sept. 29, 1998, and murdered. Shagid Bargishev, head of Chechnya's Department for the Prevention of Human Abduction, was murdered in Grozny on Oct. 25, 1998. On the same day, an assault on Chechnya's Mufti, Ahmadhaji Kadyrov, destroyed three houses.

Escalation to War

In December 1998, Chechnya's Shariah Court attempted to dissolve the parliament and seize the reins of power in Chechnya. Maskhadov beat back the attack, but his authority has weakened, while Basayev's rose. The tempo of attacks on the Russian military stepped up, in parallel, until the outbreak of full-scale combat.

The most serious fighting since 1996 occurred after Wahhabite forces from Chechnya seized villages in Dagestan. Maskhadov himself charged that the Wahhabites were financed from abroad for the purpose of destroying the North Caucasus, as well as Russia. He

was seconded by Ingushetian President Gen. Ruslan Aushev, who told *Moskovskie Novosti* on Aug. 24, "It is not a secret that the bandits [in Dagestan] are financed by rival forces which are trying to change the route of the Caspian oil pipeline."

From Jan. 1 through June 1999, more than 100 people, mostly troops and police manning border posts, through to June, were killed in raids by Chechnya-based guerrillas. There were raids against both Interior Ministry and regular Army forces serving in the area. The ouster of Russian Prime Minister Yevgeni Primakov, who had pursued a diplomatic and economic-reconstruction approach to stabilizing Moscow's relations with Maskhadov, gave the green light for a sharper escalation of the conflict, which had begun to explode in March of this year.

From March onward, there were higher death tolls and new, high-ranking kidnap victims. In March, Interior Ministry Gen. Maj. Gennadi Shpigun was kidnapped in Grozny, a crime attributed in the Russian media to Chechen Commander Barayev, "Salman Raduyev," or, for Byzantine motives of Russian politics, Boris Berezovsky.

A number of Russian strategists became convinced that "after the Balkans, the Caucasus is next." While the world's attention was fixed on Kosovo, Russia began to build up troops near the borders of Chechnya. Between March and the end of June, at least 17,000 Russian Interior Troops were brought into position, while Prime Minister (for that moment) Sergei Stepashin's successor as Interior Minister, Vladimir Rushailo, said the force might be increased to 70,000. In the latter half of June, these troops were buttressed with heavy artillery units.

On July 3, Rushailo had told the Russian Federation Council that he was prepared to order preemptive attacks against Chechen terrorists engaged in kidnappings, assassinations, and other actions aimed at destabilizing the border region. "We are talking about [securing] territories along the administrative border [with Chechnya]. It will be a local operation linked to attacks on our border posts and checkpoints." On July 5, for the first time since 1996, Russian military units carried out an attack against Chechen rebels, along the Dagestan regional border. The July 5 military operation by the Russian Army involved helicopters and mortar fire, targetting a group of several hundred Chechens.

The invasion of Dagestan by Wahhabite guerrillas

from Chechnya, in August, has been covered by *EIR* over recent weeks. Russian combined ground-air operations drove them out, whereupon Basayev threatened to hit Russia with new acts of terrorism, “such as the world has not seen.”

Put Britain on the List Of Terrorist Sponsors

The following are excerpts from a memorandum, dated Jan. 11, 2000, which was prepared by EIR for delivery to then-U.S. Secretary of State Madeleine Albright. It is a request to launch an investigation, pursuant to placing Great Britain on the list of states sponsoring terrorism. The original memorandum, which originally was published in the Jan. 21, 2000 EIR.

This is a formal request for you to initiate a review of the role of the government of Great Britain in supporting international terrorism, to determine whether Britain should be added to the list of nations sanctioned by the United States government for lending support to international terrorist organizations....

It is our understanding that, while the Congress has given the Secretary of State broad discretion in designating a country as a state sponsor of terrorism, the legislative history of the House Foreign Affairs Committee and the Senate Foreign Relations Committee has specified seven criteria which should guide the Secretary's action.

These criteria are:

1. Does the state provide terrorists sanctuary from extradition or prosecution?
2. Does the state provide terrorists with weapons and other means of conducting violence?
3. Does the state provide logistical support to terrorists?
4. Does the state permit terrorists to maintain safe-houses and headquarters on its territory?
5. Does the state provide training and other material assistance to terrorists?
6. Does the state provide financial backing to terrorist organizations?
7. Does the state provide diplomatic services, including travel documents, that could aid in the commission of terrorist acts?

As of this writing, the State Department currently designates seven countries as state sponsors of terrorism: Iraq, Iran, Libya, Syria, Sudan, Cuba, and North Korea....

The Case of Great Britain

- In July 1998, a former British MI5 officer, David Shayler, revealed that, in February 1996, British security services financed and supported a London-based Islamic terrorist group, in an attempted assassination against Libyan leader Muammar Qaddafi. The action, Shayler charged, in an interview with the British *Daily Mail*, was sanctioned by then-Foreign Secretary Malcolm Rifkind....

- On June 25, 1996, a bomb blew up the U.S. military barracks in Dhara, Saudi Arabia, killing 19 American soldiers. The next day, Saudi expatriate Mohammed al-Massari, the head of the London-based Committee for the Defense of Legitimate Rights, was interviewed on BBC. He warned the United States to expect more terror attacks, which he described as “intellectually justified....”

Al-Massari is allied with the well-known Saudi expatriate Osama bin Laden, who, to this day, maintains a residence in the wealthy London suburb of Wembley. And London is the headquarters of bin Laden's Advise and Reform Commission, run by the London-based Khalid al-Fawwaz.

Bin Laden has been given regular access to BBC and a variety of major British newspapers, to spread his calls for *jihad* against the United States....

- On Jan. 25, 1997, Tory Member of Parliament Nigel Waterson introduced legislation to ban foreign terrorists from operating on British soil. His “Conspiracy and Incitement Bill,” according to his press release, would have for the first time banned British residents from plotting and conducting terrorist operations overseas....

On Feb. 14, 1997, Labour MP George Galloway succeeded in blocking Waterson's bill from getting out of committee....

- On Nov. 17, 1997, the Gamaa al-Islamiya (Islamic Group) carried out a massacre of tourists in Luxor, Egypt, in which 62 people were killed.... Yet, the leaders of the organization have been provided with political asylum in Britain, and repeated efforts by the Egyptian government to have them extradited back to Egypt have met with stern rebuffs by Tory and Labour governments alike.

On Dec. 14, 1997, British Ambassador to Egypt David Baltherwick was summoned by Egypt's Foreign Minister Amr Moussa and handed an official note, demanding that Britain "stop providing a safe haven to terrorists, and cooperate with Egypt to counter terrorism...."

To substantiate the charges against Britain, the Egyptian State Information Service posted a "Call To Combat Terrorism" on its official web site. The document read, in part, "Hereunder, is a list of some of the wanted masterminds of terrorism, who are currently enjoying secure and convenient asylum in some world capitals." The "wanted list" consisted of photographs and biographical data on 14 men, linked to the Luxor massacre and other earlier incidents of terrorism. The first seven individuals listed were all, at the time, residing in London....

U.S.-Banned Groups Are Headquartered in London

Shortly before the Luxor massacre, on Oct. 8, 1997, the U.S. State Department, in compliance with the Anti-Terrorism Act of 1996, released a list of 30 Foreign Terrorist Organizations (FTOs), banned from operating on U.S. soil.

Of the 30 groups named, six maintain headquarters in Britain. They are: the Islamic Group (Egypt), Al-Jihad (Egypt), Hamas (Israel, Palestinian Authority), Armed Islamic Group (Algeria, France), Kurdish Workers Party (Turkey), and the Liberation Tigers of Tamil Eelam (Sri Lanka)....

Similarly, the Algerian Armed Islamic Group (GIA), which was responsible for the assassination of Algerian President Mohamed Boudiaf on June 29, 1992, has its international headquarters in London....

The Liberation Tigers of Tamil Eelam (LTTE), known as the "Tamil Tigers," have carried out a decade-long terror campaign against the government of Sri Lanka, in which they have killed an estimated 130,000 people. In addition, LTTE was responsible for the suicide-bomber murder of former Indian Prime Minister Rajiv Gandhi on May 21, 1991, and the similar assassination of Sri Lankan President Ranasinghe Premadasa on May 1, 1993.

Since 1984, the LTTE International Secretariat has been located in London....

In the case of the Kurdish Workers Party (PKK), the British government played an even more direct role in supporting the 17-year war against the Turkish govern-

ment by the Kurdish separatists. An estimated 19,000 people have been killed in Southeast Turkey since the PKK launched its terror war in 1983. In May 1995, after the PKK was expelled from Germany, for seizing control of Turkish diplomatic buildings in 18 European cities, the British government licensed MED-TV in London, through which the PKK broadcasts four hours a day into its enclaves inside Turkey, and all over Europe. In a March 1996 broadcast, PKK leader Apo Ocalan called for the execution of German Chancellor Helmut Kohl and his Foreign Minister Klaus Kinkel. And when the PKK held its founding "parliament in exile" in Belgium in 1995, three members of the British House of Lords either attended or sent personal telegrams of endorsement. The three were Lord Hylton, Lord Avebury, and Baroness Gould.

The same Lord Avebury has been an active backer of the Peru Support Group in London, which has served as a major international fundraising front for the Peruvian narco-terrorist group Shining Path (Sendero Luminoso). When Adolfo Héctor Olaechea was dispatched by Shining Path to London in July 1992, to establish the "foreign affairs bureau," he received a letter of recognition from Buckingham Palace, which he circulated widely....

In addition to the six FTOs that have their headquarters in Britain, an additional 16 groups on the State Department's 1997 list either receive funding from groups based in Britain, or receive military training and logistical support from groups operating freely from British soil. Those groups are: the Abu Nidal Organization (Palestinian Authority), Harkat ul-Ansar (India), Mujahideen e Khalq (Iran), Kach (Israel, Palestinian Authority), Kahane Chai (Israel, Palestinian Authority), Abu Sayyaf (Philippines), Hezbollah (Israel, Lebanon), Khmer Rouge (Cambodia), ELN (Colombia), FARC (Colombia), Shining Path (Peru), MRTA (Peru), Democratic Front for the Liberation of Palestine (Israel, Palestinian Authority), Islamic Jihad-Shaqaqi (Israel, Palestinian Authority), Popular Front for the Liberation of Palestine (Israel, Palestinian Authority), and the PFLP-General Command (Israel, Palestinian Authority).

The 'Fatwa' Against American Targets

On Feb. 10, 1998, a group of well-known London-based "Islamists" and Islamic organizations issued a *fatwa*, calling for terrorist attacks against American targets....

On Feb. 23, 1998, a second *fatwa* was issued, entitled “World Islamic Front’s Statement Urging Jihad Against Jews and Crusaders.” It called for killing Americans because of their “occupation of the holy Arab Peninsula and Jerusalem” and their “oppressing the Muslim nations,” and concluded, “in compliance with God’s order, we issue the following *fatwa* to all Muslims: The ruling to kill the Americans and their allies—civilian and military—is an individual duty for every Muslim who can do it in any country in which it is possible to do it....”

The two *fatwas* were the subject of testimony by an official of the Central Intelligence Agency on Feb. 23, 1998, before the Senate Subcommittee on Terrorism, chaired by Sen. John Kyl (R-Ariz.). At Kyl’s request, the CIA Counterterrorism Center provided the subcommittee with a declassified memorandum, titled “Fatwas or Religious Rulings by Militant Islamic Groups Against the United States.” The memorandum stated that “a coalition of Islamic groups in London, and terrorist financier Osama bin Laden, have issued separate *fatwas*, or religious rulings, calling for attacks on U.S. persons and interests worldwide, and on those of U.S. allies....”

Two days before the Aug. 7, 1998 bombings of the U.S. embassies in Dar es Salaam, Tanzania and Nairobi, Kenya, the Islamic Jihad issued a declaration, targeting American interests all over the world. The communiqué accused the CIA of cooperating with Egyptian officials to capture three members of the group in Albania, and extradite them to Egypt where they faced prosecution on capital offenses.

Within hours of the two bombings, a number of London-based groups issued endorsements of the bombings....

Formal Diplomatic Protests to London

This British harboring of international terrorist groups has not gone unnoticed by the nations that have been the targets of this brutality. To date, the British Foreign Office has received formal diplomatic protests from at least ten victimized countries. These include:

Egypt: British asylum for the Islamic Group and Islamic Jihad has been a persistent reason for Egyptian complaints to the British government. In April 1996, Egyptian Interior Minister Hasan al-Alfi told the British Arabic weekly *Al-Wasat*, “All terrorists come from London. They exist in other European countries, but they start from London....”

France: In late 1995, the GIA’s London headquarters ordered a terror war against France, leading France to loudly protest to the British government, according to the Nov. 6, 1995 London *Daily Telegraph*, in an article entitled “Britain Harbours Paris Bomber.” On Nov. 3, 1995, the French daily *Le Figaro* wrote, under the headline “The Providential Fog of London,” of the GIA’s bombing spree: “The trail of Boualem Bensaid, GIA leader in Paris, leads to Great Britain. The British capital has served as logistical and financial base for the terrorists....”

Algeria also filed strong protests to the British Foreign Office over the harboring of the GIA in London.

Peru: The Peruvian government has made repeated requests to the British government, since 1992, demanding the extradition of Adolfo Héctor Olaechea, the London-based head of overseas operations for Shining Path, as well as the shutdown of its fundraising and support operations there. Both requests have been refused to this day....

Turkey: On Aug. 20, 1996, the Turkish government formally protested to the British government for allowing the Kurdish Workers Party to continue its London-based MED-TV broadcasts into Turkey, despite documentation that the broadcasts were being used to convey marching orders to PKK terrorists there.

Germany: The Bonn government issued a diplomatic note to London, too, following a March 1996 MED-TV broadcast in which PKK leader Apo Ocalan called for murdering German Chancellor Kohl and Foreign Minister Kinkel. According to the German press, the Interior Ministry stated concerning the London station: “We have requested our colleagues in neighboring countries in Europe to put measures into effect in order to not compromise internal security in our own country.”

Libya: On Feb. 7, 1997, the Libyan Foreign Ministry submitted an official protest to the British government, over Britain’s permitting of the Militant Islamic Group to operate on British soil....

Nigeria: On Feb. 28, 1997, the British government issued a denial that it had refused to extradite three Nigerians suspected of a series of bombings in the major city of Lagos in January 1997. The three men were leaders of the National Democratic Coalition (Nadeco).

Yemen: In January 1999, the government of Yemen filed formal diplomatic protests with Britain for the harboring of the terrorists who carried out bombings and kidnappings.

Russia: On Nov. 14, 1999, the Russian Foreign Ministry filed a formal protest to Andrew Wood, Britain's Ambassador in Moscow, after two Russian television journalists were brutally beaten as they attempted to film a London conference, where bin Laden's International Islamic Front, Ansar as-Shariah, Al-Muhajiroon, and other Islamist groups called for a *jihad* against Russia, in retaliation for the Russian military actions in Chechnya.

One of the victims of the beating, ORT cameraman Alexandr Panov, told *Kommersant* daily that he was "very surprised at the indifference of the British government. Some of the participants at the 'charity' event were people wanted by Interpol, but Scotland Yard, although evidently aware of their residence [in Britain], does not react."

On Nov. 10, 1999, the Russian government had already filed a formal diplomatic *démarche* via the Russian Embassy in London, protesting the attacks on the Russian journalists, and also the admissions by Sheikh Omar Bakri Mohammed, the head of the "political wing" of the bin Laden organization, al-Muhajiroon, that the group was recruiting Muslims in England to go

to Chechnya to fight the Russian Army. Bakri's organization operates freely from offices in the London suburb of Lee Valley, where it occupies two rooms at a local computer center, and maintains its own Internet company. Bakri has admitted that "retired" British military officers are training new recruits in Lee Valley....

On Nov. 20, 1999, the *Daily Telegraph* admitted, following the release of the U.S. State Department's updated list of Foreign Terrorist Organizations, that "Britain is now an international center for Islamic militancy on a huge scale ... and the capital is the home to a bewildering variety of radical Islamic fundamentalist movements, many of which make no secret of their commitment to violence and terrorism to achieve their goals."

India: In December 1999, following the conclusion of the Indian Airlines hijacking, the Indian government protested the fact that British officials publicly stated that they would allow one of the freed Kashmiri terrorists, Ahmed Omar Sheikh, to return to London, because there "were no charges filed against him in Britain." The British government, facing growing international pressure, apparently has backed down from this decision.

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Why the Afghanistan War Does Not End

by Susan B. Maitra and Ramtanu Maitra

This article originally appeared in EIR, April 12, 1996.

It is almost eight years since the Soviet Army left Afghanistan, defeated and humiliated, and three and a half years since the once-mighty Soviet Union ceased to exist. Yet Afghans continue to kill each other under the name of a holy war, and, at this time, there appears to be no end in sight to the murderous fratricide.

At first it appeared as if the pure Sunni Pushtun, Hezbe Islami leader Gulbuddin Hekmatyar, once the blue-eyed boy of the Reagan Administration, and receiver of immense fortunes in cash and expensive armaments from many sources, was on his way to capture power militarily in the capital city, Kabul. Later, when Hekmatyar faltered, the press projected that the former Communist general, Abdur Rashid Dostum, an Afghan of Uzbek origin who leads a ruthless militia, Jumbush-e-Milli, and controls the area around the town of Mazar-e Sharif in northern Afghanistan, would oust the minority Tajik-backed Rabbani government and form a grand alliance with the Pushtuns. Such an alliance would make the road from Peshawar in western Pakistan to Central Asia via Kabul a most effective trade route. The opening of the trade route would introduce virgin Central Asia to the civilized world, and thus a huge “emerging market” would soon be delivered.

When such alliances failed to make any headway, and quarrelling erupted over the anticipated loot, Dostum was written off as a spent force, and Hekmatyar labelled a “corrupt Islamic fundamentalist.” Then, last year, a “pure and zealous” Sunni religious group, known as the Taliban, was put together on the plains of Pakistan’s North West Frontier Province and the adjoining, Pushtun-dominated areas of Afghanistan by Pakistan’s Inter-Services Intelligence (ISI); the ISI has been the Pakistani handlers of the Afghan mujahideen since the days of the late President Mohammad Zia ul-Haq and Gen. Akhtar Abdur Rehman in the early eighties. The prediction was that the mighty sword of Islam wielded by the Taliban, would cut through the

various factions in Afghanistan like a hot knife through butter.

The Taliban swept through the Pushtun areas of eastern and northeastern Afghanistan, confronted and humbled the Shi’as of central Afghanistan, and stood at Kabul’s door, atop tanks with Stingers and rocket launchers. No question, the pack of cards had been shuffled once more. Victories of the Taliban in eventful skirmishes were reported every day, and experts wrote the political obituaries of all the old, familiar strongmen.

But what seemed to be the hot story of Afghanistan in early 1995 began to cool by winter. Now, as we move into the spring of 1996, the holy warriors of the Taliban movement do not even secure news-blips. Stripped of its quick glory, Taliban are now presented as an irrelevant force lost in the crags and ravines of Afghanistan. Once again, Hekmatyar and Dostum have been trotted out of the stable as the horses to watch, and in whose hands the future of Afghanistan rests.

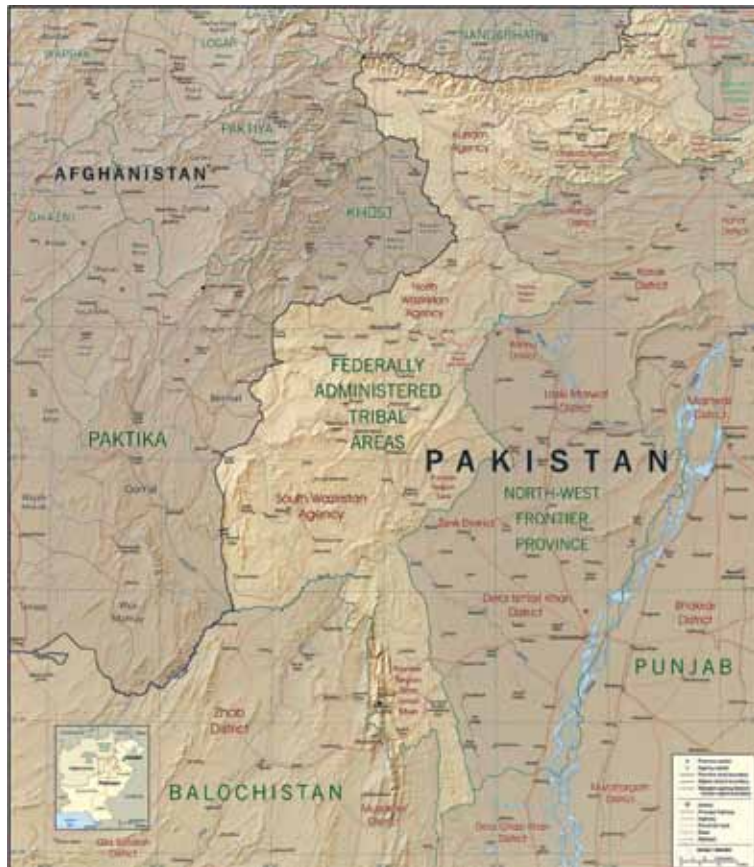
Today we are back at square one, with no better understanding of events in Afghanistan: The much-emphasized Pushtun-Tajik animosity or the Pushtun-Uzbek rivalry, the subject of voluminous books, seem to be more a charade created for public consumption than the key to current developments. In fact, a closer look shows that the so-called Afghan civil war of the past eight years has less to do with the historical rivalries between contentious tribal groups and ethnic varieties, than with the elements introduced from outside during the nine years of holy war against the Soviet occupation.

War Booty

The nine-year-long Afghan War (1980-88), or the period during which the Soviets tried unsuccessfully to consolidate their control over Afghanistan, was known to many around the world as the war to bleed the Reds to death. The West’s ostensible objective of confronting the Soviet Army by training and arming the mujahideen guerrillas, was not simply to defeat the Soviet Army, but also to weaken the Soviet State. The Afghan War may yet emerge as immensely significant in world history, comparable, perhaps, in importance in the South and Central Asian region to the Vietnam War in Southeast Asia.

The Soviet Army’s reckless advance into Afghanistan to prop up its puppets in the winter of 1979 was seized upon instantly as the southern tier of the Arc of

Pakistan-Afghanistan Border Region



Crisis policy, and the opportunity to set up new instruments in a highly important strategic region.

As *EIR* extensively documented in its Oct. 13, 1995 issue, “New Terror International Targets South Asia,” Afghan Aid U.K. (AAUK), together with Radio Free Kabul of London, were the two most important coordinators of Afghan mujahideen aid efforts throughout the war against the Soviets. Afghan Aid U.K., set up in Peshawar, Pakistan, had as its main sponsor Viscount Cranborne, Lord Privy Seal and leader of the House of the Lords. Its partner agency, Radio Free Kabul, had been created by Lord Nicholas Bethell, who worked with Prime Minister Margaret Thatcher to drum up U.S. support for the mujahideen.

Funds and organizing were not long in coming from the various factions in U.S. intelligence circles. In 1980, the Afghan Relief Committee, under the sponsorship of avowed LaRouche enemy John Train (see following article), was organized to channel funds primarily to Gulbuddin Hekmatyar’s Hezbe Islami group. The Committee for a Free Afghan was also established, with

Bethell the principal liaison from London. The CFA concentrated its funding on Hekmatyar rival, Ahmed Shah Massoud. For the United States, the official covert operation allocation into the Afghan war was \$3 billion. In addition, huge sums of money were pumped in from Saudi Arabia and other Arab nations, building up assets within Afghanistan and Pakistan.

The murder on Jan. 25, 1993 of three CIA agents by the Afghansi Mir Aimal Kansi outside CIA headquarters at Langley, Virginia, was one indication of a vast reorganization of the afghansi—especially those mujahideen from other countries—then taking place. And in fact, since then, the afghansi have trained their sites on London’s targets—including the Bhutto government in Pakistan; the Philippines; France; and even the United States itself.

For the mujahideen warlords, the main part of the *mal-e-ghaneemat* was the narcotics money generated out of heroin and hashish trafficking from Afghanistan and western Pakistan. This part of the booty far overshadowed the money from Saudi Arabia and the war loot per se, and there was absolutely no one who did not dip into it to fill his pocket. Covert and not-so-covert operations from the West used this money to finance the mujahideen, and it is now

the financing source for the afghansi internationally. For Pakistani intelligence, the management of drug trafficking generated a huge slush fund, which gave it the power to keep or remove governments in the capital, Islamabad, and to open new areas of conflict.

For the international narcotics traffickers and money launderers of Dope, Inc., the opportunity is wide open. The drug networks set up during the Afghan War are expanding by the day, and the Central Asian nations have already developed capabilities to become major drug suppliers and heroin manufacturers in the region. There is no question that the drug money will continue to nourish and nurture guerrilla groups like that of the Islamic Renaissance Party within Tajikistan, or Hekmatyar’s Hezbe Islami, or Dostum’s Uzbek militia, or Ahmed Shah Massoud’s Tajik militia.

There exists very open cooperation among all these forces. For instance, the Tajik rebels ensconced in the northern Afghanistan refugee camps in Kunduz and Takhor, are under the control of Hekmatyar and Ahmed Shah Massoud, who are otherwise regarded as mortal

enemies. These refugees, besides keeping up the terrorist pressure on the Tajikistan government of Emomali Rakhmanov in Dushanbe, play a major role in the drug-running operation through the Pamirs to Kyrgyzstan and beyond. Some of these Pamirs and Garmians have long been under the control of the CIA operatives who got them to participate in the Afghan War against the Soviets in support of Ahmed Shah Massoud.

This is the real story of the Afghan War, and its gory outcome: establishment of the monster called the “Afghansis” on the basis of narcotics trafficking. And this is the real reason that, although the Soviet occupation is over, the Afghan War does not end. On the contrary, it is still in the early stages of claiming victims, and these are not simply Tajiks or Pushtuns or Uzbeks, but entire nations in Central Asia that have emerged as independent republics following the disintegration of the Soviet Union.

No Winners

While the drug money will have the strongest voice by far in Afghanistan, it is not unlikely that an arrangement can be reached whereby the powerful drug warlords can keep their “cuts” and operations intact.

In northern Afghanistan, the whole thing has come to a neat package. Here, Hekmatyar, in an attempt to undercut Ahmed Shah Massoud, a Tajik minority Afghan, is training and arming the Tajik rebels, who belonged to the late Tajikistan President, Rakhmon Nabyev. But reports from the area indicate that the opposition Islamic Renaissance Party of Tajikistan has sent at least 20,000 Tajiks in support of Ahmed Shah Massoud, and the refugee camps at Takhor in northern Afghanistan are full of Tajiks backed by Massoud with money and arms.

At the same time, the Uzbek militia leader from Mazar-e Sharif, Gen. Abdur Rashid Dostum, who has definite commercial and intelligence links with Uzbekistan, has found it necessary, with the rise of the Taliban, to switch his support for Hekmatyar. On the other side, Hizbe Wahadat, the Shi’a party in Afghanistan, is now leaning in support of Massoud, as Pakistan is beginning to soften its stance towards the Rabbani government in Kabul. This was also reflected in the slow demise of the Taliban, and became evident when Pakistan reopened its embassy in Kabul in 1995. Pakistan is once again actively involved in trying to put together a coalition of Hekmatyar and Dostum to keep both Afghanistan and Tajikistan under pressure.

As a signal, Dostum had stepped up attacks in late 1995 on the Rabbani forces in the Khinjan Valley and Baghlan provinces. The attacks, by land and air, were ostensibly to loosen Massoud’s control over the Salang Highway, which is Kabul’s main transport line north. Dostum’s actions were in conjunction with the Taliban attempt to close off the Kabul-Kandahar Highway, Rabbani’s main transport line south. At that point, it was reported that even Hekmatyar was trying to join the Taliban-Dostum clique and bring down the Rabbani government.

Exploding Tajikistan

Soon after the Soviet Army had dragged itself out of Afghanistan in 1988, conflicts in Tajikistan began to appear with unexpected, and unpublicized, virulence.

The three-year-long struggle between clans from backward regions such as Garm, Pamir, and Karategin, and the pro-Communist regime of Rakhmon Nabyev, backed by the pro-Russian clans from Khodzhen and the capital, Dushanbe, under the banner of the Popular Front came to a head in 1991.

In 1991, young people strongly opposed to the regime of Kakhor Makhkamov, then first secretary of the Central Committee, formed the Democratic Party of Tajikistan and recruited the Garmians and Pamirs. Another party, the National Rastokhez Party, also made its appearance around the same time, in the same area. Also about the same time, the Islamic Renaissance Party was formed, which drew support from the peasants of southern province of Kurgian Tyube, known for its economic backwardness.

In May 1992, after years of low-intensity warfare, a coalition of Democrats and Islamists moved in, emerging victorious. Safarali Kendjayev, the leader of the Popular Front, fled Dushanbe and the 201st Russian motorized rifle division was brought in to maintain peace in the capital. President Nabyev, in his efforts to maintain law and order, began working with the Democrat-Islamist coalition.

However, Nabyev, having compromised politically, was pushed out in September 1992 and a new consensus leader, Akbarsho Iskandrov, took over. In October 1992, Kendjayev, armed with Uzbek arms and tanks, invaded Dushanbe: The period of implosion was over, and Tajikistan then began to explode.

In November 1992, at the height of Tajikistan’s civil war, 60,000 people were reportedly killed. At this point, Emomali Rakhmanov was elected the Parliament

Speaker, and consequently head of the republic, at the Tajik Supreme Soviet session held at Khodzhen. At the same session Sangak Safarov, commander of the Armed Forces of the ousted Popular Front, moved in. Safarov, with a long criminal record, had earlier spent 23 years in prison.

In mid-December, the Islamists, backed by Rakhmanov, Safarov, and the narco-traffickers, began their effort to seize power in Dushanbe. Their first objective was to rush the prisons in the outskirts of the capital, and release hundreds of prisoners serving long sentences for grave crimes.

Strengthened further by the criminals, the Islamists lodged themselves in Kofirnikhon near Dushanbe, until the Popular Front and the Tajik government, in a joint operation, pushed the Islamists back about 80 kilometers, to the western edge of the Pamirs in the Ramit Gorge and in the southern Kurgian-Tyube and Kulyab region.

A series of murders followed: On the night of April 12, 1993, Rakhmon Nabiyeu, the former Tajikistan President and long-serving first secretary of its Communist Party, died in obscure circumstances.

Two weeks earlier, there was a fierce shootout near the town of Kurgian-Tyube between the political and military leaders of the Popular Front of Tajikistan, Sangak Safarov and Fayzali Saidov, killing them both. In early March, a military force belonging to Saidov marched into Dushanbe. Saidov's men surrounded the Interior Ministry with their tanks and presented Interior Minister Yakub Salimov with an ultimatum demanding "some leading positions" in the ministry.

Soon after, Sangak Safarov (who had bestowed upon himself the dubious honor of being the "Father of the Tajik Nation"), appeared on the scene, demanding Saidov disband his men. The negotiations turned into a heated argument, eventually resulting in the deadly shootout.

Politics of Refuge

While the death of such notables as Nabiyeu, Saidov, and Safarov have been highlighted in the media, in reality, more than 100,000 lives have been lost in the Tajik civil war and another 800,000 have left Tajikistan to live in camps in northern Afghanistan and Uzbekistan.

In northern Afghanistan, at least a half-dozen large refugee camps have been set up to lodge the fleeing Tajiks. Reports indicate that these camps are under control of one or the other Afghan "strongman." These

strongmen, such as Gulbuddin Hekmatyar, Ahmed Shah Massoud, and Gen. Abdur Rashid Dostum, use the refugees to exert pressure on the governments in Tajikistan or Uzbekistan, and to enhance drug-trafficking operations.

Camps in Balkh and Samangan, under the control of the National Islam Movement and General Dostum, are under the supervision of the UN High Commission for Refugees. Camps in Konduz and Takhor, under the control of Hekmatyar and Ahmed Shah Massoud, have little UN supervision, and it has been reported that the refugees of these two camps are in the forefront of guerrilla activities within Tajikistan. It is also known widely that Massoud was backing Nabiyeu with arms and other matériel against the Emomali Rakhmanov government. In fact, some claim that the two actually linked up much earlier, when Massoud was battling the Soviet Army in northern Afghanistan.

Also of interest is the constitution of these refugee camps. Both the Konduz and Takhor camps are heavily inhabited by the backward clans from Garm, Pamir, and Gorno-Badakshan, with a smattering of Kurgian-Tyube and Kulyab clans. Balkh and Samangan camps have large number of refugees who were living in the southwestern areas of Tajikistan bordering Uzbekistan.

What is relevant about this level of detail, is that a large number of Gorno-Badakshanis are Ismaili Shi'as loyal to Prince Sadruddin Aga Khan. Sadruddin Aga Khan, besides being the leader of this sect, is a career bureaucrat, and the former coordinator of UN Humanitarian and Economic Assistance Programs relating to Afghanistan (see *EIR*, Oct. 13, 1995). Sadruddin Aga Khan is now all over that region, covering Afghanistan, and the refugee camps in the Pakistani provinces of North West Frontier Province and Baluchistan and Balkh, and Afghan provinces of Samangan, Kunduz and Takhor. It is no surprise, then, that the Aga Khan's followers, or Ismaili Shi'as, are a major political, terrorist and drug-trafficking unit in Central Asia.

Future Explosions

After a lull of almost three years, during which low-intensity warfare was taking lives in ones and twos, yet another situation is fast emerging where large-scale bloodbaths will be the order of the day.

The first major bad news surfaced last September, when it became evident that two military units belonging to the Tajik Defense Ministry were clashing in the area of Kurgian-Tyube. First Deputy Chairman of the

Tajik Defense Ministry, Aleksandr Chubarev admitted this in an interview with Russia's Itar-Tass news agency. It was reported that the First Army Brigade stationed in Kurgian-Tyube used tanks and artillery to seize the territory of the neighboring 11th Military Unit. The ensuing clash killed at least 30 people, but unofficial reports put the number as high as 200. It is also reported that the 11th Military Unit is not resigned to let this armed attack by the First Army Brigade pass. What is also evident is that thousands of residents fled to refugee camps in northern Afghanistan in the wake of the armed clash.

The clandestine Voice of Free Tajikistan, allegedly broadcast from Takhor refugee camps in northern Afghanistan and which voices the views of both Massoud and Hekmatyar, said on one occasion that the government had lost control of the former Popular Front of the brothers-in-arms Safarali Kendjayev and Sangak Safarov. If this state of affairs continues, the broadcast warned, the possibility of military takeover will exist in Kabul.

Two other events of substance have occurred: Warlords from Tursunzade, west of Dushanbe, formerly loyal to the Tajik government, have attacked the cities of Tursunzade and Kurgian-Tyube. Former Tursunzade Mayor Ibod Boimatov, supported by 300 cadres, two tanks and two armored personnel carriers entered Tajikistan from Uzbekistan and captured the aluminum factory in the city on Jan. 26. In Kurgian-Tyube, Mahmud Khudaberdiyev, commander of the First Brigade, took control of the police station and government buildings. Both Khudaberdiyev and Boimatov have demanded that the Rakhmanov government resign.

On the night of Jan. 21, the pro-Moscow spiritual leader of Tajikistan, Mufti Fatkhulla Sharipov, was machine-gunned down at his home west of Dushanbe. The Mufti was considered a key element in the upcoming talks between various Tajik factions scheduled to be held in Ashgabad, Turkmenistan, under UN observation. Mufti supported the Emomali Rakhmanov government. It is no surprise that the talks failed afterwards.

It is not clear as yet who killed the Mufti. But there is no question that many Tajik observers believe that opposition leader Akbar Turadzhonzoda, who is based in Peshawar, Pakistan, is a beneficiary of the Mufti's death. He has denied any involvement of the opposition in the assassination. However, Tajik government agencies believe that the killers came from the south, from refugee camps across the border. President Rakhmanov is quoted in a Moscow public TV broadcast on Jan. 22

saying, "Show them which Islamic States are training these terrorists. Iran, Pakistan, and Afghanistan train them specially to terrorize the Tajik people. They feed them, they pay them. Show them, and let the international community know."

It is obvious that the institution-less Tajikistan, rife with clan rivalries and past animosities, flush with drug money, arms, and ill-wishers, and left in the lurch by the rest of the world, cannot prevent another slaughter. It is coming, and there is possibly nothing that can be done to prevent it.

On the other hand, a military solution is out of the question. It would further destabilize the region, as hundreds of thousands of refugees will pour out through the porous borders and set up refugee camps. These refugee camps will breed more killers, drug-runners, and bounty-hunters. At some point, the conflict will flow into the heart of the neighboring nations. None of the Central Asian nations has the resilience to absorb these forces of instability or has the ability to eradicate them.

LaRouche's 1999 Video: 'Storm Over Asia'

In late 1999, Lyndon LaRouche produced a two-hour documentary video, Storm Over Asia, whose opening words offered a prophetic warning of events that are playing out, today, across the vast region of the Caucasus and Central Asia.

The documentary began with scenes of warfare in Chechnya and along the India-Pakistan border.

"What you're seeing is a war in the North Caucasus region of southern Russia. What you're also seeing, is a war which has broken out simultaneously in the border between Pakistan and India.

"The forces behind these attacks on Russia and on India are the same. They are a mercenary force which was first set into motion by policies adopted at a Trilateral Commission meeting in Kyoto in 1975: policies originally of Brzezinski and his number-two man there, Samuel P. Huntington; the policies which were continued by then-Trilateral Commission member, that is, back in 1975: George Bush, before he became Vice President.

“These were policies which were continued by George Bush as Vice President. Under Bush, this became known as the ‘Iran-Contra’ drug-financed operations of mercenaries deployed with private funding all over the world: recruited from Islamic and other countries, and targetting Russia’s flank.

“This mercenary force, created then, still exists. The primary responsibility for creating the force, was the government of the United Kingdom—most notably, most emphatically, the government of Margaret Thatcher, a policy which has been accelerated and continued in full madness by the present Prime Minister, Tony Blair, of the United Kingdom.

“This war, if continued, using mercenaries, can lead to nuclear general war. The major powers principally threatened today by this mercenary operation, are two of the world’s largest nations: China and India; China on its western borders, India on its northern borders.

“Iran is also threatened; but, more notably, Russia. If these nations are pushed to the wall by a continuing escalation of a war which is modelled on the wars which the British ran against Russia, China, and so forth, during the Nineteenth Century and early Twentieth Century, this will lead to the point that Russia has to make the decision to accept the disintegration of Russia as a nation, or to resort to the means it has, to exact terrible penalties on those who are attacking it, going closer and closer to the source, the forces behind the mercenaries—which include, of course, Turkey, a prime NATO asset being used as a cover for much of this mercenary operation in the North Caucasus and in Central Asia.

“This is our danger. The weapons the Russians have, are no longer the large armies, the capabilities we thought of under the old Ogarkov Plan of the 1980s. Those vast armies are dissipated, weakened. Russia is ruined almost, by a vast economic destruction, caused by IMF policies, and related policies. But Russia still has an arsenal, an arsenal of advanced weapons, and laboratories which can match the weaponry—most advanced weaponry—being developed in the United States, Israel, Britain, and elsewhere.

“If Russia is pushed to the wall, or decides to disintegrate willfully, or fight back—the likely thing is, it will fight back. It will use the weapons it has. It does not have the weapons to win a war, but it has the weapons sufficient to impose a powerful, deadly deterrent on the

nations behind the mercenary forces which are presently attacking it. Therein lies the danger.

“Unfortunately, most people in the United States are living under the delusion, that with the collapse of the Soviet Union, the combined military power of the United States and its British Commonwealth allies—including Australia, New Zealand, and so forth, countries that are really under the British Queen personally, as the United Kingdom is—believe that these forces, Anglo-American forces, are so powerful, that they can ignore the United Nations Security Council, and conduct wars on their own, with impunity. . . .

The War Danger Today

“Now, Russia, as you shall hear in a moment, has been deliberately, willfully ruined and looted. It is not Russian gangsters coming out of Moscow who have put their money in banks in New York, and elsewhere; it is American gangsters put into power by the British, and by George Bush, back in 1991, when he appointed Bob Strauss as U.S. Ambassador to Moscow, who have hired Russians, retained Russians, *to loot Russia*. And they take part of the proceeds, which they pocket as commission for stealing from Russia and other countries; they deposit it in various banks, like the British monarchy’s Antigua bank.

“Antigua is totally under the British Crown, the British monarchy. And more people speak Russian in the business there, than any other language. Why do they speak Russian? Because they’re Russian gangsters who keep their money there, and deploy their money through there. So, the gangsters which we hear about in the United States, the Russian gangsters, are British and American-controlled gangsters. They are thieves for the U.S. mafia.

“So, these forces have looted Russia. And these are the forces these guys want to play with.

“So that we’ve come to the point, that the Russian system is collapsing. The Russian people have a choice of taking back their country, getting rid of that—this gangster process, constituting government again, to meet the demands of the general welfare of Russia and its posterity; of cooperating with nations such as China, India, and other countries, Iran and other countries; Western Europe and other countries: to promote the general welfare and the sovereignty of nation-states.

“And that, *that*, the authors of globalization, which is a codeword for oligarchy, don’t like. . . .”

Does the FBI Stop Terrorism, Or Create It? A Brief History

by Edward Spannaus

April 28—While the American people are being bombarded every day with news reports about the investigation of the Boston Marathon bombings—most of which reports are based on deliberate FBI and law-enforcement leaks spoon-fed to the news media—important lessons can be drawn from FBI terrorism cases going back 20 years, at least as far as 1993.

Furthermore, the FBI's long history of infiltration, incitement to violence, and entrapment, is little known to Americans today. But what the Bureau has done against labor, radicals, and other perceived adversaries for over nine decades, it is doing still today, particularly against Muslim communities and organizations.

1993: A Cautionary Tale

After the first World Trade Center bombing, on Feb. 26, 1993, the news media breathlessly reported detail after detail of the FBI's painstaking investigation. Sifting through bomb debris, investigators found an axle with a VIN (vehicle identification number). That led them to a truck rental outlet in New Jersey. When one of the alleged bombers, Mohammed Salameh, returned to the rental store to report that the van he had rented had been stolen, and to get his deposit back(!), he was arrested. Good police work led to other conspirators, and eventually the case was cracked through methodical detective work.

The reality was quite different. Three months after the bombing, in May 1993, it was revealed that an FBI informant had taught Salameh how to drive the van, two days before the bombing. In June, it was disclosed that a former Egyptian military officer,

Emad Salem, had penetrated the alleged bomb conspiracy for the FBI, and had helped test explosives, and had rented the apartment where explosives were mixed. Even as more reports came out over the Summer, the FBI maintained that its informant Salem did not know in advance about the plans to bomb the World Trade Center.

Eight months after the bombing, on Oct. 28, 1993, the *New York Times* published a blockbuster story revealing the existence of tapes that Salem had made while talking with FBI agents, which showed that some agents and supervisors had known all along about the bomb-making plans. The *Times* reported:

“Law-enforcement officials were told that terrorists were building a bomb that was eventually used to blow up the World Trade Center, and they planned to thwart the plotters by secretly substituting harmless powder for the explosives, an informer said after the blast.

“The informer was to have helped the plotters build the bomb and supply the fake powder, but the plan was called off by an FBI supervisor who had other ideas about how the informer, Emad A. Salem, should be used, the informer said.

“The account, which is given in the transcript of hundreds of hours of tape recordings Mr. Salem secretly made of his talks with law-enforcement agents, portrays the authorities as in a far better position than previously known to foil the Feb. 26 bombing of New York City's tallest towers....”

The Bureau's role in the 1993 bombing was raised on April 16, 2013, the day after the Boston Marathon bombings, by Fox TV's Ben Swann, on a “Reality Check” segment. Swann





Bureau of ATF

The 1993 bombing of the World Trade Center left this damage underground. Some people in the FBI knew about the bomb plot in advance—in fact, they had recruited agents to drive the van that carried the bomb, among other things.

asked directly, whether the Boston bombings were the product of an FBI entrapment operation gone awry. He described the 1993 New York bombing, and then said: “So the question tonight must be asked, did the FBI have any knowledge of this plot before it happened?” and, “Is the practice of the FBI creating terror plots only to break them up before they can actually happen, really making us safer? What happened here?”

As we shall see, the 1993 World Trade Center bombing was not the last time that FBI informants played a crucial role in planning terrorist attacks. Indeed, the Bureau has a long history, going back almost 100 years, of using informants and agent provocateurs to incite violence.

But first, let us look at its more recent history.

After 9/11: an American MI5

The day after the Sept. 11, 2001 attacks, then-President George W. Bush famously told his Attorney General, John Ashcroft: “Don’t let this happen again.” The “shackles” that had allegedly hindered the FBI from discovering the 9/11 plot came off. The Patriot Act gave the FBI new powers of surveillance and information-gathering, the alleged “wall” between law enforcement and intelligence gathering (always a fiction anyway) was dismantled, and there was a huge escalation in the use of informants and sting operations.

(Never mind that the 9/11 hijackers were “hiding in plain sight,” with an extensive Saudi support network

in place which was covered up during the official 9/11 investigations. To this day, the 28 pages of the Joint Congressional Inquiry which discuss the Saudi role in the 9/11 attacks, are still being suppressed at the insistence of the Bush and now, the Obama administrations.)

The “unleashing” of the FBI in the post-9/11 period meant that the Bureau’s mission was now defined as *prevention* of terrorist attacks, not investigating them after the fact. The Bureau’s top priorities were now gathering intelligence and preempting terror.

The FBI’s new model was Britain’s domestic intelligence service, MI5. *New York Times* reporter Eric Lichtblau says that within the 9/11 Commission, there was “close to consensus” among the Commission members and senior staffers, that they should consider the creation of a new domestic intelligence agency modeled after MI5, which would take over anti-terror operations within the United States. The head of MI5 was brought to the U.S. to brief the 9/11 Commission on how to create the new agency. When FBI Director Robert Mueller met with the Commission in 2004, he pleaded the case for keeping counterterrorism within the FBI, and promised that he would reform the Bureau along the lines indicated.¹

The Commission’s final report in 2004 thus pulled back from recommending the creation of a new MI5-type agency, but it warned that the FBI’s shift to counterterrorism intelligence collection required “an all-out effort to institutionalize change,” and that it had to be done in a manner so that it would survive beyond Mueller’s tenure (which was supposed to end on Sept. 4, 2011, at which point Obama extended it for two additional years).

An Army of Informants

The result is that over the past decade, the FBI’s force of registered informants is now estimated at over 15,000, according to Trevor Aaronson, author of the new book *The Terror Factory*. That number itself is ten times the number of informants that the FBI ran in the 1960s during the infamous COINTELPRO (Counter-Intelligence Program) days. If unofficial informants and other confidential sources are added in, the number

1. Eric Lichtblau, *Bush’s Law: The Remaking of American Justice* (New York: Pantheon Books, 2008), pp. 100-102.

is three to four times that, Aaronson says, citing a former top FBI official. These informants are heavily targeted on the Muslim community, and they run the gamut from convicted criminals, to imams and professionals within the Islamic community itself.

(Intelligence community sources tell *EIR* that the Bureau has informants in virtually every mosque in the country. The idea that somehow Tamerlan Tsarnaev could repeatedly disrupt events in the Boston mosque he attended before being thrown out, and yet not come to the FBI's attention, defies belief.)

Under the FBI's new mission of "prevention, pre-emption, and disruption," the Bureau has carried out numerous entrapment operations, to the extent that most of the major terrorist prosecutions in the U.S. over past ten years actually involved plots *created by* the FBI. According to a report issued last Summer by the Center on National Security at Fordham Law School, "there have been 138 terrorism or national security prosecutions involving informants since 2001," and these informants have usually crossed the line "from merely observing potential criminal behavior to encouraging and assisting people to participate in plots that are largely scripted by the FBI itself."

Aaronson reported in 2011, that under the Obama Administration, sting-related prosecutions are being conducted "at an even faster clip than under the Bush Administration."²

'Investigate Crime, Don't Invent It'

Former FBI Special Agent Michael German recently reviewed Aaronson's book for *Reason* magazine.³ German writes that many of the terrorist conspiracies reported as being broken up by the Bureau,



The FBI is carefully orchestrating what is released to the public about the alleged Boston Marathon bombers (shown here). Fox TV's Ben Swann asked: "Is the practice of the FBI creating terror plots only to break them up before they can actually happen, really making us safer? What happened here?"

"were almost entirely concocted and engineered by the FBI itself, using corrupt *agents provocateurs* who often posed a far more serious criminal threat than the dimwitted saps the investigations ultimately netted."

The FBI recruits informants with extensive criminal records, pays them tens of thousands of dollars "to ensare dupes in terrorist plots," German points out. Most of these targets posed little if any threat; they rarely had weapons of their own, or the financial resources to carry out violent acts. "Yet the government provided them with military hardware worth thousands of dollars that would be extremely difficult for even sophisticated criminal organizations to obtain, only to bust them in a staged finale."

German says that when he worked undercover investigations for the FBI, prior to 9/11, "if an agent had suggested opening a terrorism case against someone who was not a member of a terrorist group, who had not attempted to acquire weapons, and who didn't have the means to obtain them, he would have been gently encouraged to look for a more serious threat." Moreover, German observes: An agent who suggested giving such a person a stinger missile or a car full of military-grade plastic explosives would have been sent to counseling.

2. Trevor Aaronson, "The Informants," *Mother Jones*, July 29, 2011.

3. Michael German, "Manufacturing Terrorists: How FBI sting operations make jihadists out of hapless malcontents," *Reason Magazine*, April 2013, reviewing Trevor Aaronson, *The Terror Factory: Inside the FBI's Manufactured War on Terrorism* (Brooklyn, N.Y.: Ig Publishing, 2013).

Yet in Aaronson's telling, such techniques are now becoming commonplace.

German's conclusion: "The FBI should be investigating crime, not inventing it."

Incitement and Entrapment

Here are some examples of recent FBI sting operations compiled by *EIR*; many more can be found in Aaronson's book and in other sources. It should be noted, that every element of the recent Boston case—including incitement to "jihad," and the testing and planting of live explosives which killed people—can be found in these earlier cases, including the 1993 World Trade Center case.

- One of the most egregious of these cases is the so-called "Newburgh Four" in New York State, in which an informant in 2008-09 offered the defendants \$250,000, as well as weapons, to carry out a terrorist plot. The New York University Center for Human Rights and Justice reviewed this case and two others, and concluded: "The government's informants introduced and aggressively pushed ideas about violent jihad and, moreover, actually encouraged the defendants to believe it was their duty to take action against the United States."

The Federal judge presiding over the Newburgh case, Colleen McMahon, declared that it was "beyond question that the government created the crime here," and criticized the Bureau for sending informants "trolling among the citizens of a troubled community, offering very poor people money if they will play some role—any role—in criminal activity."

- In Portland, Ore., it was disclosed during the trial of the "Christmas Tree bomber" earlier this year, that the FBI had actually produced its own terrorist training video, which was shown to the defendant, depicting men with covered faces shooting guns and setting off bombs using a cell phone as a detonator. The FBI operative also traveled with the target to a remote location where *they detonated an actual bomb concealed in a backpack* as a trial run for the planned attack.

- In Brooklyn, N.Y., in 2012, an FBI agent posing as an al-Qaeda operative supplied a target with fake explosives for a 1,000-pound bomb, which the FBI's victim then attempted to detonate outside the Federal Reserve building in Manhattan.

- In Irvine, Calif., in 2007, an FBI informant was so blatant in attempting to entrap members of the local Is-



Young Abdella Ahmad Tounisi, arrested by the FBI on April 19 in Chicago, was recruited to an al-Qaeda-linked group by a website constructed and controlled by the FBI.

lamic Center into violent jihadi actions, that the mosque went to court and got a restraining order against the informant.

- In Pittsburgh, Khalifa Ali al-Akili became so suspicious of two "jihadi" FBI informants who were trying to recruit him to buy a gun and to go to Pakistan for training, that he contacted both the London *Guardian* and the Washington-based National Coalition to Protect Civil Freedoms, and told them that he feared the FBI was trying to entrap him. The National Coalition scheduled a press conference for March 16, 2012, at which al-Akili was to speak and identify the informants, but the day before the scheduled press conference, the FBI arrested al-Akili, charging him not with terrorism, but with illegal possession of a firearm.

The chief informant trying to entrap al-Akili turned out to be Shaden Hussain, a longtime FBI informant who had set up two earlier terrorism cases: the above-cited Newburgh, N.Y., case for which he was paid \$100,000, and another in Albany, N.Y., for which his payments are not known.

This practice continues to the present day.

- On April 19, 2013, the FBI arrested a 19-year-old from Aurora, Ill., Abdella Ahmad Tounisi, as he attempted to board a flight from Chicago's O'Hare Airport to Turkey, where he hoped to join the Syrian al-Qaeda-linked opposition group Jabhat al-Nusrah.

How was young Tounisi recruited? By a site that exhorted its viewers: "A Call for Jihad in Syria: Come and join your lion brothers ... fighting under the true banner of Islam." In fact, the website was constructed and entirely controlled by the FBI! When Tounisi sent an e-mail to the website, he was answered by an under-

cover FBI agent posing as “Brother Abdullah,” a recruiter for al-Nusra, who even provided Tounisi with a bus ticket that would take him from Istanbul to the Syrian border.

“They could entrap anybody, they could send anybody anything, and when you’re young and impressionable, you’re gonna believe it,” Tounisi’s father said on April 21, according to AP and the *Chicago Sun-Times*. “I am just generalizing this issue right now because a lot of kids in the Muslim community have been entrapped just like this; anybody that goes to the mosque five times a day and he’s holding onto his religion really good, he is a red flag.”

Boston FBI, Too

The Boston FBI office has its own history in this kind of activity. In the 2011 case of Rezwan Ferdaus, an American citizen and Northeastern University graduate, accused of planning to send miniature planes carrying explosives crashing into the U.S. Capitol and the Pentagon, the Bureau went even further. According to various accounts, the FBI, using a drug-addicted informant posing as an al-Qaeda operative, provided money to Ferdaus to travel to Washington and to buy an F-86 Sabre miniature plane for the attack. “The prosecution case also reveals how Ferdaus ordered the plane and rented a storage facility in which to keep it, and then *took delivery from the FBI of 25 pounds of C-4 explosives, three grenades, and six AK-47 rifles,*” the London *Guardian* reported on Sept. 29, 2011 (emphasis added). The FBI press release, issued on Sept. 29, 2011, acknowledged that the FBI provided Ferdaus with “approximately 1.25 pounds of actual C-4 explosives.”⁴

At the time, this operation—which included providing live explosives—was publicly defended by both Richard DesLauriers, the head of the Boston FBI office, and Carmen Ortiz, the United States Attorney, both of whom are still in place, currently overseeing the Marathon bombing case.

Not to be overlooked, is that the Boston FBI office was running this entrapment operation against Ferdaus,



Library of Congress

J. Edgar Hoover got his start during the “Palmer Raids” of 1919, which involved extensive use of undercover agents, informers, and provocateurs. He later became the FBI Director.

at the same time that it supposedly investigated Tamerlan Tsarnaev and determined that it could not make any further inquiry, because he did not pose a threat. That bespeaks either absolute incompetence, or that the FBI is lying and covering up what they actually did with Tsarnaev.

A Long History of Provocations

The irony was, that the numbskulls who demanded after 9/11 that the FBI must make intelligence-gathering and prevention its priority, were in fact reviving a corrupt tradition in the FBI, which Congress had tried to shut down after the scandals that emerged during Congressional investigations in the 1970s. The generic name for the FBI’s unconstitutional use of its intelligence and investigative powers was COINTELPRO.

4. FBI Boston press release, “Ferdaus Indicted for Allegedly Plotting Attack on Pentagon and U.S. Capitol and Attempting to Provide Material Support to Foreign Terrorist Organization,” Sept. 29, 2011.

The FBI certainly *had* done intelligence and counter-intelligence before, and these programs were shut down not just once, but twice, for their wholesale violations of the constitutional rights of Americans.

Hoover and the Palmer Raids

The first incarnation of the strategy of “prevention, preemption, and disruption” was the Justice Department’s General Intelligence Division (GID)—created at the height of the post-World War I “Red scare,” and involving extensive use of undercover agents, informants, and provocateurs.

The GID was created by Attorney General A. Mitchell Palmer—whose name has gone down in history for the “Palmer Raids”—in 1919, in preparation for series of brutal raids targetting aliens (immigrants), anarchists, and “Bolsheviks,” first launched in a dozen cities on Nov. 7, 1919. The then-young and enthusiastic J. Edgar Hoover was put in charge of the GID.

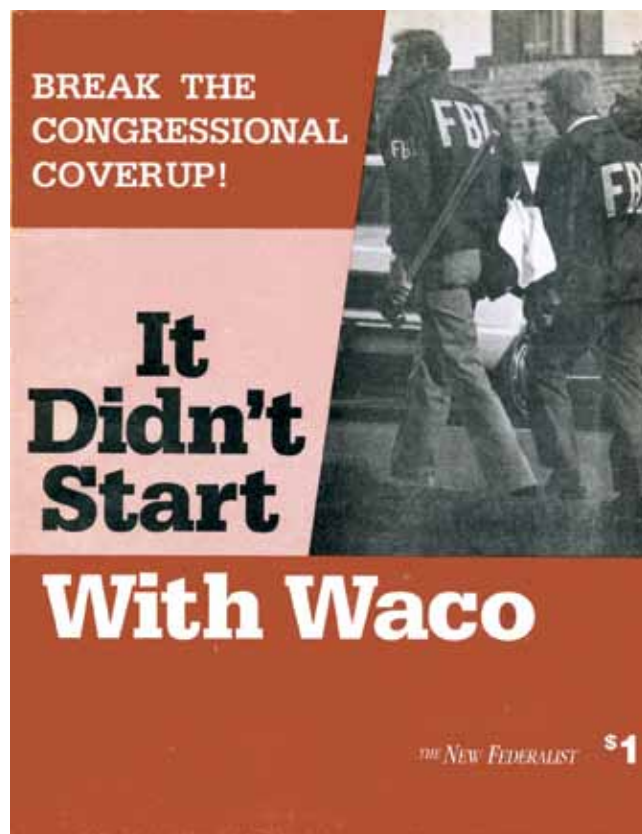
A second series of raids was carried out against what were then the two Communist parties in the U.S., in 33 cities on Jan. 2, 1920. Already at this time, the GID had enough high-level undercover agents in the Communist Party and the Communist Labor Party, that they were able to schedule party meetings at the same time across the country, so that raids could be executed simultaneously. There were no constitutional rights for the more than 10,000 persons arrested and detained in these raids.

Hoover and the GID were moved into the (Federal) Bureau of Investigation in 1921—which had been created by that Anglophile President, Teddy Roosevelt, in 1907. In 1924, the GID was shut down by Attorney General Harlan Fiske Stone, but Hoover and his massive card files remained in place in the FBI.

Division Five

The FBI’s counter-intelligence functions were revived in the 1930s, to keep track of the growing fascist and communist movements. With the outbreak of World War II, the FBI was reorganized with the creation of Division Five, responsible for internal security and counter-intelligence.

Collaborating with British Intelligence agents operating in the United States during World War II, the Bureau mastered the arts of warrantless wiretaps, opening of personal mail, and “black bag jobs” (surrepti-



EIRNS

The LaRouche movement's newspaper, New Federalist, issued this pamphlet in August 1995. The photo shows FBI and other Federal agents in the 1986 raid against LaRouche in Virginia, which led to his unjust incarceration, along with that of numerous associates.

tious entries or burglaries)—which methods were carried seamlessly into peacetime surveillance and disruption of domestic radicals and “subversives” in the 1950s and ’60s.

During the investigations known as the Church Committee (Senate) and Pike Commission (House) in the 1970s, the public learned how the FBI had used infiltrators and provocateurs to foment violence within and between targetted organizations, to the point of encouraging suicide (e.g., Martin Luther King), and murders and assassinations (e.g., Black Panther Party, Martin Luther King, and Lyndon LaRouche; see below).

One favored FBI technique was to falsely label someone as a police or FBI informant, putting that person at risk of injury or death, while protecting its informants. Another method was blackmail—widely used by Hoover against his actual or potential oppo-

nents (but also, according to some accounts, used by British Intelligence against Hoover himself).⁵

Related to this were the “Abscam” and “Brilab” operations of the late 1970s and early 1980s, targeting elected officials and labor leaders, respectively. FBI provocateurs, many of whom were hardened criminals, such as Mel Weinberg (used to frame up Sen. Harrison Williams of New Jersey), would put words in a politician’s mouth to give the appearance of bribe-taking, even when there was no such intention or conduct. The conduct of the Bureau’s undercover agents in these cases, is eerily similar to its use of provocateurs in the “terrorism” entrapments described in the first section of this article. Similar tactics were used against African-American elected officials in the operations known as “Fruhmenschen” and “Lost Trust.”

Provocations Against LaRouche

The political movement organized by Lyndon LaRouche has been repeatedly targeted by the FBI and Justice Department, going back to the late 1960s, when LaRouche first gathered around him a circle of students who had come out of the “New Left.” In May 1969, the FBI anonymously mailed a leaflet to student activists at Columbia University, trying to mobilize Mark Rudd’s anarchists and proto-terrorists (later the “Weatherman” terrorists) against advocates of LaRouche’s pro-labor policies.

In 1973, the Bureau used its well-entrenched assets in the Communist Party USA (CPUSA) to launch violent attacks on the LaRouche-organized association, the National Caucus of Labor Committees. FBI documents show that it used the CP and other left-wing groups to label the NCLC as “right-wing terrorists,” and “a front either for the local police or the CIA.”

Most egregious, was the documented attempt by the FBI to incite the CPUSA to carry out the “elimination” of LaRouche. A Nov. 23, 1973 FBI memo stated:

5. Curt Gentry, “J. Edgar Hoover: The Man and the Secrets” (New York: Penguin Books, 1991), pp. 296-297.

AIRTEL

11/23/73

TO: DIRECTOR, FBI (100-392623)
FROM: SAC, NEW YORK (100-123674) (P)
SUBJECT: LYNDON HERMYLE LA ROUCHE JR., aka
Lynn Marcus
SM-NCLC
(OO:NY)

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10-28-91 BY 1565

ReBulet, 10/29/73.

In viewing New York case file it is noted that information has been received that the CPUSA is conducting an extensive background investigation on the subject for the purpose of ultimately eliminating him and the threat of the NCLC, on CP operations. Several sources have furnished this information to the New York office, and this information has appeared in the Daily World newspaper several times.

NCLC sources have advised that the subject is the controlling force behind the NCLC and all of its activities. A discussion with the New York NCLC case agent indicates that it is felt if the subject was no longer in control of NCLC operations that the NCLC would fall apart with internal strife and conflict.

New York proposes submitting a blind memorandum to the “Daily World” CP newspaper, in New York City which has been mailed from outside this area to help facilitate CP investigations on the subject. It is felt that this would be appropriate under the Bureau’s counter intelligence program.

The blind memorandum is attached.

Bureau comments are requested on such a proposal.

2 - Bureau (RM) (Encl. 2)
1 - New York

(3)
1 - Supervisor #3A6

Searched
Serialized
Indexed
Filed

100-123674-573

The FBI’s 1973 memorandum on inciting the Communist Party to carry out the “elimination” of LaRouche.

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FROM: SAC, NEW YORK
SUBJECT: LYNDON HERMYLE
LAROCHE, JR.

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Otherwise, unable to find any pretext under which LaRouche and his associates could be prosecuted in Federal courts, the FBI orchestrated hundreds of harassing arrests of LaRouche movement organizers by state and local police. An FBI agent in New Haven, Conn. wrote a memorandum on a June 13, 1975 call from a supervisor "from Division 5 at the Bureau," who asked about cooking up some bogus Federal charges. "He further stated that some [FBI] offices have had considerable success in having local authorities proceed under local statutes against NCLC members..."

Around 1983, at the instigation of British agent Henry Kissinger, and corrupt circles in the Soviet Union, the Justice Department and FBI launched a new COINTELPRO-type operation against LaRouche. Kissinger had written to FBI Director William Webster

in August 1982, complaining about LaRouche; in January 1983, Kissinger's lawyer Edward Bennett Williams got the President's Foreign Intelligence Advisory Board (PFIAB) to ask the FBI to investigate the sources of LaRouche's funding. This led to an all-out public/private operation against LaRouche, designed to culminate with armed raids on the LaRouche movement offices; an intended, but averted, Waco-style raid on LaRouche's residence planned to kill him. (FBI documents show that the planning of the 1986 raid involved the Pentagon's Joint Special Operations Command—little known then, but better known today, for its activities including killer drone strikes in Afghanistan and Pakistan.)

Six months later after the raid, the Justice Department carried out an unprecedented involuntary bankruptcy proceeding against publishing companies operated by LaRouche's associates, which was later determined by a Federal court to have constituted "a constructive fraud on the court." Under conditions of the bankruptcy, the Justice Department then railroaded LaRouche and a number of associates into prison. Former U.S. Attorney General Ramsey Clark characterized the LaRouche case as having "represented a broader range of deliberate cunning and systematic misconduct over a longer period of time utilizing the power of the federal government than any other prosecution by the U.S. government in my time, or to my knowledge."

Clean-Up Is Long Overdue

Now, in light of this sordid history, look again at the FBI's handling of the Boston Marathon bombings. Is it just incompetence, that the Bureau somehow overlooked the Tsarnaev brothers? Or were there other operations going on—provocations, entrapment, etc., by the FBI or other agencies—which the government is now scrambling to cover up? As *EIR* pointed out in its editorial in the last issue, it has been decades since the FBI has been subject to any serious scrutiny—but look what came pouring out during the Church Committee and other investigations of the early and mid-1970s.

And now, with the world on the verge of World War III, and the British-Saudi wielding of terror as a detonator for war and dictatorship, it is essential that we find out exactly who is responsible for such terrorism today—in a manner which was never done around the Sept. 11, 2001 attacks. Such a thorough investigation and housecleaning are long overdue.



The Al-Qaeda Executive

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

www.larouchepac.com

The Blair Doctrine Redux: Obama Claims WMD in Syria

by Helga Zepp-LaRouche

April 26—The news about the alleged use of chemical weapons by Syria’s Assad government, according to opinions which the White House indicates have been assessed with “varying degrees of confidence,” must trigger, for all our contemporaries who do not suffer from total amnesia, a vivid “*déjà vu* effect” with respect to the Iraq War, where the issue was also weapons of mass destruction (which, however, turned out to be complete lies perpetrated by Tony Blair). Anyone who now argues that the “red line” drawn by President Obama has been crossed, and that the United States must intervene militarily, as U.S. Sen. John McCain or the Anglophile international media demand, is playing with the fire of a third world war—this time a thermonuclear war—which in all probability would lead to the extinction of human civilization.

The chronology of this obvious fabrication is interesting: On Monday, April 22, at a meeting of U.S. Defense Secretary Chuck Hagel with his Israeli counterpart, Moshe Yaalon, in Israel, there was no mention of the use of poison gas. Curiously, on the next day, Tuesday, April 23, Israeli Brig. Gen. Itai Brun said in a speech in Tel Aviv, that Syria had “repeatedly” used chemical weapons. That afternoon, Prime Minister Benjamin Netanyahu did not mention this to U.S. Secretary of State John Kerry. On Wednesday, Secretary of Defense Hagel remarked on how strange it was

that no one had spoken of it during his visit on Monday.

On Thursday, White House legislative director Miguel Rodriguez announced that it is assumed that Syria has deployed “chemical weapons on a small scale.” Then that afternoon, during a conference call, with regard to the intelligence failure in the case of the Iraq War, there was some backtracking; a White House spokesman said they would continue the investigation until they have verifiable facts. Meanwhile, the Israeli military let it be known that Brun’s “evidence” came from photos that originated with “rebels” in Syria. British Prime Minister David Cameron joined the chorus—harking back to Tony Blair—saying that there is “limited evidence” that chemical weapons had been used, and that these were “probably” used by the regime; he then had the nerve to emphasize that this would be a war crime. Even CNN had a [commentary](#) on the occasion of the 10th Anniversary of the Iraq War, demanding that George W. Bush and Blair be indicted for war crimes, and a two-year-long tribunal in Malaysia found them both guilty of the same charge.

Where Are the Facts?

Nevertheless, Senator McCain promptly claimed that the red line had been crossed, so the U.S. must now create a no-fly zone and provide “trustworthy” rebels with weapons. The first measure could be accom-

plished only by military means, for which there is neither a UN mandate, nor permission from the American Congress; and the second is sheer madness, given the proliferation of weapons to similarly “trustworthy” rebels in Iraq, Afghanistan, Libya, all of Southwest Asia, and half of Africa. Lyndon LaRouche commented that McCain had obviously lost his capacity for judgment and asked: “Where are the facts?... You’re talking about going to thermonuclear World War III on the basis of bullshit.”

Since a no-fly zone could of course be enforced only by military means, that’s where the real red line would be crossed—namely between the Blair Doctrine, which prescribes so-called “humanitarian” interventions all around the world, and the Putin Doctrine, which upholds the UN Charter and the inviolability of national sovereignty guaranteed by international law.

Both Russia and the U.S. Joint Chiefs of Staff are trying to prevent an escalation, but so far nothing prevents Saudi Arabia and some other Gulf states from providing terrorist organizations such as al-Nusra in Syria with unlimited amounts of money and weapons. The fuse is burning for thermonuclear world war, and all who are pushing for an escalation, as do some media in Germany, are clearly out of their minds.

Financial Disintegration

The threat of war in Southwest Asia is growing, as the trans-Atlantic financial system, as well as the Eurozone, are in an advanced state of disintegration. The so-called “quantitative easing”—i.e., money printing—is like an IV drip on which the entire bankrupt casino economy depends, like a terminal patient on a life-support system. The hyperinflationary increase of liquidity, in tandem with the murderous austerity of the Troika [IMF, ECB, European Commission], is destroying one nation after another, and it can no longer be dismissed out of hand that this is fully intentional.

In Spain, unemployment is at its highest level since the Spanish Civil War (1936-39): 27.2%. Each day, there is an average of 3,581 new unemployed, and there are 2 million households in which not a single member of the family has a job. In Andalusia, the unemployment rate is 36.8%; youth unemployment in Spain is 57.2%! The brutality of the police against protesters outside the parliament in Madrid reflects the moral bankruptcy of those who constantly prate about how we

should have “more Europe.”¹

In Portugal, the 77-year-old poet and former Socialist Party presidential candidate Manuel Alegre wrote in an article entitled “Cyprus and Us”:

“We are like prisoners in the concentration camps, who live in the illusion that their time has perhaps not yet come, while others have already been lined up for the gas chambers. There is not a swastika in sight, there are no soldiers barking orders, the phrase *Arbeit macht frei* has not yet appeared above the entrance to our country.

“But Minister Schäuble, Durão Barroso,² and the proprietors of Germanized Europe strike fear. They do not need to invade nor bomb. They make a decision and exterminate a country. Yesterday it was Cyprus. The fifth column which governs the European countries and the regimented commentators believe that they will not be affected; Cyprus is a small country. They already said the same thing about Greece. As long as they do not put a mark on our lapel, they believe that we are going to escape. But I am already beginning to feel condemned. I cannot stop feeling like a Cypriot. I was convinced that we belonged to the European Union, a project for shared prosperity among equal and sovereign countries. But Cyprus, after Greece, and, in a certain way, after ourselves, make me see that this Europe is a fraud. It is no longer a project of peace and liberty; it begins to be a totalitarian threat, with the objective of impoverishing and enslaving us countries of the South. That is why it behooves us to feel like Cypriots. Before it reaches us.”

Alegre is unfortunately right, and only errs on one point: Europe is not “Germanized,” but is in the clutches of the British Empire, as the EU in its current form is nothing but the regional expression of globalization, which, in turn, is nothing other than the British Empire. Because the majority of the German population is also already on the killing floor of severe cuts in health care, pensions, and the education system, and for many people, the fear of the future has long since given way to a fear of the present.

The German population is by no means to be equated with the unspeakable Finance Minister Schäuble, who in an April 25 radio interview with Deutschlandfunk

1. Greater supranational control by the EU bureaucracy, less national sovereignty—ed.

2. Wolfgang Schäuble is the German Finance Minister; José Manuel Durão Barroso is the president of the European Commission.

was asked about the consequences of the policies of the Troika in Italy and Greece—for example, that many retired people are committing suicide because of the cuts. Schäuble's response reflects the indifference of a desk-bound bureaucrat, who, of course, sees no connection between his signature and the “collateral damage” triggered by his policies. Schäuble said: “There are, unfortunately, in some cases, terrible, wrong decisions and despair. There are exaggerations in media coverage.” He then cited the European Central Bank statistics on the distribution of assets in the EU Member States, which show that the assets in other countries are much higher than in Germany.

Friedrich Schiller came to the conclusion, after the failure of the French Revolution because of the Jacobin Terror, that the biggest problem of his time was the lack of a capacity for empathy among his contemporaries. If Schiller could hear today how Schäuble coldly dismisses suicides by many people as “wrong decisions,” he would probably say: “How is it that we can still allow ourselves to be ruled by barbarians?” For it is only our habituation to the culture of submission that allows us to accept Schäuble, and the also incredibly cold-hearted Chancellor Merkel.

We have a very short window of opportunity to prevent the Third World War and the complete disintegration of the trans-Atlantic financial system. The reason for the threat of war, namely this systemic crisis, must be resolved immediately by terminating the casino economy, with a real banking separation. We need to bring the struggle for the reintroduction of the Glass-Steagall Act in the U.S., into the Bundestag and all parliaments in Europe.

Translated from German by Daniel Platt

Documentation

Russia: UN Investigation Blocked by ‘Politicizing’

April 27—A Syrian government request in March for the UN to send a team to the country to investigate allegations that chemical weapons had been used in

Aleppo, has been stalled due to Western “politicizing” of the issue, Russian officials charged this week. They compared this to the treatment of Iraq during the buildup to the war there.

Syrian Information Minister Omran Ahed al-Zouabi, in an interview with Russia Today TV yesterday, emphasized that it was the Syrian government that had made the request.

And yet, the investigation remains stalled. The team, to be led by Swedish scientist Ake Sellstrom, hasn't set foot inside Syria. The reason, according to UN Secretary General Ban Ki-moon, is that the Syrian government will not allow “unfettered access” to any place it wants to go, but is limiting the investigation to places where chemical weapons have allegedly been used. “We remain in close contact with the Syrian authorities, most recently, through another letter urging the Syrian government to grant unconditional and unfettered access to the mission,” UN spokesman Martin Nesirky said.

Russian Foreign Ministry spokesman Alexander Lukashevich blasted the delay, characterizing Ban's position as “nothing but a demonstration of a politicized approach.” In a statement posted on the Foreign Ministry website yesterday, Lukashevich said: “The inspection system proposed is analogous to that used at the end of the previous century in Iraq, which—unlike Syria—was under UN sanctions. It is difficult to understand why the UN secretariat prefers to take its cue from those who care, not about concrete steps to prevent attempts to use chemical weapons in the Syrian crisis, but to change the regime of a sovereign state.”

Earlier in the week, Russian Foreign Minister Sergei Lavrov, after the meeting of the NATO-Russia Council in Brussels, said that the request for “unfettered access” of the UN team came from certain Western members of the Security Council. “This is an attempt to politicize the issue and to make Syria face the same requirements that were set for Iraq some time ago, when they searched for nuclear weapons there,” he said. Lavrov added that both Russia and the Syrian government support investigations by experts based on specific information of alleged use.

Syria has proposed that Russian experts be included in the team, but the UN has not done so. The Syrian National Council has attempted to veto Russian participation.

War, the Oligarchy, and the Ancient Myth of Overpopulation

by Theodore J. Andromidas

What most frequently meets our view (and occasions complaint) is our teeming population. Our numbers are burdensome to the world, which can hardly support us. . . . In every deed, pestilence and famine . . . wars and earthquakes have to be regarded as a remedy for nations, as the means of pruning the luxuriance of the human race.

The above comment was not uttered by Prince Philip's World Wildlife Fund. Nor is it to be found in the prologue to the Trilateral Commission's call for global population control, the *Global 2000 Report*. It is not from the introduction to Paul Ehrlich's *The Population Bomb* or Dennis Meadows' *Limits to Growth*. You won't even find it in Thomas Malthus's "Essay on the Principle of Population" (1798), the late 18th-Century diatribe that became the bible of every modern zero-population-growth fanatic. No, the opening quotation was penned by Tertullian, a resident of the city of Carthage in the Second Century A.D., when the population of the world was about 190 million, or only 3-4% of what it is today.

Today, on an almost daily basis we are fed a barrage of hysterical stories in the newspapers, on television, or Google News—complete with such appropriately lurid headlines as, "Earth Near the Breaking Point" and "Population Explosion Continues Unabated"—predicting the imminent starvation of millions because population is outstripping the food supply. We regularly hear that, because of population growth, we are rapidly depleting our resource base, with catastrophic consequences, such as war and genocide, looming in our immediate future. We are repeatedly told that we



The oligarchical system, as far back as we know, has relied upon pestilence, famine, death, and war to cull the human population. Shown: "The Four Horsemen of the Apocalypse," by Albrecht Dürer (1497-98).

are running out of living space, and that unless something is done, and done immediately, to curb population growth, the world will be covered by a mass of humanity, with people jammed elbow to elbow and

condemned to fight for each inch of space and increasingly scarce resources

These scenarios turn reality on its head. In fact, the greatest danger to humanity today, is the “oligarchical system,” based in the British Empire and its commitment to genocidal conflict, up to and including, if necessary, nuclear war. This is not a modern phenomenon. Oligarchical hatred of humanity, and oligarchical empires which have engaged in the ritualistic slaughter of millions of human beings, originated in the centuries prior to ancient Rome.

This ancient structure of the oligarchic system “divides the human populations between what were designated, explicitly, as being the gods, and, on the other side, the slaves or serfs. That same system, with certain relatively superficial changes, has been the social system reigning over Europe to the present time of the ongoing breakdown-crisis throughout the entire present trans-Atlantic region.”¹

Three Horsemen of the Apocalypse: Pestilence, Famine, Death

Under its founder Sargon,² meaning “true king,” and his successors, the Akkadian (“Babylonian”) Semites of Mesopotamia forged their empire under an oligarchical system more than 4,300 years ago, when they conquered the then-decadent Sumerian empire, whose culture and religion they adopted. They seized control of cities along the Euphrates River, and on the fruitful plains to the north, in what is now Iraq, Syria, and parts of southern Turkey. Then, after only a century of prosperity, the Akkadian Empire collapsed abruptly, for reasons that have been lost to history.

The ruler of the Akkadian empire was styled the Ensi (a Sumerian title). The first Ensi, Sargon’s grandson Naram Sin, extended the empire as far as Aleppo in Syria, and southern Turkey. His most significant innovation was in the conception of kingship: He was the first ruler of Akkadia to deify himself, writing his name with the divine determinative, the cuneiform sign used to identify the name of a god. Perhaps for the first time in human history, in a tradition that would presage the later Roman Empire, the ruler demonstrated his superiority over all men by declaring himself a god. Later, the

Ensi would be deified through ritual marriage to Inanna, the Sumerian goddess of erotic love, fertility, and warfare.

The *Atra-Hasis* (meaning “exceedingly wise”) epic, which includes a Creation myth and a flood account, and is one of three surviving Babylonian deluge stories, recorded on three clay tablets. The oldest tablet concerning the *Atra-Hasis* can be dated to the 19th Century B.C. but continued to be transcribed into the first millennium B.C. In the story of *Atra-Hasis*, soon after the Creation, the gods become weary of work. They had built mountains, dug rivers, and sustained all forms of life. All this work placed them into conflict with one another. They gather in a great conclave before Enlil, the Sumerian counselor of the gods, and complain:

The load is excessive, it is killing us!
Our work is too hard, the trouble too much,
So every single one of us gods
Has agreed to complain to Enlil! ...³

At the conclusion of Tablet I, Enlil, the counselor god, agrees to relieve them of their burden by creating mankind out of clay and spit, to be slaves to do the work.

To make man, a being that will toil for them
he called upon the womb goddess....
...to be the creator of Mankind!
Create a mortal, that he may bear the yoke!
Let him bear the yoke, the work of Enlil
Let him bear the load of the gods!⁴

In a striking demonstration of the nasty capriciousness that characterizes the oligarchical system from its very beginnings, the god Enlil, an in-law to the Akkadian Ensi, tiring of the incessant noise from the humans, sends plague, famine, and drought every 1,200 years to reduce the population.

The country was as noisy as a bellowing bull
The God grew restless at their racket,
Enlil had to listen to their noise.
He addressed the great gods,
“The noise of mankind has become too much,

1. Lyndon H. LaRouche, Jr., “Reflections on a Work by Nicholas of Cusa: The Strategic Situation Now,” *EIR*, Dec. 23, 2011.

2. Legends describe him as an abandoned baby, put in a basket in the river and favored by the goddess Ishtar.

3. “Myths from Mesopotamia: Gilgamesh, The Flood, and Others,” trans. Stephanie Dalley, Oxford World’s Classics, p. 9.

4. Ibid, p. 10.

I am losing sleep over their racket.
Give the order that surrupu-disease shall break
out.”⁵

But the god Enki, who often took the side of mankind in Babylonian mythology, intervenes to help the humans stave off these disasters. Tablet II ends with Enlil’s decision to destroy mankind altogether with a flood. Tablet III of the *Atra-Hasis* contains the story of the flood, a theme which would later be repeated in the epic of “Gilgamesh,” the Old Testament, and other stories.

In Tablet III, Enki, in an attempt to save mankind, speaks through a reed wall, to warn the hero Atra-Hasis that he must dismantle his house and build a boat to escape the coming flood. Atra-Hasis boards the boat with his family and animals, sealing the door just before the storm and flood begins. After seven days the flood ends, and bodies “like dragonflies . . . have filled the river,” but Atra-Hasis and his family survive. Enlil is furious with Enki for warning even those few mortals, but, Enki argues: “I made sure life was preserved.” The epic concludes with Enki and Enlil agreeing to continue with alternative means for controlling the human population: plague and famine.

Ironically, the collapse of the Akkadian Empire does not appear to have arisen from either god-induced plagues or floods, but rather, from extreme drought. Whether through over-farming or a sudden climate change,⁶ a devastating drought, lasting for almost 300 years, resulted in the abandonment of Akkadian cities across the northern plain, some time around 2200 B.C. This would also account for the sudden migrations of people to the south, as recorded

on clay tablets. It is perhaps these migrations which doubled the populations of southern cities, which over-taxed food and water supplies, which led to conflict, and the eventual fall of the Sargon Dynasty and the Akkadian Empire.

The Fourth Horseman: War

In 1953, looking back at the history of oligarchical rule, Bertrand Russell, the “scientific consultant” to the new “gods of Olympus” who run the British Empire, had decided that war as a means of population control had been “disappointing,” as Russell noted:

At present the population of the world is increasing at about 58,000 per diem. War, so far, has had no very great effect on this increase . . . but perhaps bacteriological war may prove effective. If a Black Death could spread throughout the world once in every generation, survivors could procreate freely without making the world too full. There would be nothing in this to offend the conscience of the devout or to restrain the ambition of nationalists. The state of affairs might be somewhat unpleasant, but what of it? Really high-minded people are indifferent to happiness, especially other people’s.⁷



National Museum of Iraq

Founder of the Akkadian oligarchical empire (23rd-22nd century B.C.), Sargon declared himself a god-king, thereby asserting his superiority over mere mortals.

Yet, it is not Russell, nor the current crop of lunatics running the British Empire, who were the first to define “population control” as one of the paramount goals of warfare. As far as we know, the first time war was introduced as a means of dealing with a “dangerously over-populated” planet, was by the Olympian Gods, as reported in the stories of the fabled war between Greeks and Trojans, ostensibly over the most

5. Ibid.

6. There is evidence of a tremendous volcanic eruption occurring in Turkey near the beginning of the drought, perhaps triggering such a long climate change.

7. Bertrand Russell, *The Impact of Science on Society* (Simon and Schuster, 1953), pp. 116-117,

beautiful woman in the world, Helen, daughter of Zeus, and wife of Menelaus.

Although we almost universally associate the Trojan War with Homer's epic the *Iliad*, that Classic work is only one of many stories about the Trojan War and the events leading up to it. The actual war between the Greeks and Trojans took place centuries before Homer sang his epic. Troy (Ilium) appears to have been destroyed around 1180 B.C. But this does not mean that that conflict was the war of the *Iliad*—even though ancient tradition usually places it around this time.

It appears that this city was, by the standards of the region at that time, very large indeed, and most certainly of supra-regional importance. Located above the Dardanelles, it controlled the access between the Mediterranean/Aegean and the Black Sea, and between Asia Minor and southeast Europe (**Figure 1**). Its citadel was unparalleled in the wider region and, as far as hitherto known, unmatched anywhere in southeastern Europe.

After several decades, a new population from the eastern Balkans or the northwestern Black Sea region, evidently settled in the ruins of what was to become a much smaller city. Troy was in a largely ruined state by Homer's time (Eighth Century B.C.), but the remains of the city of 1180 B.C., both the citadel and the lower city, would have still been impressive. Generations of visitors would have been able to recognize the general outlines of places described in the *Iliad*. Here once stood a great culture, obliterated by war, on the whim of the gods. But was the annihilation of Troy caused by a conflict over the abduction of Menelaus's wife Helen, by the Trojan Paris, or rather, by an oligarchical policy to reduce the global population?

Throughout the *Iliad*, Homer provides us with an accurate assessment of the sentiments of the oligarchical system toward humanity in general, an attitude best expressed by the god Apollo when, in the *Iliad*, he describes humanity as "a pack of miserable mortals, who come out like leaves in Summer, and eat the fruit of the field, and presently fall lifeless to the ground."⁸ Homer makes it quite clear that this war, in accordance with the wishes of the gods, is a war of genocide.

In Book IV, Agamemnon rouses the spirits of his disheartened brother, when he says: "My dear Menel-

FIGURE 1
Ancient Troy



Troy's citadel overlooked the Dardanelles, giving the city control over East-West trade and commerce.

aus ... we are not going to leave a single one of them alive, down to the babies in their mothers' wombs—even they must live. The whole people must be wiped out of existence, and none be left to think of them and shed a tear."⁹

One epic poem of the Trojan War, largely forgotten today, but well-known in the 7th Century B.C., was the *Cypria*, written for the first Olympiad in 776-72 B.C. According to ancient authorities, Stasinos of Cyprus, a semi-legendary early Greek poet, authored an 11-book epic cycle, narrating the history of the Trojan War. Some ancient historians have ascribed it to Homer himself, who was said to have written it on the occasion of his daughter's marriage to Stasinos, but only fragments of the epic remain. The *Cypria* presupposes an acquaintance with the events of the *Iliad*, confining itself to the events leading up to the Trojan War. Certainly, Stasinos was well known in the ancient Greek world, for Plato puts quotes from Stasinos's works in the mouth of Socrates, in his *Euthyphro* dialogue.

The *Cypria* begins with the first cause of the war.

8. Homer, *Iliad* Book XI, trans. Samuel Butler.

9. Ibid, Book IV.



In the *Iliad*, Agamemnon tells his brother Menelaus, “We are not going to leave a single one of them [the Trojans] alive...” Shown: “The Burning of Troy,” by Jan Bruegel the Elder (1621).

Zeus, as an ancient precursor to today’s “Green Movement,” desires to relieve the overburdened Earth of carrying too many people. In the third fragment of the *Cypria* we learn that:

There was a time when the countless tribes of men, though wide-dispersed, oppressed the surface of the deep-bosomed Earth, and Zeus saw it and had pity, and in his wise heart resolved to relieve the all-nurturing Earth of men, by causing the great struggle of the Ilian war, that the load of death might empty the world. And so the heroes were slain in Troy, and the plan of Zeus came to pass.¹⁰

It seems that this was not an uncommon theme in narration of the Trojan War. Three hundred years later, the Greek tragedian Euripides emphasizes again that the gods’ chosen method for decreasing “excess” population was war. In the *Orestian* tragedy, Orestes, son of Agamemnon, executes his mother for murdering his father. Just as the concluding scene is about to erupt into a frenzy of vengeful bloodshed, Apollo arrives to take Helen to live with the gods. He tells Menelaus:

So choose another wife, Menelaus, and take her home. The gods used this one’s outstanding loveliness to bring Greeks and Phrygians together and cause a slaughter, so they might stop the overwhelming crowds of mortal men destroying the earth. So much for Helen.¹¹

At this point, you might protest, but, these are merely stories, fables, poems, to provide entertainment during festivals and feasts. In reality, these stories accurately detail the capricious brutality that is at the very foundation of the oligarchical system, killing untold millions in the battles of the ancient world to feed the ideological passions of a depraved elite. The figures cited below have been calculated from reported statistics and accounts from various sources; they do not include approximations of casualty figures in wars and battles where these figures have not been reported in some way.

War dead by the Books of the Old Testament¹²

Numbers: 96,000
Joshua: 108,000
Judges: 200,000
Samuel: 120,000
Kings: 127,000
Chronicles: 770,000

Old Testament accounts of wars provide us with an approximation of battle casualties in some of the wars of the ancient Near East, from the Second into the First Millennia B.C. Battle deaths, executions and other casualties as a direct result of combat detailed in the Old Testament are approximately 1,300,000 dead.¹³ Though occurring over a longer period of time, given that the total population of the world did not exceed 50 million, these casualties of the ancient world are of a similar order of magnitude to casualties during World War II.¹⁴

The Fourth Century B.C. Greek world of Euripides

11. Euripides, *Orestes*, trans. Ian Johnston.

12. Ibid.

13. “Selected Death Tolls for Wars, Massacres and Atrocities Before the 20th Century,” Necrometrics.com

14. Ibid.

10. Hesiod, *The Homeric Hymns, and Homerica*, Hugh G. Evelyn-White, ed., July 2008.

was no less brutal. Of a total population of approximately 3 million, over 10%—308,000 Greeks—died as battlefield and related casualties of war. But to find a killing machine not surpassed until the emergence of its successor, the British Empire, we must turn to Rome.

‘They make a desert and call it peace’¹⁵

Embedded in oligarchical religion is a mythology demonizing a debased humanity that must be destroyed by the gods for the sake of the “natural” world. The Roman Pantheon is no different. In fact, for Jupiter (Zeus/Jove), the human race is more dangerous to the world than even “the snake-footed giants,” the mortal enemies of the gods. In Book 1 of Ovid’s *Metamorphoses*, one of the foundational compendiums on Roman religion and mythology, as with the Akkadian and Greek gods, Jupiter, the chief god, decides that, for the safety of the world, the human race once again must be destroyed by flood.

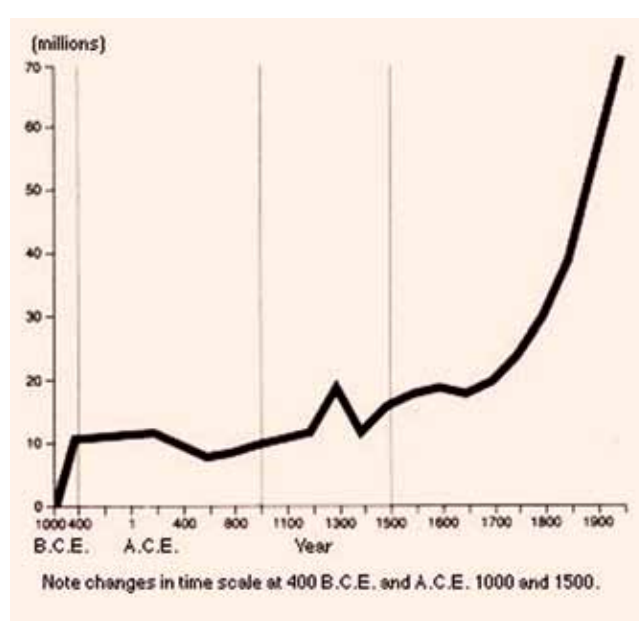
I was not more troubled than I am now concerning the world’s sovereignty than when each of the snake-footed giants prepared to throw his hundred arms around the imprisoned sky. Though they were fierce enemies, still their attack came in one body and from one source. Now I must destroy the human race, wherever Nereus sounds, throughout the world. I swear it by the infernal streams that glide below the Earth through the Stygian groves.¹⁶

With this degraded view of man, Rome was to become the model for all future incarnations of the oligarchical system.

Rome was an oligarchical system long before it officially became an empire, annexing provinces from as early as the Third Century B.C., and reaching its greatest territorial extent 400 years later. A slave-based system from the beginning, the Roman Republic collapsed in 57 B.C., to be replaced by the Roman Empire, establishing an epoch of looting, death, and devastation, not seen before in human history. During the period from the First to the Third Century A.D., beginning at the height of the Roman Empire, the population

FIGURE 2

Population history of the region of Classical Greek civilization (Greece, Italy, the Balkans) 1000 B.C. to 1950 A.D.



fell from an estimated 70 million, to less than 50 million, a decline of 30%.

Archeological evidence indicates that during that same period, trade within the empire fell more than 40%. The later decline of Europe’s population west of the Ural Mountains was even more dramatic (**Figure 2**). Some estimates show that in 200 A.D., the European population stood at approximately 36 million; by 600, it had fallen to 26 million; other estimates indicate a more catastrophic collapse, from 44 million in 200 A.D. to 22 million by 600.¹⁷ This almost millennial-long demographic collapse of Europe would continue until the end of the Eighth Century A.D., when the ascension of Charlemagne as the first Holy Roman Emperor in the West¹⁸ ushered in a new cultural and political paradigm.

A measurable percentage of this decline of population was the result of the Romans’ passion for a particularly unique form of entertainment: bloody human slaughter. In the more than five centuries of gladiatorial games, literally millions were sacrificed to satisfy the

15. Tacitus, *Agricola*, 98 A.D., from a speech by the Scottish Chieftan Calgogas describing Rome to his troops.

16. *Metamorphoses*, Book 1, lines 177-198, trans. A.S. Kline, 2000.

17. Francois Crouzet, *A History of the European Economy, 1000-2000* (University Press of Virginia: 2001); p. 1.

18. For an exhaustive examination of the demographic features of the Roman Empire, see: Kenneth Kronberg, “The Roman Model of Mass Depopulation,” *EIR*, Aug. 17, 1982.

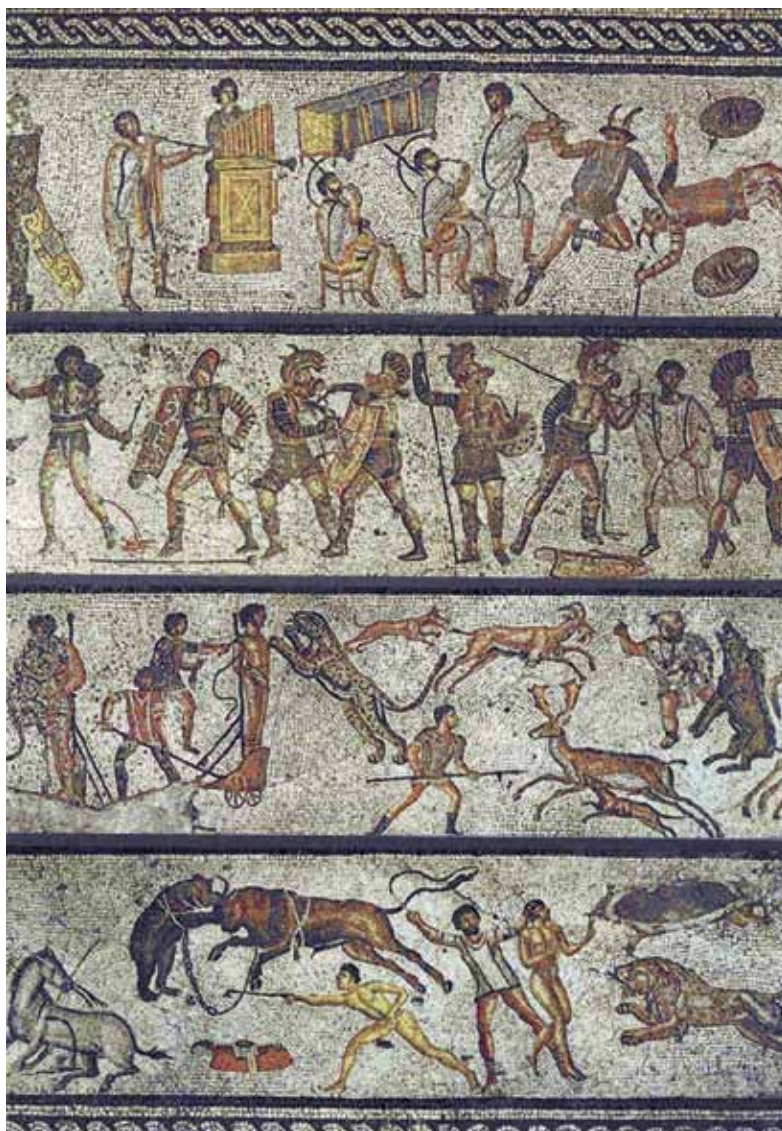
bloodlust of the Roman elites and the mob. For example, from the day of its completion in 80 A.D., until gladiatorial games were banned in 379 A.D., 2,000 gladiators per year, well over 600,000 altogether, were slaughtered in the Roman Colosseum alone. This is a yearly combat death rate comparable to U.S. combat deaths from the Vietnam War.

There is no record of the deaths in the games that took place over a 500-year period, in hundreds of cities stretching across the empire, from Wales to Syria, and Bulgaria to Algeria. These figures also do not include outright political or religious executions, primarily for entertainment, of millions more.

These games of mortal combat had little to do with the “martial spirit” of the Roman leadership, as some have suggested. It was an entirely different spirit that animated the imperial Romans. The games, from the beginning, were held for mass entertainment. As early the Third and Second centuries B.C., Roman patricians would provide entertainment for their guests by forcing slaves to fight each other to the death. But in the First Century B.C., they took on a greater public significance. For example, in 78 B.C., the death of the dictator Sulla was marked with battles fought by 6,000 gladiators.

The gladiators came from the lowest social classes, slaves, or those convicted of a capital offense. Over time, these contests were expanded to provide diversions for the general public throughout the growing empire.

The depth of depravity knew no limits. For example, the Romans seem to have found the idea of women and children murdering each other to be entertaining. It has been reported that in 66 A.D., the Emperor Nero had Ethiopian women and children fight to the death to impress King Tiridates I of Armenia. In 89 A.D., during Domitian’s reign, contests featured battles between female gladiators and dwarfs. Women, children, and dwarfs all submitted to the same regulations and training as their male counterparts, and came to the same violent end. They all died brutally for the pleasure of the Roman audience.



In the more than five centuries of the gladiatorial games, millions were sacrificed to satisfy the bloodlust of the Roman elites and the mob. Here, a Roman mosaic shows human gladiators in combat with beasts.

The mentality of the Roman oligarchy is described by historian Cassius Dio, when he said of Emperor Caligula’s attendance at the gladiatorial games: “It was not the large number of those who perished that was so serious, though that was serious enough, but his excessive delight in their death and his insatiable desire for the sight of blood.”¹⁹

During the course of its existence, before it moved east to Constantinople, estimates are that the Roman

19. Lucius Cassius Dio was a Roman consul and noted historian. He published a history of Rome in 80 volumes.



In the first Roman war against the Jews (66-73 A.D.), the city of Jerusalem was burned, and all its people killed or enslaved. This detail of a relief from the Arch of Titus in Rome, depicts the looting of the Temple by Roman soldiers.

Republic and Empire combined killed almost 6 million people in wars, executions, and slave revolts.²⁰ Below are estimates of some of these casualties. These do not include the millions killed in the games, smaller military pacification operations throughout Europe, North Africa, and the Middle East, nor outright genocide.

Estimated Casualties from Roman Wars

Jewish Wars: 1.9 million
 Gallic War: 1.0 million
 All Punic Wars: 1.0 million
 Social War: 0.3 million
 Cimbri-Teutoni War: 0.3 million
 Boudica's Revolt: 0.15 million
 Slave Revolts: 1 million
 Total: 5.75 million²¹

The Roman oligarchy seems to have been the first to practice genocide as systematic strategic policy. Details of each and every invasion, war, and subsequent massacres, and the number of casualties, would require an

20. "Body Count of the Roman Empire," erols.com

21. These figures are estimates, but of the appropriate order of magnitude.

entire a book. Here are the results of just four of the major genocidal campaigns waged by Rome:

The first, and perhaps most famous, is the destruction of Carthage in 146 B.C. The city was completely destroyed in the Third Punic War, and its inhabitants killed or enslaved.

Julius Caesar's campaign against the Helvetii, inhabitants of present-day Switzerland, in which approximately 60% of the tribe was slaughtered; in one battle alone, 120,000 tribesmen were killed.

In Caesar's campaign against the Gauls, the in-

habitants of present-day France, over 1 million, probably 1 in 4, were killed; another million were enslaved, and 800 cities were destroyed. The entire population of the city of Avaricum, present day Bourges, 40,000 inhabitants, was slaughtered.

In the first war of Rome's attempt to enslave and pacify the Jews, Jerusalem was burned and all its people killed or enslaved. Tacitus reports that those who were besieged in Jerusalem at the time amounted to no fewer than 600,000 men, women, and children.²²

This practice of deliberate imperial genocide—and the accompanying oligarchical hatred of humanity—is most certainly still very much with us today:

*"Human population growth is probably the single most serious long-term threat. . . . We have no option. If it isn't controlled voluntarily, it will be controlled involuntarily by an increase in disease, starvation and war."*²³

Prince Philip and the other "gods" of today's oligarchical system are no less committed to slaughter than their ancient predecessors were. The only difference is that they now have control of thermonuclear weapons than can wipe out humanity in a matter of hours. Like their predecessors, they "relish the thought."

22. Op. cit. "Body Count."

23. "Genocide," New World Encyclopedia.

UNDER PRESSURE FOR GLASS-STEAGALL

The U.S. Senate Produces A Sham: ‘Too Big To Fail’

by Paul Gallagher

April 29—Pressure on the U.S. Senate for introduction of a bill to restore the Glass-Steagall Act is increasing. Some 17 state legislatures have been stirred up by demands, led by LaRouchePAC, that Congress re-enact Glass-Steagall as the urgent first step to turning around a collapsing economy, and three states have passed such demands. This comes on top of broad demands for Glass-Steagall from constituency groups, economists, and some leading bankers and regulators.

Senators who distinctly advocated restoring Glass-Steagall during their 2012 election campaigns, have hung back. They evidently fear the Obama White House’s determination not to allow challenges to the failed Dodd-Frank Act, and the money-power of the big banks; a recent television documentary showed that Wall Street spent a huge \$350 million on one election cycle—1997-98—to get Glass-Steagall repealed.

Now some Senators have floated “ersatz” bills, surrounded by much media sound and fury, about “breaking up the too-big-to-fail banks”—but not Glass-Steagall, and not in fact breaking up anything. These are Bernie Sanders’ (I-Vt.) S.685, and the “too-big-to-fail” (TBTF) bill, S.798, of Sherrod Brown (D-Ohio) and David Vitter (R-La.), introduced April 24.

This evasion of what’s necessary could not come at

a worse time. Hit by Obama’s killer austerity policy, the U.S. economy is, by all indicators, clearing contracting, except those figures showing new, rapidly inflating bubbles in real estate/mortgage securities, derivatives, and junk bonds. U.S. bank lending fell by another 1.5% in the first quarter, “despite” \$85 billion/month in Federal Reserve money printing; commercial banking activities contracted while “trading” and investment banking activities produced the banks’ revenues and profits reported in the quarter. The banking system is deranged.

Credit vs. Money

The idea of a national system of credit—credit tied to investments which improve the physical economy’s productivity, and bills of credit tied to trade in productive goods—was first fully formulated by Alexander Hamilton, the United States’ first Treasury Secretary.

Along with this concept, has gone the uniquely American idea of commercial banks as almost exclusively intermediaries of credit: institutions that convey liquid credit from depositors and lenders (including government lenders) to productive businesses and households; not institutions which trade and speculate in, and bet on, debt. This guideline too comes from the circle of Hamilton, and includes Robert Morris, Presi-

dent Franklin Roosevelt's ancestor Isaac Roosevelt, and others who formed the first commercial banks in the process of forming the Union.

This is radically different from the centuries-long, "financial oligarchy" assumptions of European banking, for the last two centuries called "universal banking." Following the complete collapse of bank lending (other than buying bonds of governments and monarchies) after the 2007-08 financial blowout, brutal austerity policies have been implemented to try to wipe out debt, and have failed disastrously.

Lyndon LaRouche stressed the uniqueness of this idea of a credit system as "the American System," in a full week of discussions with leaders from all over Eurasia, who spoke at the Schiller Institute's April 13-14 Frankfurt conference. And he stressed it again on April 22 in a teleconference [discussion](#) with the LaRouchePAC National Policy Committee:

"Now, the key thing that I've emphasized to people here [in Europe], is on just that point: that we have to understand what the Glass-Steagall principle means. It means that when people think that ordinary accounting processes, as Europeans use them, have some rele-

vance, they're nuts! Because it's obvious that it's only by the characteristic of Glass-Steagall that it eliminates the problem, by changing the rules, back to Glass-Steagall, the original U.S. intention. And in Europe, they don't have it. . . .

"The point is, *without Glass-Steagall, we cannot possibly save civilization now*, not by any deliberate action."

'Be Practical'

Thus the uselessness of the two bills claiming to "break up the big banks," and "accomplish the same goal as Glass-Steagall," that are now floating in the Senate: *Neither bill breaks up any banks or bank holding companies, or prevents commercial banks from putting deposit funds into securities and derivatives.* Liberal media are giving wall-to-wall coverage to both, along the lines of "It's what's practical," "might pass," etc.

Senator Sanders' S.685 calls for the biggest banks to be broken up by decision of Obama's Treasury Secretary (that would be Citigroup veteran Jacob Lew), without suggesting how this would be done—in fact, only

REVIVE GLASS-STEAGALL NOW!



LaRouchePAC is now leading a nationwide effort to push through legislation for Glass-Steagall (www.larouchepac.com).

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

—Lyndon LaRouche, Feb. 11, 2013



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the bill's title has been filed, with no legislative text; the description of requiring decisions by Lew, comes from a Sanders press release. This is apparently more of a protest resolution than a bill.

For the Brown-Vitter "too-big-to-fail" bill, S.798, a detailed draft legislative text was leaked April 11, and circulated by some Senators, which makes clear that it does not break up any financial institutions. The full text does not yet appear on the Library of Congress website thomas.gov.

Brown-Vitter will be a bank capital requirements bill, to which will be added a number of elements of the Glass-Steagall Act, for verisimilitude, but *without the two central elements: separating commercial banking from securities broker-dealing, etc.; and preventing commercial banks from dealing in securities, derivatives, and insurance.*

Judging from the circulating draft, Brown-Vitter would:

a) require five years for its basic provisions to take full effect (!), compared to one year for the Kaptur-Jones HR 129 bill in the House which does restore Glass-Steagall (see <http://larouchepac.com/glass-steagall>);

b) require all banks to have a 10% capital ratio of tangible equity/tangible assets including "fair value" of all derivatives and off-balance-sheet entities;

c) require banks with more than \$400 billion in assets (changed to \$500 billion in the bill introduced April 24) to have a capital ratio on a sliding scale, greater than 10%, but less than 15% tangible equity/tangible assets;

d) withdraw U.S. banks from the Basel III agreement on capital standards; *but*, paradoxically,

e) allow U.S. regulators to design their own "risk-weighted capital standard"—exactly what is most objectionable about Basel III, because it favors the biggest bank holding companies, which use computer risk-models and derivatives trades to make their assets go away for capital purposes;

f) prohibit bank holding companies from making transfers of securities between investment affiliates and the commercial bank (a Glass-Steagall-like provision);

g) prohibit bank holding companies or commercial bank units from making loans, purchases of securities, repo agreements, or derivatives contracts with non-bank affiliates (a strongly Glass-Steagall-like element).

h) prohibit government assistance/insurance to non-banks (another strongly Glass-Steagall-like element);

i) will specifically permit commercial banks and

their holding companies to operate insurance affiliates.

Admitting the Obvious

In interviews April 24 with Bloomberg News and the *Cleveland Plain Dealer*, both Vitter and Brown "acknowledged the bill will not break up any of the large banks." It does nothing, in fact, to change the incredible complexity of the largest bank holding companies, which now average 3,900 subsidiaries *each*, almost all of them dealing in securities, according to studies cited on the Senate floor by Brown.

Brown, in fact, said, at an American Banker forum April 23, that "maybe later" he would join with Sen. Jeff Merkley (D-Ore.) to introduce a bill to "really" shrink the biggest banks—with Glass-Steagall remaining a bridge too far even then. The tragedy of this is that Brown supports Glass-Steagall and knows it should be restored.

There were no other initiating sponsors announced for this TBTF Act; Vitter's office staff, contacted April 24, did not know of any, nor of a companion bill in the House.

The summary released by Brown April 24 indicated a few changes from the text which leaked on April 11. It remains predominantly a bill to raise bank capital requirements: on the six banks with more than \$500 billion in assets, to 15% tangible equity; on other banks with over \$50 billion in assets, to 8-9%; and on community banks, to a level to be determined by regulators. Vitter, in a seven-minute Bloomberg interview April 24, spoke of nothing *but* capital requirements relative to bank assets. Whether those assets must still include derivatives and off-balance-sheet structures, as in the April 11 draft, is not yet clear.

Brown's provision to prohibit FDIC insurance or Federal Reserve discount-window borrowing to non-commercial bank units, remains in the bill, along with restrictions on transfer of assets from uninsured to insured commercial units. These provisions alone hearken to the still-certain trumpet of Glass-Steagall.

While Wall Street toadies will put up a show of opposing the TBTF sham, there is no question but that it's a part of their game, to divert from the necessary immediate action which will cut off government support for their ill-gotten gambling game. It's the constitutional *function* of the banking system that must be restored, and FDR's Glass-Steagall is the only way that can be done.

Bank Separation Bill Goes to Parliament

by Our Milan Bureau

MILAN, April 26—The fight for Glass-Steagall-style banking separation has once again been brought to the Italian Parliament. After months of political chaos in the face of the EU austerity onslaught, astute politicians are taking up the fight on the level required.

The new Glass-Steagall bill was introduced into the Chamber of Deputies, the lower house, on March 22, and signed by Deputy Davide Caparini and several other Deputies, who represent a growing portion of the Lega Nord. It follows upon the expansion of the organizing process around Glass-Steagall over the last three years.

A similar bill was introduced by Sen. Oskar Peterlini in January of 2012, with similar measures then introduced by Sen. Giulio Tremonti and the Lega, but not brought to the floor in the last session of the legislature. The LaRouche movement in Italy, Movisol, has been a prime mover behind this effort, creating additional pressure on, and encouragement for, public officials. Over more than a decade, the LaRouche movement has built up significant support for returning to the FDR principle of public finance, including with a resolution calling for a “new financial architecture” in 2002, which passed the Chamber of Deputies in September of that year, and with a Glass-Steagall resolution introduced in 2011, which gained broad support.

Public Pressure

Caparini spoke, along with Liliana Gorini, chairwoman of Movisol, at a conference organized in Brescia last November by a regular listener to Roberto Ortelli’s Radio Padania broadcast, “Che aria tira?” (“What’s Up?”). Ortelli has himself been campaigning for Glass-Steagall, and has interviewed Movisol’s Gorini and Andrew Spannaus, and also *EIR*’s Jeffrey Steinberg on the danger of thermonuclear war. Caparini told Gorini at the end of the conference, that he felt strong pressure from the rank and file of his party, to act on Glass-Steagall, instead of limiting himself to such single issues as



Davide Caparini of the Lega Nord introduced a Glass-Steagall bill into the Italian Chamber of Deputies March 22.

“keep taxes in the North,” or gay marriage.

Since then, numerous listeners of the same radio show have sent letters to their political representatives demanding that they introduce a Glass-Steagall bill into Parliament. The campaign has gained steam on the Internet, emanating from the Movisol website, and going beyond supporters of the Lega.

There is increasing interest in Glass-Steagall from members and supporters of Beppe Grillo’s Five Star Movement as well, despite the focus on superficial, populist issues at the top. Movisol is playing a key role in orienting a new political movement, the National Liberation Committee, to adopt Glass-Steagall as the leading proposal in its campaign to return Italy to economic and political sovereignty.

More such bills are to be expected at the Italian Parliament. Here is the text:

Chamber of Deputies

Draft Bill N. 488

By Deputies Caparini, Gianluca Pini, Giovanni Fava, Nicola Molteni, Massimiliano Fedriga, Matteo Bragantini, Paolo Grimoldi

Delegation to the Government for the Separation of Banking Models

Presented on March 22, 2013

Art. 1.

(Delegation to the Government)

1. The purpose of this law is to establish the separation between commercial banks and investment banks, protecting financial activities involving deposits and credit related to the real economy, from those linked to investment and speculation on the national and international financial markets.

2. The Government shall adopt, within twelve months of the entry into effect of this law and in accordance with the principles and criteria under Article 2, one or more legislative decrees containing rules for the separation of commercial banks and investment banks, prohibiting banks that accept deposits or other funds with obligation of return from carrying out any activities linked to the trading of securities in general.

Art. 2.

(Principles and Guiding Criteria)

1. The legislative decrees as per Article 1 shall comply with the following principles and guiding criteria:

a) the prohibition for commercial banks, i.e., banks that accept deposits from the general public, to carry out any activities linked to the trading and brokerage of

securities, thus establishing the separation between commercial banking functions and investment banking functions;

b) the prohibition for commercial banks to hold equity stakes or establish partnerships of any kind with the following entities: merchant banks, investment banks, brokerage firms and in general all financial companies that do not accept deposits from the general public;

c) the prohibition for the representatives, directors, reference shareholders, and employees of merchant banks, investment banks, brokerage firms, and in general, all financial companies that do not accept deposits from the general public, to hold executive positions or controlling interests in commercial banks;

d) establishing a fair period, however, not more than two years from the issue of the first Act, as in the relevant paragraph, during which banks can solve incompatibilities as in the current draft bill;

e) establish a different tax regime for commercial banks and investment banks, in order to favor the former, considering their activity in support of the real economy and in particular in favor of small and medium enterprises.

There Is Life After the Euro!

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

AN **EIR** SPECIAL REPORT

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http://www.larouchepub.com/special_report/2012/spec_rpt_program_medit.pdf

Art. 3.

(Opinions of the Parliamentary Commissions)

1. The drafts of the legislative decrees pursuant to Article 1(2) shall be transmitted to the chambers of Parliament by the sixtieth day prior to the expiration of the term set for the exercise of the delegation under that same Article 1(2), for the opinion of the relevant Parliamentary Commissions, to be given within forty days of the date of transmission.

Art. 4.

(Entry into Effect)

1. This law shall enter into effect on the day after its publication in the Official Journal.

Swedish Parliament Debates Glass-Steagall

by Ulf Sandmark

Two motions in the Swedish parliament for full bank separation, one of them explicitly mentioning Glass-Steagall, were debated late in the evening April 17 in the Chamber. This was the second year that the issue of Glass-Steagall was raised in the parliament, by the two opposition parties—the Left Party and the Environmental Party. These efforts, and the international moves for bank separation, along with the reactions by the financial oligarchy to derail Glass-Steagall with half-baked reforms like “ring fencing,” have brought the issue of bank separation solidly onto the agenda of the Swedish parliament.

Unlike Italy and the rest of Southern Europe, Sweden, like most of Northern Europe, is still outside the maelstrom of the euro crisis. Sweden has benefitted from retaining its own currency, the krona, following a referendum in 2003, when a popular revolt defeated, by a small margin, the entire Swedish establishment, which was pushing for Sweden to join the European Union. The Swedish currency, like the Danish, and especially the Norwegian, is now seen as a haven for flight capital avoiding the euro and dollar currencies.

The economic policy of Sweden is, however, fully monetarist, like that of the EU. Sweden, as a founding member of the IMF, supports all the Fund’s austerity policies against the euro-crisis nations, just as it has against the Third World, and is fully behind the unravel-

ing global monetarist-financial system.

The economic policy of the government is dominated by Finance Minister Anders Borg, famous for his ponytail and earring. He has a background in the extreme libertarian student faction of the Moderate Party, and also as a banker. He was a member of the team close to Prime Minister Fredrik Reinfeldt, who organized a revolt inside the conservative Moderate Party against former party leader Carl Bildt, to reform it into a “new Labor Party” on the model of former British Labourite Tony Blair’s orientation to the political center. With this party reform, and the forming of an “Alliance” with four non-socialist parties, Reinfeldt succeeded in defeating the Social Democratic Party in 2006, and again in 2010. The once-dominant Social Democrats have thus been pushed out of power for more than six years, and are going through one internal convulsion after another.

A Shrinking Economy

The Swedish economy has been put through the wringer, by the domestic monetarist economic policy of, first, the Social Democratic government, and then, the “Alliance” government. The physical economy is shrinking under the application of austerity to infrastructure and industrial investments. Even housing construction is far too low. Borg is keeping the government money in his purse, fearing a new banking crash.

With the low investment in housing, and a steady flow of home mortgage loans, the banks have kept the Swedish housing bubble afloat, unlike in the rest of Europe. The longtime bank-oriented policy, going back to the 80-year alliance between the once-dominant Wallenberg banking family and the Social Democrats, has created a banking sector that, per capita, is second in Europe only to the U.K. and Switzerland. The four dominant Swedish banks at the end of 2012 had an asset balance 3.3 times the Swedish GDP, and had nominal derivative contracts 23 times the GDP (88 trillion Swedish krona, or just over EU10 trillion).

The Swedish Finance Minister for sure has reason to fear a banking crash. In the parliament, the dire circumstance of the far-too-big banking sector has been brought up especially by the Left Party, campaigning for one and a half years for bank separation, now joined by the Environmental Party. Their motions were dismissed in the Financial Committee report, by the full parliament, 266-38. However, this is the practice with almost all motions, as the parliamentary majority supports such issues only when they come back reformulated as a govern-

ment proposal. The intense interest in bank separation from members of the government parties, and also from ministers, points to the possibility of such a government proposal in the coming year.

The Drive for Glass-Steagall

The Swedish LaRouche Movement (EAP) is very actively pushing for a full Glass-Steagall reform, as are now factions of two parties in the parliament.

The Environmental Party economic spokesman, Per Bolund, made a strong plea for bank separation. “It could be interesting,” Bolund said, “to go back and think about what the banking sector looked like, when it first came into being, at the beginning of the 19th Century. The banks were created to handle deposits and loans, in a business that gave the customers safety, and capital to investors. Over time, this direction has been gradually shifted. Many banks are not at all into this kind of activity, but rather, what is called investment banking, which is a big part of the business in the banking and financial market.”

After going through the risks in investment banking which have led to bankruptcies, such as Lehman Brothers in the U.S., and the euro crisis, which is “endangering even the economies of nations and continents,” he continued: “Considering these high risks . . . I think the economy of society has to be protected from these risks as much as possible. It is difficult, but there are proposals that, nonetheless, go in the right direction. One such proposal could be to establish a very clear border between what could be considered traditional banking, i.e., traditional commercial banks, and investment banks with a more risky business. Such laws existed before in many nations, as in the U.S. and the U.K., but were removed in the deregulation of the 1980s and ’90s. A couple of years ago, such a proposal would have been seen as a quite radical proposal here in the Riksdag and in other parliaments. Now the situation is different. Now the editorials of the *Financial Times* speak about the need for bank separation for all of the EU.”



Swedish parliamentarian Per Bolund, urged the adoption of a Glass-Steagall-style bank separation: “Such laws existed before in many nations, as in the U.S. and the U.K., but were removed in the deregulation of the 1980s and ’90s,” he noted.

Bolund referred to various other banking separation proposals in the EU and U.K. (Liikanen, Vickers), and also the law invoked in 2011 in Switzerland. He ended with a call for the government to launch an investigation “to propose and give examples for a new law for the Swedish banking sector which juridically clearly separates commercial banks from investment banks, and also how the state bank guarantee could be limited to apply only to the commercial banks, and not to the investment banks.”

The Left Party economic spokesperson, Ulla Andersson, supported this call and welcomed the Environmental Party into the fight. She started off by referring to the Cyprus crisis

and the plight of the local businesses and depositors there. She said: “Mr. Speaker! Cyprus is the latest example of an oversized banking sector and financial market running amok. Now the Euro Group as well, as unfortunately some Moderates from Sweden [a reference to conservative MEP Gunnar Hoekmark—USK] mean that it the right thing to do, is to let businesses carry part of the bill, which means small businesses like the vegetable farmer, grocery store owner, home builder, and so on. We mean that Cyprus is another example, demonstrating that a bank separation law is actually needed. With a bank separation law, the money of depositors and also businesses would be protected, as it would wipe away the big speculative losses of the banks.”

Andersson concluded: “You have to do something to the financial sector, and this is the most fundamental thing that could be done.”

Social Democrat Bo Bernhardsson also went after the banks, and said that even if the Parliament voted down the motions, the Social Democrats and the Financial Committee would continue to work on how to handle the banking crisis. He said that Finnish Central Bank head Erkki Liikanen has been invited to the Swedish Parliament to discuss his proposal with them. “I say this to stress how much we have this issue in focus in the Parliament, the Financial Committee, and on the European level,” Bernhardsson added.

All Eyes on the U.S. To Reinstate Glass-Steagall

by Nancy Spannaus

April 30—The LaRouche Political Action Committee (LPAC) has declared the week beginning May 6, 2013, “National Week of Action To Restore Glass Steagall,” and preparations are actively underway to cross the threshold for passage of HR 129 in the U.S. House of Representatives, and get a companion bill introduced into the U.S. Senate.

“The Eyes of the World Are Upon Us” says the headline of the LPAC national leaflet urging individuals, organizations, and elected representatives around the country to either travel to Washington, D.C., or carry out local actions during the coming week, to highlight the need for putting FDR’s Glass-Steagall protections in place.

“The responsibility to save not only ourselves, but also Europe and the rest of civilization, lies on the shoulders of the American people,” the leaflet reads. “No other nation has the republican institutions which allow the citizen to act directly to shape the policy of his government. No other nation has the embedded historical memory of the success of economic principles which originally made our country great. Though patriots around the world are working tirelessly for Glass-Steagall in their home countries, no other nation has the power, right now, on its own, to reverse the tide of economic chaos and disintegration, besides the United States.

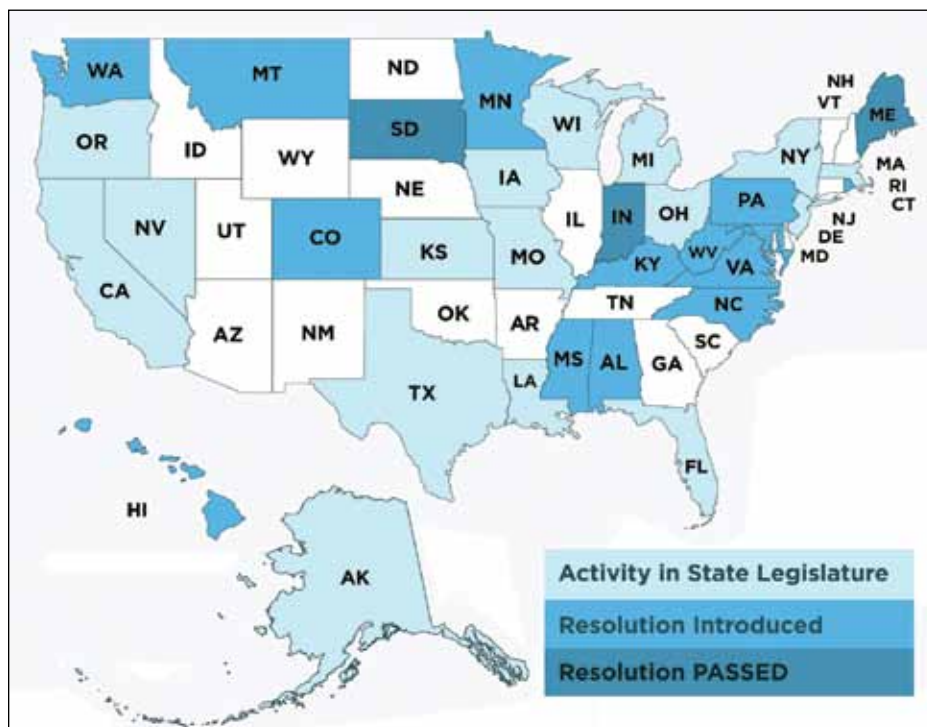
“The eyes of the world are therefore upon us. The fight for Glass-Steagall is won or lost here. And the fight for Glass-Steagall must be won now.”

Support in Washington

As of this writing, 58 Members of Congress, including initiating sponsors Rep. Marcy Kaptur (D-Ohio) and Walter Jones (R-N.C.) have signed on to HR 129, which was introduced on the first day of the current Congressional session. They cover 28 states in all, which include the most populous in the Union. While the support is heavily Democratic, there are a handful of Republicans among them—and many more expressing interest to LaRouchePAC organizers.

Except for a few references in hearings, specifically by Senators Joe Manchin (D-W.Va.) and Maria Cantwell (R-Ariz.), the Senate side has been very quiet on the Glass-Steagall front this year. One recent exception was newly elected Sen. Angus King (I-Me.), who made his maiden speech in the Senate on April 24. King has been under concerted pressure from his home state to take action on Glass-Steagall, for which he had expressed support during his election campaign. Both the Maine House and Senate have sent him a memorial urging him to take action in support of HR 129.

In his floor speech, King said: “Overreaching regulation, in my view, is a problem. I believe in structural solutions. I wasn’t a member of this body, but had I been, I suspect I would have opposed Dodd-Frank and supported the restoration of the Glass-Steagall Act. I think that’s a structural solution...”



And in the States

Building up pressure on the Senate *and* the House is the rapidly expanding activity by citizens working with LaRouchePAC in state houses around the country. At present there are 17 states in which memorials for Glass-Steagall have been introduced, with four states (South Dakota, Maine, the Indiana House, and just today, the Alabama House of Representatives) having passed them.

While continuing to work on adding additional states, the activists are also soliciting letters from prominent individuals and institutions to their Congressman or Senators, or simply letters of support. Two prominent individuals went public with their support this past week: California State Democratic Party Chairman John Burton (a former member of Congress), and former U.S. Attorney General Ramsey Clark.

Independent bankers and state legislators are also sending private letters to their representatives demanding they move to implement Glass-Steagall. One such letter was directed to the six members of the Iowa Congressional delegation; it was signed by 16 state legislators.

Over the last week, delegations bent on getting the introduction of a Glass-Steagall memorial have carried out intensive days of organizing in the state capitals of Louisiana, Missouri, Ohio, Colorado, New York, Dela-

ware, and New Jersey. In Missouri, the organizing team had 30 meetings with legislative offices, and in Ohio, at least 13. The conversations were intense, and numerous promises made—although the result remains to be seen.

Austerity for Wall Street

During recent days of action in Washington, D.C., LaRouchePAC organizers have raised the banner “Austerity for Wall Street, Pass Glass-Steagall, HR 129,” and found tremendous resonance among legislators and their staffs, as well as among the population. It’s beginning to hit home to Americans that, under the current pro-Wall Street Obama regime,

they are not going to survive.

One crucial object lesson is the situation in Cyprus, where the European Union is carrying out the next phase of the policy of the British global financial system—outright theft of bank accounts to support the bankrupt gambling banks. When shown the study done by the U.S. Federal Reserve and the Bank of England in December 2012 on the same policy, and the section of the Dodd-Frank bill which points in the same direction, legislators are stunned.

In fact, as the organizers point out, Americans don’t need to wait for the “bail-in” theft to see that the U.S. is on the same chopping block as Europe. The “anti-deficit” program being implemented in Southern Europe—demanded and fully endorsed by the same international financial institutions issuing the prescriptions for the United States—is carrying out a program of genocide against the populations of Greece, Spain, Portugal, and Cyprus, with more nations on the immediate agenda. To defeat this program, these nations need the same kind of Glass-Steagall reform FDR carried out, but they don’t have the political power or tradition to carry it out themselves. They are depending on the United States.

Thus, the LaRouchePAC call for a national week of action to ram the Glass-Steagall program through immediately. See www.larouchepac.com for more details.

Obama's Asia Pivot Is Aimed at China

by Carl Osgood

April 24—On Jan. 5, 2012, President Obama formally introduced his new “Strategic Guidance,” more popularly known as the “Asia Pivot.” With this document, which he himself presented in the Pentagon briefing room, Obama sent the message that rather than coming to an end, the perpetual wars of the last ten years are, instead, entering a new phase. The manpower-intensive ground wars in Iraq and Afghanistan are giving away to regime-change campaigns, such as that in Libya in 2011, and to confrontations with China and Russia in the not-too-distant future.

In the 15 months since that announcement, the Defense Department has moved aggressively to implement the shift that Obama outlined, but at the same time, has struggled to convince the world that the Asia Pivot is not about China.

Chairman of the Joint Chiefs of Staff Gen. Martin Dempsey's visit to China this week, is clearly an effort to move away from confrontation with China. That effort, however, is contradicted by the force deployments that are underway, and the development of the Air-Sea Battle operational concept, as part of the Asia Pivot. Naval and air forces are being deployed ever closer to China, and with an operational concept designed to counter capabilities that China—though not exclusively China—is developing, to defend its sovereignty.

An inherent part of the Pivot is the redeployment of the U.S. military's most advanced capabilities to the Western Pacific. As part of that shift, the U.S. Navy is reposturing its forces so that 60% of its fleet will be stationed in the Pacific by 2020. A large portion of those forces will be forward-based, that is, home-ported in Hawaii, Guam, Japan, and starting this year, in Singapore, where the first of four new Littoral Combat Ships arrived this month.

The Air Force is similarly putting its most advanced combat capabilities in the Pacific. A squadron of F-22 stealth fighters is based in Okinawa, and B-52 and B-2 bombers are stationed on Guam on a rotational basis;

squadrons F-35 Joint Strike Fighters will be stationed in the Pacific, when that aircraft becomes available in a few years. Last December, then-Secretary of Defense Leon Panetta announced that a squadron of the Marine Corps version of the F-35 will be based at Iwakuni, Japan, beginning in 2017. The Navy and the Air Force will also have their most advanced intelligence-gathering capabilities in the Western Pacific, including the P-8 maritime patrol aircraft and the Global Hawk surveillance drone.

Obsession with China

The focus on China, and the adoption of an operational concept to militarily oppose it, are both the brainchildren of Andrew Marshall, the 91-year-old head of the Pentagon's Office of Net Assessment. Marshall, who has run ONA since 1973, has been building up a network of co-thinkers both inside and outside the Pentagon, including in Washington, D.C. think tanks that have become influential on national security matters inside the Beltway. The lead think tank in Marshall's network is the Center for Strategic and Budgetary Assessments (CSBA), whose head is retired Army Lt. Col. Andrew Krepinevich.

The CSBA first surfaced the concept of Air-Sea Battle in 2010, in a report authored by Krepinevich himself, then, in a report by retired Navy Capt. Jan Van Tol, who, like Krepinevich, is a veteran of duty in Marshall's office. *Washington Post* military reporter Greg Jaffe reported last August that the CSBA typically collects between \$2.75 million and \$3 million a year in contracts from Marshall's office, about 40% of its annual income, and that Krepinevich collects about \$865,000 a year in salary and benefits.

Marshall has been obsessed with China since the fall of the Soviet Union in 1991, and has pushed the idea that the U.S. military ought to be prepared for a high-intensity conflict with the People's Republic of China, even though no one can explain how or why such a war might start. In the Summer of 1999, Mar-

FIGURE 1



shall and his office sponsored a study at the Naval War College in Newport, R.I., that postulated a China that would be the focus of future strategic confrontation with the U.S., *whether it was strong or weak*. “A stable and powerful China will be constantly challenging the status quo in East Asia,” the report said. “An unstable and relatively weak China could be dangerous because its leaders might try to bolster their power with foreign military adventurism.”

The Navy’s Pacific Shift

The shift of high-end military forces to the Pacific does indeed begin to look like preparation for a high-intensity war with China. Chief of Naval Operations Adm. Jonathan Greenert explained the Navy’s part of the shift during an April 8 panel at the Navy League’s Sea Air Space 2013 conference, in Maryland April 8-10. Using a slide showing how many of the Navy’s ships are deployed in the various regions of the world, Greenert explained that, currently, there are 52 ships underway in the Pacific, but 42 of them are non-rotational, that is, they’re forward-based in the region—in Hawaii, Guam, and Japan. By 2020, Greenert expects that there will be an average of 60 ships underway, with 50 of them forward-based in the region, to include the four Littoral Combat Ships homeported in Singapore.

The rest of the world will see about 30 ships, on average in the Persian Gulf/Arabian Sea, and 13 in European waters (Figure 1).

But Obama’s strategy isn’t just focused on the Pacific; it still keeps a watch on Southwest Asia, and on what Greenert termed the world’s crossroads, but might better be thought of as choke points: The Navy’s station in Rota, Spain, which, beginning in 2015, will be home to four missile-defense-capable Aegis destroyers, is close to the Strait of Gibraltar; the Sixth Fleet, headquartered in Naples, Italy, combined with the NATO base at Souda Bay, Crete, command the Suez Canal; the Fifth Fleet headquarters in Bahrain is close to the

Strait of Hormuz. The Strait of Malacca is close to Singapore where the four Littoral Combat Ships are going; and the Navy’s base at Guantanamo, Cuba is within striking distance of the Panama Canal.

Marine Corps Commandant Gen. James Amos, speaking on the panel with Greenert, showed a map of all the places the Marines have operated in the past ten years, which is just about everywhere, except for Russia and China, and perhaps a few other places not clearly visible on the map. Those operations range from the wars in Iraq and Afghanistan, to “building partnership capacity” exercises all around Africa, to disaster response, not only overseas, but even in New York after Hurricane Sandy.

As Greenert’s map (Figure 1) had showed all of the choke points, and the location of Navy bases near them, Amos’s slide showed a belt of crises, extending from North Africa to the East China Sea, but also included a few areas in the Western Hemisphere, to include narco-trafficking. “This is reality,” he said. “These are the types of issues we’ll have to face.” And how to face them? “Forward deployed naval forces are part of the solution,” he said. And, of course, the drawdown in Afghanistan is key. The Marine force there has already dropped from 20,000 troops to 7,000, meaning that there are greater opportunities for Marines to do other

kinds of things, such as sailing around the world with the Navy to drop in at various places, such as Darwin, Australia.

The following day, Rear Adm. Michael Smith, the director of policy and strategy on the Navy staff, emphasized the importance of military-to-military engagement, during a panel discussion on engagement with Asia. “We have to build an enduring military relationship at all levels,” from petty officers to senior ranking officers, Smith said. There are areas of common interest, such as combating piracy (China continues to have a major presence in anti-piracy operations in the Gulf of Aden), humanitarian assistance/disaster relief operations, and medical exchanges. Smith said that these, and other areas of common interest, have to be built upon to foster trust, so that the issues between the U.S. and China that cause tensions can be addressed.

In response to a question from panel moderator Patrick Cronin, Smith cited the example of the strategic and economic dialogue between the U.S. and China, led by the Secretaries of State and Treasury, where in-depth discussions on economic and diplomatic issues are taking place, but this depth of engagement doesn’t extend to the military realm. It’s starting, Smith said, “but the issue is to establish an enduring military-to-military relationship.”

Not surprisingly, Air-Sea Battle also came up in this context. A reporter, speaking from the floor, noted that last year, former Vice Chairman of the Joint Chiefs of Staff Gen. James Cartwright warned that Air-Sea Battle demonizes China, and the reporter interpreted Smith as saying that the military engagement is well behind that of the civilian engagement. Smith replied that the DoD has, in fact, lost the “strategic narrative” on Air-Sea Battle, i.e., misperceptions of what Air-Sea Battle is have become dominant in the public discourse, as opposed to the DoD’s notion of what it is.

“It’s about having the combat power to go wherever we need to go to protect regional security,” Smith said. “It’s about being able to go wherever our national interests are threatened.” He went on to explain that the U.S. has to have assured access and the services have to work together to gain that access, as no service can do it alone. “This is not a strategy against an individual country,” Smith said. “This is not about demonizing China. It’s about building a military to defend our interests.” He added that the services need to do a much better job of articulating what it is that they’re doing.

The Concept of Air-Sea Battle

On the afternoon of the April 8, two officers from the Pentagon’s Air-Sea Battle office, Col. Jordan Thomas, USAF, and Capt. Philip Dupree, USN, made an effort to “articulate” what it is they are doing, in developing and implementing the Air-Sea Battle concept. Thomas insisted that Air-Sea Battle is not only about China. “It’s about the proliferation of anti-access/area denial threats that are out there and our capabilities to overcome them.” Nor is it a battle plan for high-end warfare. “Air-Sea Battle is about 21st-Century warfare—about how we’re going to do things better in the coming environments,” Thomas explained. “What Air-Sea Battle is doing is enabling discussion among the services in order to address anti-access/area denial (A2/AD) environments. That includes discussion, collaboration, and experimentation among the services about the kind of A2/AD threats that are out there. Our focus is long-term force development ... between the services, and we look for that to be the integration of service capabilities.”

As Thomas explained it, what Air-Sea Battle does, is look at the so-called anti-access/area denial measures that a possible enemy has taken, then looks at the command and control (C2) and intelligence and surveillance systems that the enemy uses to target hostile forces. In order to destroy an enemy ship, for example, that target has to be found and fixed; then a weapon, or weapons, has to be targeted on that ship to destroy it. It’s that “chain of effects” that Air-Sea Battle is seeking to attack, first by disrupting it, then by destroying it, to “take out their ability to track or engage,” so that enemy forces can then be defeated. This process is called “attacking in depth.”

Dupree emphasized the institutional commitment within the Pentagon to Air-Sea Battle, going back to a directive in 2010 from then-Secretary of Defense Robert Gates to the Secretaries of the Air Force and the Navy. The Secretaries signed on to it, and organized an office to do the work, “giving it governance and the authorities to do something,” Dupree said. “This leads to the behavior change we’re seeking.” That behavior change amounts to closer coordination between the two services (and also the Marines and the Army) in terms of force development, and the ability to “command, control, and communicate our forces and gather intelligence.”

“Either we have to take greater operational risk as we close our force and/or we’ll have to operate from farther away,” Dupree explained. “If you’re network-



U.S. Navy/Ignacio D. Perez

President Obama's Asia Pivot is deploying U.S. Naval and Air Forces ever closer to China, risking a confrontation, and even general war. Here, Two Super Hornets take part in an air power demonstration over the USS John C. Stennis, somewhere in the Pacific.

integrated and you attack in depth to disrupt, destroy, and defeat the enemy, then you can shape the A2/AD environment to be able to operate with acceptable risk.”

What is the purpose of implementing Air-Sea Battle? “Air-Sea Battle gives us the ways and means for the joint force to overcome the A2/AD environment,” Dupree said. “We’re defining through experimentation and exercises what capabilities and proficiencies are required to overcome the anti-access/area denial environment.” The Air-Sea Battle Office has become a place which collects lessons learned from the exercises and experiments of the services and tracks how closely the services are becoming conceptually aligned.

Official U.S. protests to the contrary notwithstanding, China does, in fact, figure largely in the Air-Sea Battle effort. Dupree, in response to a question from this reporter, explained that China is a country that is advancing its military capabilities, and the Chinese have openly stated that they may choose to have a counter-intervention strategy. If they want to do something in their region, they don’t want outside intervention. They prefer to work on a bilateral basis. “A lot of the capabilities that they’re fielding are indicative of A2/AD,” Dupree said. “China is developing capabilities that do challenge our access, and they are students of the game. They have watched how the U.S. has operated” over the past ten years and are

taking what they’ve learned into account.

The ASBO is not a war-planning cell, however, he said. That function remains with the Joint Staff and with the combatant commands. What the ASBO provides is the conceptual basis for the doctrine that will be employed in the war planning and in actual military operations, whether against China, Iran or some other adversary with similar capabilities. “It’s really not for us a function of who but of what,” Dupree said. “What are the systems, what are the effects chains and how are they assembled and how can we disrupt, destroy, and defeat those chains.”

The Air-Sea Battle Office offered its own clarification to

EIR on April 23. Air-Sea Battle, they explained, is not about any particular region, but is about access to the “global commons,” everywhere. “Plainly described, the Air-Sea Battle concept is a combination of capabilities and ideas that enables a pre-integrated force built on habitual relationships to maintain freedom of access in the global commons in the face of emerging A2/AD threats,” they explained.

“Air-Sea Battle assures an unprecedented level of interoperability among components of U.S. and allied forces in support of regional cooperation everywhere supporting vibrant, sustainable world trade and investment by ensuring freedom of access to the global commons everywhere.” The ASBO also pointed out that they render the term “Air-Sea Battle” in order to distinguish it from the CSBA’s AirSea Battle. “While the hyphenation is seemingly a small, administrative point,” the ASBO’s spokesperson wrote in an email to *EIR*, “AirSea Battle is very different from Air-Sea Battle.”

Air-Sea Battle and Australia

What does this mean for U.S. allies in the Western Pacific and East Asia? That’s precisely the question asked in a new report produced by the Australian Strategic Policy Institute, entitled “Planning the unthinkable war: ‘Air-Sea Battle’ and its implications for Aus-

tralia,” which was released on April 15. The author, Benjamin Schreer, takes a middle position between critics of the concept and its proponents. He decides that Air-Sea Battle could “make a contribution to regional stability by promoting deterrence in Sino-U.S. strategic affairs.”

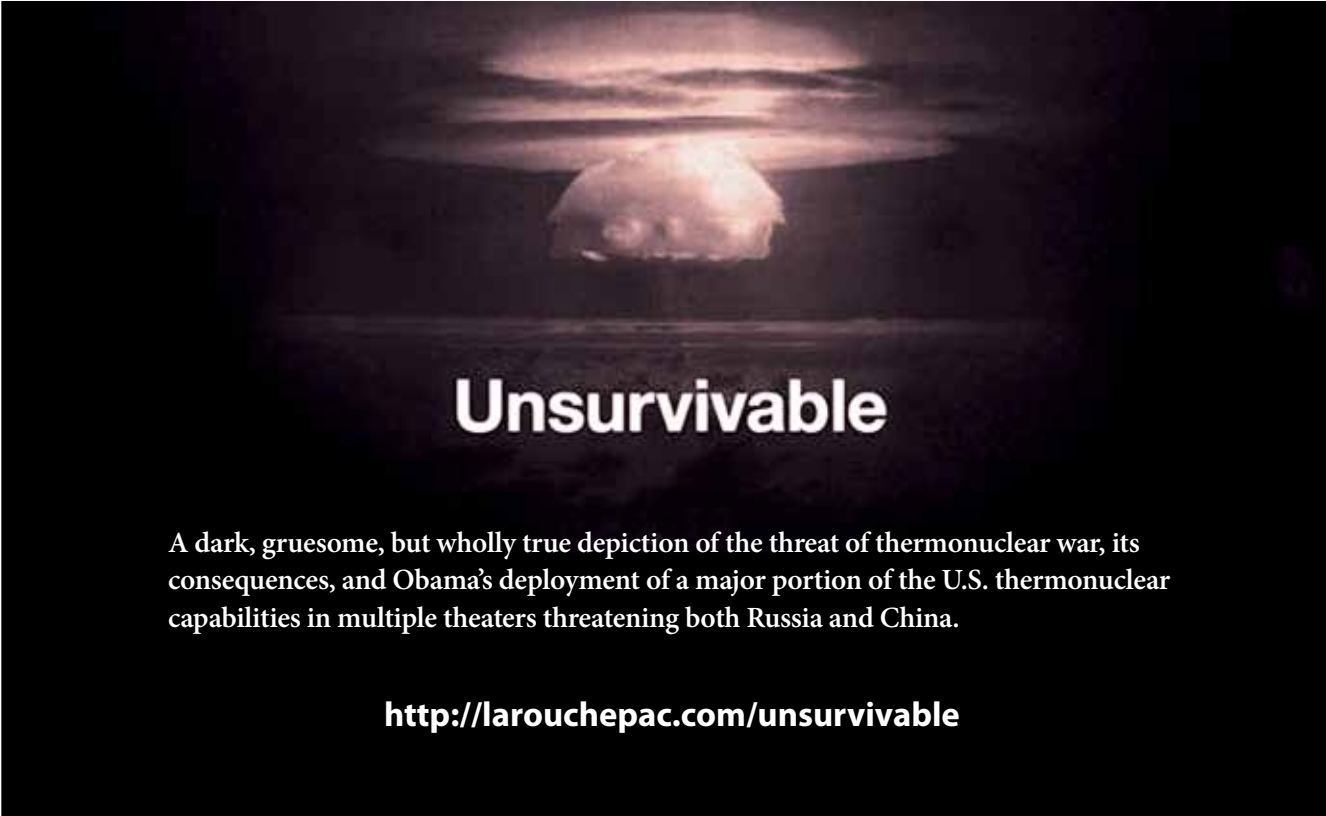
But that possible benefit also comes with a great risk. Schreer notes that Air-Sea Battle is optimized for a high-intensity conflict between the U.S. and China (and is therefore useless in dealing with territorial disputes in the East and South China Seas), and that a central element of the concept is deep attack against Chinese command and control and intelligence and surveillance capabilities used for conventional operations. “But such a ‘blinding campaign’ could increase the risk of a disproportionate Chinese response, including nuclear escalation,” Schreer warns. “Beijing might well perceive such attacks as American attempts to disarm China’s nuclear deterrent and could thus be tempted to nuclear preemption.”

Another question is whether being involved in Air-Sea Battle would be good for Australia. Schreer notes that while current U.S. deployments in Australia, including the detachment of Marines in Darwin, are not

directly tied to Air-Sea Battle, options are under consideration that would allow the U.S. greater force presence in Northern Australia, including with long range bombers which are integral to the Air-Sea Battle concept. Secondly, the Australian Defense Forces could provide niche capabilities, such as air refueling, and other types of support to U.S. forces.

“That said, fully embracing the logic behind Air-Sea Battle or developing specific military capabilities to underpin the concept’s implementation are so far not in Australia’s interests,” Schreer writes. “Openly signing up for the concept would send a strong political message to China that the ADF is now actively planning and equipping for a potential war with the PLA.” Therefore, any actions that Australia would take to participate in Air-Sea Battle would be an unnecessary provocation to Beijing. Australia has already demonstrated its commitment to the ANZUS (Australia-New Zealand-United States) alliance and can make its contributions “independently of any public commitment to a concept that’s still in its early stages and seems designed for a strategic environment in Asia that’s yet to materialize,” Schreer writes.

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SCHILLER INSTITUTE FRANKFURT FORUM

Prospects for the Future Of Eurasian Cooperation

by Jason Ross

EIR has covered, in our last two issues, the Schiller Institute's April 13-14 "Forum for a New Paradigm" in Frankfurt, Germany. Jason Ross was a participant, and gave the evaluation excerpted here to [The LaRouche Weekly Report](#) on April 24. We continue our publication of speeches from this international event.

The speakers at the conference covered, in very compelling and emotional detail, the economic collapse that we're seeing around the world right now, and how, in places like Greece, Cyprus, also Ukraine, the policies that are hegemonic today, the neo-liberal, free-market outlook, are destroying nations. How Cyprus, which was one of the better-off nations in Europe, within just a few years of adopting the euro, became a wreck! Or, from Natalia Vitrenko [see speech in this section], who covered the privatization of Ukraine after its independence, how it was looted and destroyed, when it could have taken a path of development.

We also discussed the science of humanity, how we can move forward as a species. We discussed, in quite a bit of detail, some of the nuclear technologies that we could be implementing today. And we also discussed the future that we need to create, both scientifically as well as culturally, with musical presentations and performances, crucial to the conference as a whole.

We also had an excellent political orientation to the future, in terms of how a credit system would work out: a report on the U.S. motion around Glass-Steagall. Because we're facing a very powerful, seemingly, enemy, an imperial system that's been with us for centuries—

not the British people, but the British Empire, the British financial empire, as merely the latest stage of something that goes back to Rome, and through Venice.

What you need is flanks. In the United States, Glass-Steagall is our very powerful flank.... And the other flank, a very large, future-oriented flank as well, is the Strategic Defense of Earth. We heard some very good discussion of Russia's role in proposing and pulling together a concept of SDE, both conceptually and with specific projects, including increasing funding for Russia's space program and the potential for Russia to put this on the agenda at the G20 meeting [see *EIR*, April 17, speeches by Ross and Kirill Benediktov].

Avoid the British Trap

These are things that put us in a direction to define a new course, and break through the idea that nations act in their own egotistical interest. This was brought up a fair amount. There's this idea that Northern Europe is acting at the expense of Southern Europe; or that the U.S. is acting in its own interests in opposition to Russia; that ever since the collapse of the Soviet Union, the U.S. has been acting in its own interests, to dominate the former Soviet bloc. *This leaves out the role of the British Empire. This is a very big mistake*, to think that it's possible for maybe Russia and China to work together, simply ignoring the United States, when, if the U.S. isn't changed, we are on course for a thermonuclear war. That's the strategic direction things are laid out in right now.

So, we have to lay out a new course for civilization.

Eurasian Integration as a Chance for Survival in the Global Economic Crisis

Natalia Vitrenko, doctor of economics, leader of the Progressive Socialist Party and the Eurasian People's Alliance of Ukraine, spoke on the panel, "The Future of Eurasian Cooperation."

Dear conference participants:

We, people of different faiths and different political views, representatives of various countries and continents, are united by our concern for the fate of humanity. We can see before our very eyes, the destruction of the foundation of human existence, namely, the world economy.

In order for the world economy to function successfully, certain postulates must be observed.

First, money in the world should correspond to the exchange of goods, and should service the movement of value as a realization of the relations between countries.

Second, the world financial system should, on the basis of how the world's money functions, service various types of relations among countries, such as capital flows, investment, loans and subsidies, foreign trade in goods and services, and so forth. These relations should promote, above all, the modernization of existing, and the creation of new, productive capacities.

Third, the world banking system should promote the effective use of credit resources, and the development of production in each country.

Fourth, world trade should promote an efficient world division of labor, and the mutually beneficial exchange of goods among countries.

The catastrophic deepening of the world crisis is linked with the distortion of these fundamental functions in all categories.

First of all, since 1944, the U.S. dollar began to serve as the world currency. After 1971, it lost its backing by real products or gold, and ceased to be a real measure of the value of goods and services. The print-



Daniel-Enrico Grasenack-Tente

Dr. Natalia Vitrenko posed the stark choice facing Ukraine: continue down the ruinous path of globalization by joining the European Union; or ally with the new Eurasian Union with Russia, Belarus, and Kazakhstan, with the prospect of reviving the nation's leadership in science and industry.

ing of dollars is fully in the hands of the Federal Reserve System, a private organization, and the world community has no control over it. As a result, a dollar pyramid has arisen that inevitably will collapse, pulling the world economy down with it.

Second, rather than providing incentives for the real sector of the economy, the current world financial system led to a huge market in fictitious capacities. Multi-billion-dollar flows determine the rise and fall of prices on the markets, and this can destroy not only individual companies and sectors of industry, but even entire countries. Financial warfare is applied against countries and governments that don't go along. Off-shore zones have been created, where trillions of dollars of capital from different countries has fled for tax-

evasion purposes, depriving the national economies of sources of growth. Lending by the IMF is done with strict conditionalities and simply puts nations deeper in debt.

Third, the world banking system has turned into a criminal corporation, which drains the blood out of the real sector of the economy, paralyzing the functioning of governments, and robbing the populations of countries for the sake of superprofits accruing to those who own bank capital. The application of commercial rules to banking has become a bastion of the defense of such activities. The regular payment of astronomical bonuses has become the accepted norm, while the international community and national governments cannot exercise oversight over banking activity. Quadrillions of dollars in derivatives are like a boa constrictor on the world economy, inevitably leading it to collapse.

Fourth and finally, the existing system of world trade, which is called “free trade” or liberalization, serves only to open up the markets of countries in the Second and Third Worlds to be grabbed by trans-national corporations. The raw materials of countries on the periphery are seized by the leading countries. This causes the bankruptcy of national economies, and the growth of social problems.

The destruction of the foundations of the world economy inevitably produces a crisis, with chaos and instability, wars, epidemics, catastrophes, mass deaths, and the liquidation of national economies and national sovereignty. The annihilation of national economies is an inevitable part of the process of globalization, whose aim is to establish a new global world order. The mechanisms of globalization are the IMF, the WTO, the World Bank, and the EBRD [European Bank for Reconstruction and Development].

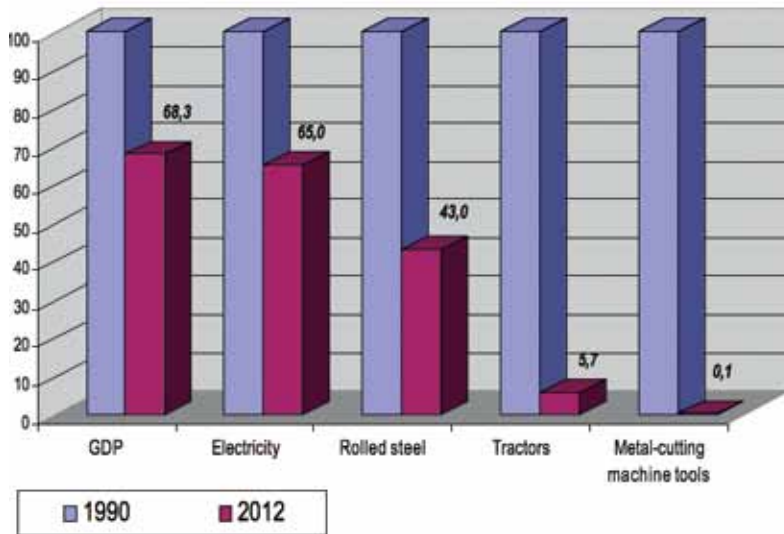
Ukraine Submits to Globalization

A dramatic example is Ukraine. I’m going to show you this catastrophe in figures: everything that has happened in the past 20 years.

Six months after the proclamation of independence, Ukraine, on June 3, 1992, joined the IMF, and began to borrow, accepting the conditionalities. In 1995, Lyndon LaRouche came to Ukraine on our invitation, as did Helga Zepp-LaRouche and other representatives of the

FIGURE 1

Ukraine: Decline of GDP and Real Economy Output (2012 as % of 1990 level)



Schiller Institute. LaRouche met with Speaker of the Ukrainian Parliament Oleksandr Moroz; he met with members of the Parliament from the Socialist Party; he met with scientists, economists. And he told them what should be done and what should be avoided, as well as what reforms were needed to bring about a recovery and renaissance of the economy.

LaRouche exudes love for humanity, but the IMF came in with dollars and bought off politicians, officials, and members of Parliament. And therefore, instead of listening to LaRouche, Ukraine started doing everything the IMF said to do: deregulation, privatization, and macroeconomic stabilization. What did deregulation mean? It meant a floating currency exchange rate, while all the state-owned and commercial banks were cut loose to fend for themselves.

Then came privatization, in which essentially, the whole economy was put on the auction block for peanuts: the collective farms, industry, and so forth. In macroeconomic terms, Ukraine shifted to a cheap-labor model, with the reduction of social benefits and elimination of subsidies for housing and utilities.

In 2008, Ukraine joined the WTO and the results were similar, starting with the destruction of physical production in Ukraine.

We can see in **Figure 1**, how GDP and physical output in basic areas of industry fell during the two decades from 1991 to 2012. Look at the second column, which is electricity production: It dropped by 35%. Pro-

duction of rolled steel fell by more than half. In 2012, tractor production was only 5% of what it had in 1990. And this is in a country that has 20% of the world's black-earth soils, and one-third of the population lives in rural areas. The machine-tool industry practically ceased to exist. Whereas Ukraine used to have 16 major machine-tool plants, which produced 37,000 machine tools in 1990, now there are only three left, which are barely on their feet; they produce just 40 machine tools a year.

Out of 50,000 companies privatized, 49% ceased to exist. They shut down. As for 1990, machine-building had been the core of the Ukrainian economy, with 360 factories organized in 20 specialized industrial sectors. Ukraine had an advanced military-industrial sector, machine-building for heavy industry and the power industry, rocket-building, an aircraft industry, shipbuilding, and auto, locomotive, tractor, and machine-tool industries. Machine-building accounted for 31% of GDP, making Ukraine one of the top ten countries in the world.

Ukraine accounted for 2% of world GDP, and we were 11% higher than the world average for per-capita GDP. By 2012, Ukraine was producing only 0.2% of world GDP. Per capita, we are 40% below the world average; we're lower than Namibia.

Destruction of Science

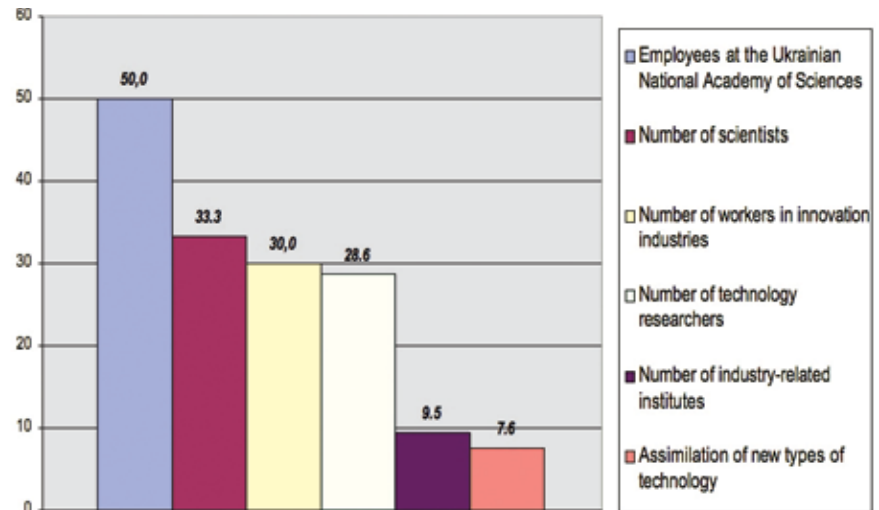
The basis for growth in the Ukrainian economy is science. We were always proud of Soviet science, and Ukrainian science in particular. We were seventh in the world in the power of our scientific complex, but what we see in **Figure 2** is the destruction of Ukrainian science. This is what happened to Ukrainian science over the last 20 years:

Formerly, we had 500,000 people working in science. The most talented of them left the country—10,000 people. Hundreds of thousands of scientists were thrown out on the street to engage in primitive forms of retail trade, selling items at flea markets, working their kitchen gardens, or they retired. Hundreds of thousands of young people who should have become scientists, did not. You can see the reduction by 50% of the people

FIGURE 2

Ukraine: The Destruction of Science

(2012 as % of 1990 levels)



working in the National Academy of Sciences system. The second bar is the total number of scientists. It's just over a third of what it was. The number of people employed in innovative industries is at about 30% of the previous level. Research in the technological sciences is 28% of what it was. And the number of industry-related research institutes is only 9.5% of what it was previously. The assimilation and implementation of new technologies is occurring at only 7.6% of the 1990 rate.

We should note that this kind of destruction of science means that the portion of companies engaging in innovative research is only 28% of what it was. The portion of GDP growth attributable to new technologies is only 0.7% in Ukraine, as against 60-90% in advanced countries.

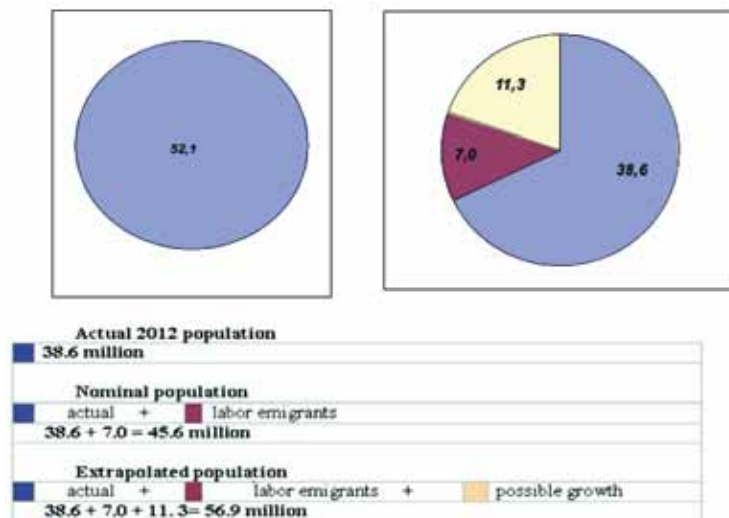
This is a scandal, a shame, for Ukraine!

During the years of its "independence," Ukraine has lost 12 million jobs. The ILO [International Labor Organization] says that our unemployment is around 10%, but this doesn't show the whole picture. This is just the tip of the iceberg; it's actually much higher.

What Ukraine did obtain during these years is foreign debt. We now have a direct state foreign debt of \$24.5 billion, or double the gold and currency reserves of the country, and our gross foreign debt is approaching 80% of GDP.

The worst thing is that this collapse of the economy has impoverished the population. The minimum wage in Ukraine is EU118 per month. The minimum pension

FIGURE 3

Ukraine: Population (millions)

is EU86 per month. But we don't live in Africa. We have a fairly cold climate: You have to heat your house, you have to wear some clothes, and these are absolutely intolerable [wage] levels for Central Europe. These levels are only one-third of what is required for subsistence. The low levels set for the minimum wage lead directly to the deaths of the population, and the degradation of our natural resources. The share of wages in value-creation averages only 6.3% in Ukraine, as against 40% in the EU; 80% of the population lives below the poverty line.

We have increased drug addiction rates, increased alcohol consumption, super-exploitation of workers, psychological effects, crimes, and deterioration of the environment. These are the main factors in the reduced quality of life for the majority of the Ukrainian population. Our average life expectancy has dropped from 71 to 68.8 years, and is 15 years behind the averages for Europe. Men live to be only 62, and yet Ukraine followed IMF demands for pension reform, raising the pension age for women from 55 to 60, and for men, as high as 62 for some categories.

Deliberate Genocide

Figure 3 shows changes in the population. This is what Lyndon LaRouche was talking about, with regard to deliberate genocide.

In 1990, we had 52.1 million people in Ukraine. Now, nominally, we have 45.6 million as of 2012. But another 7 million left and are living abroad for eco-

nomic reasons, so they're not in Ukraine. They went to Russia to get work; they couldn't get work in Ukraine. (This is why Ukraine today leads the world in juvenile drug addiction and alcoholism.)

So we had 52 million people. Nominally, we now have 45.6; in reality, we have 39 million people. During the Great Patriotic War, World War II, Ukraine lost 5.5 million people killed, and 2 million taken to forced labor in Germany. We lost 7.5 million people during the war. During these 20 years of reform, we have lost 6.5 million dead and 7 million departed, almost 14 million people, thus nearly twice the number of losses during the war.

The white segment (Figure 3) shows an extrapolation of what the population of Ukraine would have been, without this massive destruction. If we had continued the slow growth we had in 1970-90, with full employment and free education and free health care, our population would by now be 56.5 million, almost 57 million. Thus our country has lost one-third of its population! This is a crime. This indeed is the policy of genocide.

As a result, Ukraine, like other countries, has approached the dangerous boundary of a total collapse of the economy, a social explosion, permanent political coups, loss of sovereignty, chaos, and the threat of civil war.

Regional Integration vs. the Group of Zero

Joseph Stiglitz, the Nobel Prize winner, said in February of this year, that one can talk about the Group of 7, or the Group of 8, and the Group of 20, but really, it's all a Group of *Zero*, a big nothing. I agree with that. The leading countries of the world have shown themselves totally incapable of proposing prescriptions to save humanity. And we see the shuttering of the world economy, the misanthropic nature of the British economic model, and the inability of leading countries to protect humanity from the death of billions.

So, what must humanity do? Mankind cannot rely on the humanism and altruism of the leading capitalist countries, but must seek local alliances and regional integration. This attempt is being driven by the monstrous debt crisis of the leading economies, the EU and U.S.A.

There is no alternative to an integration approach for the world economy, today. Only economic clusters with populations of 250-300 million can survive under

current conditions. Regional alliances can have incentives for their domestic markets, increase their own production, carry out modernization, shift to new technologies, ensure stable growth of employment, and improve quality of life and life-expectancy.

Dr. Galloni [the Italian economist, see below] gave us a very excellent perspective for regional integration in Europe. There were participants from Argentina who had a similar idea; this matches the idea of countries uniting their efforts, as LaRouche has proposed. The more regional integration we have, the more we can protect countries against the flaws of the basic economic system today.

Thus, we need global reforms to put the four categories I mentioned at the outset into a more normal alignment.

1. We need regional currencies, backed up by real production and gold. We need sovereignty in currency policy and a restoration of currency controls. Money should be printed only when it advances real economic growth.

2. We need a regional financial system, which will take cooperation among countries to a new qualitative level of partnership and mutual assistance. We need our own sources of money supply and so-called “long” money for our economies. The current markets are absolutely unacceptable as an investment institution. The Dow Jones, Nasdaq, and other such indexes should be eliminated in favor of our own rating agencies, to make a real evaluation of credit risk. We need to get rid of hedge funds and offshore zones. Taxation policies of the integrated economies should promote job creation in the real sector, and so forth.

3. The banking system must be reformed in order to achieve banking separation on the Glass-Steagall model, write off the speculative capital, and create powerful credit resources for long-term investment in capital-intensive infrastructure projects. We need to get rid of banking secrecy and have full transparency of the activity of the national bank of each country. And we need countries to unite their efforts to exercise oversight over the central banks of regional alliances. Another requirement is the creation of regional development banks for financing large-scale cooperative projects.

4. We must remember what Alexander Hamilton said: protectionism is a necessity. Hamilton said that a national banking system and protectionism in trade are the ways to protect the domestic market. We should permit the deregulation of inter-regional trade only if it

promotes the development of each country’s industry and infrastructure. And thus we must have a new quality of international economic cooperation, based on the principles of productive partnership and technological cooperation, as alternatives to free trade. There must be a level playing field for the economic development of sovereign nation-states.

National sovereignty can be achieved if we strengthen the role of the state in the economy. We had a discussion yesterday about weak governments. Weak governments of individual countries is the dream of the Queen of England and her lackey Barack Obama. But if we are to carry out these reforms for the modernization of production and introduction of new technologies, this requires strong government action. Mr. [Daisuke] Kotegawa called this a war, and you have to win wars [see last week’s *EIR* for his speech]. Can you imagine some sniveling no-good, like, say, Gorbachov: Could he have won World War II? Only the strong Soviet government ensured the turning point in World War II, and saved humanity from fascism. This is what is meant by a strong leadership and a strong government.

This is how I see the general approach to radical changes in the world economy through regional integration.

Ukraine’s Prospects in the Eurasian Union

Lastly, I’d like to talk about Ukraine’s prospects in the Eurasian Union. For us it will be a unique chance to save the country, if we join the Customs Union with Russia, Belarus, and Kazakstan, and the new Eurasian Union. It was an objective necessity for the leaders of those three countries to form that common market and unite their productive capacities. If this were not done, then the global struggle for grabbing resources would shift from the Near East to the Far East, and affect all of Eurasia. This is an area where we are united by a common culture.

Integration with Russia is the way out for Ukraine, Belarus, and Kazakstan. Belarus acted in this direction, organically, while Ukraine, for all these years of its so-called independence, has been run by Washington and Brussels, and this prevents the Ukrainian government and politicians from deciding in favor of integration, the only policy that makes any sense, either from an economic or a civilizational standpoint: to join the Customs Union and the single economic space of Russia, Belarus, and Kazakstan.

The Ukrainian authorities, however, have announced

a policy of euro-integration, entering a free-trade zone with the EU, and joining NATO. For Ukraine—for our economy, science, culture, and political stability—this is a dead-end and ruinous pathway. Research done by the Institute of National Forecasting of the Ukrainian Academy of Sciences has shown that a free-trade zone with the EU will cause Ukraine to lose GDP, as our domestic production is driven out of the market.

Our energy cost per unit of GDP is quadruple the EU average, so our companies will simply go bankrupt under these conditions. Ukraine would experience more problems from being in the EU, than Cyprus, Greece, Spain, Italy, or Portugal have. If Ukraine joins the Eurasian Customs Union, however, its GDP will increase by an amount in the range of 1.5 to 6%; that's what [Russian] President Putin told [Ukrainian] President Yanukovych last month. The Russian Academy's Institute for National Economic Forecasting has projected that if Ukraine joins the Custom Union, the Ukrainian economy will gain \$7 billion annually, and its exports will increase by 60%, or \$9 billion annually.

We could analyze sector by sector, if there were time, the advantages that will accrue to Ukraine from joining the Eurasian Customs Union. Input-output cal-

culations done by the Committee on Questions of Economic Cooperation between Ukraine and Russia, with 2008 as a base year, looked at both the direct and indirect potential impact of such cooperation. Under all scenarios, industrial output would increase, GDP would increase.

Above all, what would increase is machine-building, which has always been the core of Ukraine's GDP. Earlier, 31% of our GDP was generated by industrial machine-building. If we integrate with Russia and the others, it means we will have a resumption of orders for our industry.

In 2011, there was a conference on prospects for the Eurasian integration of Ukraine, at which Sergei Glazyev, then Secretary of the Customs Union, spoke. He said that Ukraine's aspiration to join the EU will cause serious losses in GDP growth and a deterioration of the structure of the economy, while turning Ukraine into a cheap-labor pool, and stripping away its economic sovereignty. On the other hand, said Glazyev, if Ukraine joins the Eurasian economic space, this will be macro-economically beneficial, adding \$200 billion to GDP over the next 10 years, and making the Ukrainian economy more competitive. Glazyev said that "joining the Customs Union does not injure the sovereignty of any of its members one iota."

I would like to emphasize that, if Ukraine joins the Customs Union and subsequently the Eurasian Union, it will give it access to *enormous* investment resources for creating large infrastructure projects. There's no other pathway available to us. Integrating Ukraine into the Eurasian Union created by Russia and the other post-Soviet countries is the only possibility for Ukraine to preserve its statehood, to have an upsurge of the national economy to a new qualitative level, to preserve the civilizational choice of our people, and to protect the country from destabilization, a Nazi coup, and civil war.

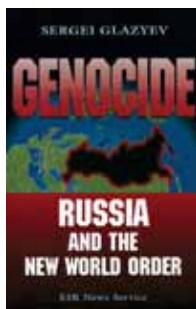
Yesterday in the discussion period, we were talking about love: how to understand love—love for your family, love for your country, and love for the planet. Aggression is evil, hunger is evil; dollar pyramids, financial speculation, and the dictatorship of the British Empire are evil! And we have to use love to defend against this evil. Therefore, I wish all of us success in this noble task of defending love, and I wish to Lyndon LaRouche and Helga many more years of working with love for humanity for these solutions.

Translated from Russian by Rachel Douglas.

GENOCIDE RUSSIA AND THE NEW WORLD ORDER

Russia in the 1990s: "The rate of annual population loss has been more than double the rate of loss during the period of Stalinist repression and mass famine in the first half of the 1930s . . . There has been nothing like this in the thousand-year history of Russia."

—Sergei Glazyev



Paperback, with a preface by Lyndon H. LaRouche, Jr.



Economist Dr. Sergei Glazyev was Minister of Foreign Economic Relations in Boris Yeltsin's first cabinet, and was the only member of the government to resign in protest of the abolition of Parliament in 1993.

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Economic Policy for the Atlantic, The Mediterranean, and Beyond

Dr. Galloni is an Italian economist, Statutory Auditor of Istituto Nazionale Previdenza Sociale (INPS); advisor to M3 Finanziaria.

I want to say something about my country which is close to the theme of my speech. We have a situation of disarray at the top of the institutions and the parties, including the Five-Star Movement,¹ with which I collaborate—a situation which is the reason for my early departure today. We have an important bill, a government bill, concerning debts owed by public administrations to enterprises or private producers, that need to be paid as soon as possible. And we will pay them.

But the question is, that the top managers—I mean the Ministry, the Prime Minister, and other people—don't want to understand the question, that if the state, or administration of public institutions, has a debt for works performed by private enterprises, that they are on the balance sheet of the state. And after we pay them, we have to issue other bonds, and pay more interest. It is a very wrong and stupid way to manage things.

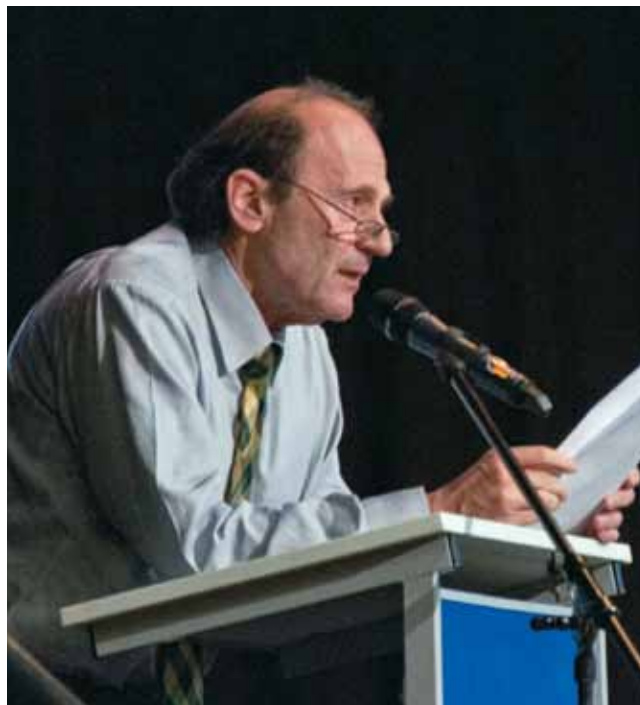
So, I must fly back this evening to try to teach this to my friends of the Five Star Movement, and other people. In my professional experience, I have had to work with them about these problems of management of public expenditures.

So, I want to give a speech on the problem of currency, credit, and finance for Mediterranean, Atlantic, and beyond.

The Three Great Routes

Three Great Routes involve the Mediterranean: from the Atlantic to the Mediterranean; from North

1. A new political party, led by the (not-so-funny) comedian Beppe Grillo.



EIRNS/Julien Lemaître

Italian economist Nino Galloni called for the building of infrastructure, and a Glass-Steagall banking system, as a way out of the current economic and financial crisis.

Africa to the Middle East (through Sicily); and from the Adriatic and the Ionian Sea toward the Balkans, the Black Sea, and beyond.

A new geopolitical dynamic, based on increased cooperation among peoples, and the acknowledgment of a regional power of reference, along the above-mentioned three routes, could lay the basis for new financial, monetary, and credit strategies, more suitable to the needs of economic development.

The dialogue between the United States and Russia along the general axis going from the Atlantic to the Black Sea and beyond, according to the three directions considered, could therefore see as reference

powers, respectively, Italy, Iran, and Turkey. Currently such an hypothesis could seem futuristic, but in the mid- to long-term—that is to say, from 5 to 10 years—perspectives for peace, development, and justice cannot but come from a cooperative solution to current financial and social unbalances. This means that, within 5 or 10 years, either a solution can be found, or the international situation will irreparably worsen.

Concerning the first direction (from the Atlantic to the Mediterranean), Italy is seen as a region responsible on the basis of the estimate that the current EU system—by the way, historically and deliberately weak and indifferent to African problems, and contradictory and ambiguous in its relationship with the United States—is not sustainable: A disaster will ensue, i.e., a further aggregation of northern countries, which would cut Europe in two parts along the Alps.

Concerning the second direction (from North Africa to the Middle East going through Sicily), the acknowledgment of Iran as a power represents the only way to establish equilibrium and peace at the level of the Middle East sub-region, overcoming the conflicts which direct U.S. intervention has not been able to solve.

Last, concerning the third direction (Adriatic, Ionian, Balkans, Black Sea, and beyond), it is clear that a dialogue between Turkey and Russia would open new cultural and development perspectives.

Culture, collaboration, good will, professional training, infrastructure, and solving the problem of financing development, represent a decisive road map.

Financing Infrastructure

In this forum I would like to start with the issue of infrastructure in order to focus on finance and credit, leaving to another opportunity, the discussion of other major issues, such as education of human resources necessary to implement projects, or the elaboration of a culture able to reconnect youth, and its hopes for the future, to the recent and ancient history that has characterized the anthropologic evolution of those regions.

The large cultural, economic, and, obviously, geographic directions, suggest the construction of infrastructure able to facilitate trade and relationships, and represent a condition for development. However, they

demand and suggest comprehensive, strategic, and ambitious plans; otherwise, single works, detached from the strategic context of the large planetary directions, risk becoming a “white elephant.”

Therefore, proceeding with our line of thought, the upgrading of the Mediterranean and extra-Mediterranean port network, the construction of the underwater tunnel between Capo Bon (Tunisia) and Mazara del Vallo (Sicily), the Messina Bridge [linking the Italian mainland and Sicily—ed.], and the consequent upgrading of road and railway networks represent a unity with the development project.

Those infrastructure projects can be financed largely by the income from transit fares once the structures are ready and functioning; those fares could be used as travel assets and increase value in time, or be turned into liquidity with a gain for their owners. Of course, everything depends on how correct the estimates of the income generated by the project will be; it is also obvious that state intervention can move enormous financial capital for use in development.

To do this, current obstacles to development must be removed. In the first place, re-establish a clear separation between institutions operating on speculative financial markets, and banks destined to supply credit to the economy. That's the Glass-Steagall Act, of course.

In the second place, we need to freeze the enormous amount of circulating toxic and derivative assets, which represent a threat to the entire world economy, turning them—through agreements and guarantees among states—into long-term, low-interest credit to finance development projects.

Thirdly, we need to re-establish levels of functioning for credit and currency which bypass current wrong approaches: both the approach claiming a scarcity of liquidity (impossible, once currency was fully decoupled from gold), and the approach pushing an unlimited expansion of liquidity (“quantitative easing”) not pegged to concrete projects for the real economy.

In conclusion, the strategic features of development are: sound projects and the availability of sufficient human and physical resources, while financial means can be supplied by government and banks (including public banks), with the only limitation being, as we said, their usefulness and their reasonableness.

Confucius in China Today

Dr. Cui is a Senior Fellow, Director of European Studies, at the China Institute of International Studies.

Originally, when I was requested to make this presentation on Confucius in today's China, I thought of it as a kind of break without coffee, among so many difficult issues regarding the geopolitical crisis, financial crisis, and so on. But now, I find it's almost a Mission Impossible, because for me, even as a Chinese person, it's too difficult to make clear Confucius's role in today's China, in just a few minutes.

There are two key points. First, who is Confucius, and what is Confucianism? And then, what is the problem of today's China?

I will try. Firstly, I think Confucius is only publicized a little bit in Europe, compared with other Chinese thinkers, such as Lao-Tze. I think for most German people, you prefer Lao-Tze to Confucius, because some German philosophers point out that Lao-Tze's theory is that more of a philosopher, especially from the perspective of German thinking.

But I would like to say that, compared with Lao-Tze, Confucius is an ancient Chinese thinker with more theory, more thinking about law for the human being. How should we live and work? I think it's very, very inspiring for our day, for our problems and the challenges, for the crisis we are facing, that Confucius have a very, very high reputation now in the world. In 1988, more than 35 Nobel Prize winners called for humanity to learn something more from Confucius's wisdom, for the survival of mankind.¹

And also, as the American philosopher Mr. [Ralph Waldo] Emerson said, Confucius should be regarded as a glory for all nations in the world.

Here I need to quote a sentence from a German philosopher, [Karl] Jaspers. In his book *The Origin and*



EIRNS/Julien Lemaître

Dr. Cui: "Even after 2,500 years, I think Confucius's ideas are still very useful, very instructive for the Chinese people—and maybe not only for the Chinese people, but also for people from other countries."

Goal of History, he coined the term Axial Age—which means that there was a time [800 to 200 B.C.] when some very great, wise men were found in both the East and the West. In China, there was Confucius; in Europe, Aristotle and Plato; in India, there was Buddha. So, Confucius has a very high reputation in China, and in the world at large.

As some Chinese have described the law of Confucius in the history of China, if Confucius had not been born, mankind would have had to grope in the night. And also now, Confucius is estimated as one of the greatest thinkers, educators, politicians, and moralists in China and the world. His contribution also laid the basis for the Chinese political, philosophical, educational, and ethical system.

Confucius was born more than 2,500 years ago. Of course, his thought was inherited by other Chinese thinkers, and also ordinary Chinese people. So now we

1. For an in-depth discussion of Confucius and Confucianism in China, see Michael O. Billington, "The Deconstructionist Assault on China's Cultural Optimism," *Fidelio*, Fall 1997.

call this kind of theoretical system Confucianism. Among the people who inherited from Confucius, as we know, are Mencius, Xunzi, and Zhu Xi, and so on. In different historical periods of China, they developed Confucius's theories.

The Pillars of Confucianism

In the very comprehensive system of his theories, I just want to take what I think are some of the main points. The core value of Confucianism is, firstly, the spirit of *rationalism*. What is the meaning of rationalism for Confucius? He believed that mankind's existence has its evolution guided by laws, not by natural laws, but by human beings' laws. And secondly, he thought that everybody, all people, should be educated to be a gentleman—but of course maybe you settle for the British Queen!

And secondly, he had a very obvious *dialectical methodology*. He believed that there is a transition or conversion between being good and bad, between gain and loss, so that maybe the biggest treasure for life, for mankind, is balance. We need to make clear what are two extremes; for example, what's the left and the right? What's the best and the worst? And then we need to keep to the middle way.

Third is his *pragmatic activism*. When we talk about the Chinese people's behavior, I think "pragmatic" is one of the most useful words of all to describe them. It's certainly from the very deep influence of Confucianism. As we know, Confucius didn't produce any books, articles, or papers. We can know what he thought only from some notes left by his students. And throughout his life, he just did one thing: He traveled to different countries. Of course, at that time China was not a unified country as it is today. There were many small countries, as in today's Europe. For the purpose of proselytizing his political ideal, Confucius and his students traveled to different countries, to promote his theories, to persuade the kings to do something better for the people.

But, in the end, he failed. Almost nobody understood and accepted what he was thinking, what he was doing.



Britain's HMS Nemesis in 1841 destroys Chinese ships, during the Opium Wars: painting by Edward Duncan (1843). The European defeat of China, according to Dr. Cui, led many Chinese intellectuals to feel disillusioned with Confucianism, because it did not help them to prevent the European conquests.

Finally, I think the most important characteristic of the Confucian idea is *humanism*. There are very remarkable words by Confucius: Whether a law or theory is useful or not, depends on whether it is useful for the people. Otherwise, it's nonsense. I think that's a very remarkable reflection of this humanism of Confucianism.

Confucius asked for politicians or kings at that time to practice a kind of *ren*, which means benevolent governance. Because it's a Chinese word, it's a little bit difficult to translate into English or some other language, but now we can find a very comprehensive explanation in English of this word: It means benevolent politics, and it also means humanity. Because it was not so clear a concept, his students kept asking the exact meaning of this word. Finally Confucius said, "What's *ren* anyway? What's benevolence? It's loving somebody else." So, we can find some similarity between Confucius and the Christian.

Confucianism and the West

Now, I will try to make the main point as quickly as I can.

After 2,500 years, we need to be concerned about the fate of Confucianism in China. I think that in what we call the modern China period, there is some kind of a clash between Confucianism and some other theories, or laws.

In the 18th Century, especially when the European countries expanded into Asia, I call it the first meeting between Confucianism and capitalism from Europe. Because China was defeated by the European countries, and became part of the colonial system of some European countries. At that time, the traditional Chinese intellectual felt more and more disappointed with Confucianism, because they thought, no matter how good it is, it did not help the Chinese people to avoid this destiny, of being conquered like that.

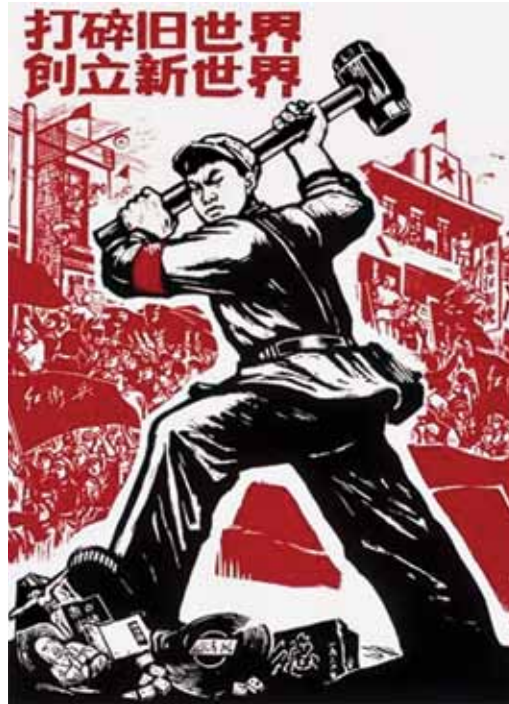
Then there is what happened in the 1960s and the 1970s—the Cultural Revolution. It was the aim of this revolution, as was said at that time, “to break down Confucianism.” That was another tragedy for Confucianism in China.

The third period was after China “opened up,” implemented the reform policy: We called it a “modernization period,” when the market economy was introduced into China. The traditional mindset, the traditional lifestyle of the Chinese people, has been challenged by this very different style of life, style of thinking. These challenges to China are still going on.

That’s the reason we are talking about Confucianism and Confucius today. Frankly speaking, because of the very fast economic growth in the past 30 years, China now faces some huge problems, some big challenges. We have to pay the price for this high-speed economic growth.

Now the problem is that the traditional social structure was broken up by some political movements, and the economic growth was too fast. People felt uneasy about everything, and as a result, the traditional moral system in China needed to be reconstructed.

The bad thing now, in Chinese society, is that most people live only for making money as quickly as possible. I felt a little bit ashamed, as a Chinese person, to hear some days ago, that in the last year, China over-



During the Cultural Revolution of the 1960s and '70s, the aim was “to break down Confucianism.” The poster here says, “Destroy the old world, build a new world,” as the Red Guard smashes books and symbols of Classical culture.

took the United States to become number one in the world as a buyer of luxury goods! Okay, the Chinese people become richer and richer. But the problem is, it is just a few people; according to the per-capita income, China is still a poor country. It could not be acceptable that in a poor country, only a few people have such big purchasing power.

I think that this whole problem is because the government missed some opportunities for rebalancing economic laws and social justice. With the opportunity of upgrading manufacturing and infrastructure, most of the time, the policymakers in the government were driven by an economic bubble, for example, the real estate bubble. So now, China has to pay the price for these mistakes. Now China has to adjust its economic

model, and to slow down its economic growth.

I think, especially under the impact of the American crisis and the euro crisis, this is maybe a last chance for the Chinese government, and for the Chinese people, to rethink the gains and losses of the last 30 years. The government has to do something more with some new ideas, to have some new model of development.

The goals of the government are clear enough. They want to upgrade manufactures, and invest more into the real economy, not this financial or real estate market. And also they are trying to follow up the thinking of Mr. LaRouche, to develop the national economy, not driven by the foreign stock markets. Some days ago, I heard that Chinese foreign currency reserves have reached US\$3.53 trillion—almost the same amount as the German GDP! I don’t think that’s good news. I think that there is very great pressure on the Chinese government to keep a balance, because now there are more and more complaints from average Chinese people: How could you give so much money to Wall Street, or some other speculative market? Why



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In modern China, “most people live only for making money as quickly as possible.” Shown is a pedestrian shopping district in Shanghai.

don’t you give that to the Chinese people? Because you are the Chinese government!

We should go back to the way of thinking, the lifestyle, of Confucius and Confucianism. Even after 2,500 years, I think all of these theories, these thoughts, are still very useful, very instructive for the Chinese people—and maybe not only for the Chinese people, but also for people from other countries. Because Confucianism means that for everybody, for every part of society, for every organization in a society, we should make clear what our mission is, our position, and our joint efforts for the same goal.

So I think that now, especially for Chinese society, we need to do something more to get to a new consensus among the government, the people, and businessmen—everybody—to reach the same goal. And not only the Chinese people, but all mankind, human beings, do have the same goal. We need to reach a consensus between China and Europe, between China and Russia, between China and some other parts of the world.

I think that maybe in the future, Confucianism will meet with Goethe and Schiller, because I think that in China, Confucianism should be regarded as the Classical face for all of Chinese culture.

So I imagine that once, between China and Europe,

we have more and more communication, especially cultural communication, we can have more and more mutual understanding. Maybe we can find from each other, more and more solutions for our own problems, and for each other. I think it looks good; but what we need to do is start right now!

Some days ago I joined a meeting in Brussels, between an NGO delegation from China and the European Union Economic and Social Committee. We talked about the issue of intercultural exchange. And we recognized some principles: We need to recognize diversity and the differences between us, before we start to find more

common ground. It’s my wish—I hope that it’s also your hope—that we can try to do more, for the last chance for mankind.

LaRouche: A Confucian Mentor

Finally, I will express my tribute, as a Chinese scholar, to Mr. LaRouche and his wife. I know that the relations between Mr. LaRouche and his wife, and China, track back to 20 years ago, when a very popular Chinese journal published an article by Mr. LaRouche. In that article, Mr. LaRouche predicted that China needed to do something more at that time; otherwise the Chinese wealth would transfer from the mainland rural area to the coastal area, and then be exported to other countries. And Mr. LaRouche also reminded us that there was very bad thinking in China at that time: that we need to make money, as quickly as possible. He said that would be dangerous to the moral system of China, and it would be dangerous, harmful for those people, those elites, who can decide what’s the right direction for China as a big country.

So, Mr. LaRouche suggested that what China needed to do was to go back to a Classical, national economic principle, because that is the basis for all of these Western big powers’ rise in history. And ten years ago,

one of my friends, Mr. Ding, conducted an interview with Mr. LaRouche, and he told me that he very, very much admired Mr. LaRouche, because he's almost a

Mr. LaRouche is almost a legend, a person who lives in the United States, in a Western country, but wants to reshape Western civilization. We have always respected people who live their lives for one goal, as a Confucianist. So, please permit me to call Mr. LaRouche a Confucian mentor.

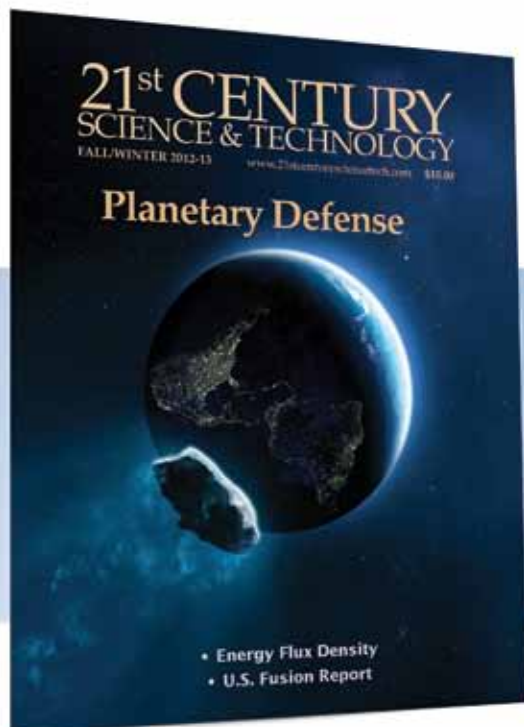
legend, as a person who lived in the United States, in a Western country, but he has this kind of encouragement, wanting to reshape Western civilization.

Time is flying, and also for the Chinese people. We have always respected those people who believe that they practice life for one goal, as a Confucianist. So, finally, please permit me to call Mr. LaRouche a Confucian mentor.

Thank you.



"I think that in China, Confucianism should be regarded as the Classical face for all of Chinese culture," said Dr. Cui.



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The Global Crisis: Why Mankind Needs Russia

Mikhail Delyagin (of Russia) is director of the Institute of Problems of Globalization, doctor of economic sciences. He addressed the Schiller Institute conference panel on “The Future of Eurasian Cooperation” on April 13. This is the prepared text of his speech, with subheads added.

Current economic problems are only a particular expression of a systemic crisis of mankind, a crisis whose character is changing. The most important developments, as usual, are taking place outside the realm of the economy. They involve a fundamental change in mankind’s relationship to nature.

We are operating today according to the law of conservation of risk: minimizing individual risks in a closed system increases systemic risk—until the system breaks apart.

We have seen this in the U.S. stock market, where the derivatives system reduced risks for investors in top-rated corporate bonds to levels an order of magnitude lower than the risks borne by the issuers of such bonds. Individual risks were minimized, while total potential risk was driven to a systemic level, and the system collapsed....

Meanwhile, since the beginning of globalization, the development of technology has turned the shaping of consciousness into the most profitable type of business that is easy for people to get into. Being “the most profitable that it is easy to get into” makes it also the most widespread. This means that a person’s main pre-occupation now is no longer to change the world around him, but to shape his own mind. Mankind’s very mode of action is changing. In our entire history as a biological species, there has never before been such a transformation.

The human mind is being turned into an object of the most intense and chaotic influences. The appearance of a huge number of feedback links makes the world more difficult to grasp. This lessened intelligibil-



EIRNS/Christopher Lewis

Mikhail Delyagin: “We do not know whether humanity will succeed in avoiding a catastrophic continuation along this route, but we must make every effort to prevent it.”

ity of the world increases demand for mysticism and reduces the thirst for science, and therefore, for education, too. Education then degenerates into a tool of social control. Mankind is becoming more primitive and dehumanized, sliding into a new Dark Age.

From a strictly economic point of view, this could be explained as the adaptation of social relations at all levels (from the family to the state)—relations developed in association with industrial technologies that are now disappearing—to new, post-industrial technologies. The first set of these has been informational technologies, with biological technologies likely to be next. When discussing economic issues, however, it should be borne in mind that these changes are much broader and deeper than the range of phenomena studied by economics.

Financial Breakdown Crisis

People underestimate the depth of the global financial crisis because they ignore its fundamental cause: the exhaustion of the previous global development model after the destruction of the Soviet Union. Having defeated us in the Cold War, the West egotistically reshaped the world in the interests of its global corporations, denying normal development to the territories

thus acquired (to prevent competition against these corporations).

But this limited the markets available to the developed countries themselves, creating a crisis of overproduction—not primarily of traditional commodities, but rather of information and management technologies aimed at changing people and managing them: high-hume,¹ rather than high-tech.

Lending to the underdeveloped world to stimulate demand, an attempted crisis exit route that was found by instinctive groping, caused the 1997-99 debt crisis, which boomeranged against the United States in 2000-01.

The United States has been dragging itself (and the world economy, of which it is the linchpin) out of the recession using two strategies.

“Pumping” the market with unrecoverable mortgage loans no longer works.

The second strategy is to “export instability,” undermining competitors and forcing their financial and intellectual capital to seek “safe havens” in the West. The growing instability is used to justify an increase of military spending in the U.S.A. itself, providing a stimulus for the economy and for technology (such “military Keynesianism” was used effectively by [former President] Reagan). This strategy, implemented in 1999 in Yugoslavia against the Eurozone, ran its course in Iraq. The Arab Spring and the terrorist war against Syria show that the strategy of “exporting instability” has degenerated into “exporting chaos,” which is also dangerous for the United States: Washington does not try to administer the areas it destabilizes, and these have become a catalyst for a global military and political crisis.

According to the Obama Doctrine, the U.S.A. has to act as much as it can through others, wasting the resources of its NATO satellites rather than its own; the idea is not to “Americanize” non-Western societies, but to plunge them into self-perpetuating chaos, thereby to control whatever resources they have, using a minimum of military force. That is the reason for the alliance with Islamic terrorists, which [former Vice President] Cheney had promoted and which became obvious in Libya and Syria.

1. This sociological jargon term, referring to technologies intended to change the human mind, both individually and on a mass basis (political technology, public relations, marketing, etc.), has become popular among Russian analysts.

In financial terms, however, this strategy appears to be inadequate for maintaining sufficient demand for the dollar, and thus preserving the status quo.

The West today is not trying to increase its competitiveness, but simply to push the world back to the 1990s and 2000s—a world which is gone forever—when, under the guise of talk about globalization and humanitarian interventions almost everywhere, even in Eastern Europe, what developed was essentially a new brand of colonialism.

This means that the West has lost the strategic initiative, and so far, there is no one else to pick it up.

The organic inability of the United States to relinquish even a small part of its current interests for the sake of solving its own strategic problems, its truly devastating egoism, is thrusting new powers to the forefront of global development: the European Union, China, and, if our leaders have enough intelligence, Russia, thereby ending the Pax Americana.

From what we understand, the integration of humanity has once again, as in the early 20th Century, exceeded the capabilities of its governing systems; now mankind has been forced to reduce the depth of this integration, taking a step backwards and partially restoring governability through more primitive processes.

The Global Monopolies

The purely economic aspect of the current crisis is the state of decay of the global monopolies. There is no scope for external competition in the global market. Technological progress, which could be a source of competition, is hampered both by these monopolies (including their abuse of intellectual property rights), and by the absence of significant non-economic threats (without which the discovery of new technological principles, as distinct from their subsequent commercialization, is not profitable).

Therefore, the decay of the global monopolies will continue until it leads to a breakdown into depression. Due to lack of demand, the single global market will disintegrate into an intricate system of macro-regions; the reduced size of the markets will lead to the loss of a number of technologies and to technogenic catastrophes.

The macro-regions will engage in harsh and chaotic cultural, political, economic, and technological competition, as in the period between the First and Second World Wars. Perhaps the very formation of these macro-regions will limit the absolute power and, therefore, the

decay of the global monopolies; despite their power, their access to the macro-regions of “others” will be limited. That is precisely why this scenario is unacceptable to the global ruling class and the U.S. leadership, which comes closest to expressing the interests of that class. They prefer to plunge potential macro-regions into chaos, rather than allow them to hive off from global markets that are controlled by the global monopolies.

Nevertheless, it may be assumed that equilibrium will be achieved for some period of time through the restoration of a bipolar political system (counterposing the U.S. and China, with the European Union, Japan, India, and possibly Russia serving as a balance, analogous to the Non-Aligned Movement) and a multi-currency economic system (each currency zone will have its own reserve currency).

The fundamental problem of development today, however, is not the egoism of the United States, not the lack of liquidity, and not the debt crisis, but the lack of a source of economic growth in the United States, and

along with it, in the entire world economy. There is nothing to alleviate the global monopolies’ crisis of over-production and create a new economic engine to replace the broken ones. This means that the crisis will not end in a recovery of the world economy, but in a long and quite severe depression.

Reversion to Mysticism

The situation is aggravated by the proliferation and constant improvement of computers, which are the embodiment of formal logic. Access to them puts us all on the same level, and competition among individuals and groups is gradually beginning to be based not on logic, but on non-logical thinking: both creative and mystical.

The impossibility of educating people in this kind of thinking, as easily as the ability to think logically is taught, makes competition more biological and less social than we are accustomed to consider acceptable. This will increase the downward trend in the social significance of knowledge and the quality of our specialists, a process that threatens to cause technological catastrophes because of our inability to maintain existing infrastructure.

The growth of mysticism, stiffer global competition, and the emergence of a global ruling class which, having neither voters nor taxpayers nor influential shareholders, is essentially free from responsibility—all of this will dehumanize society.

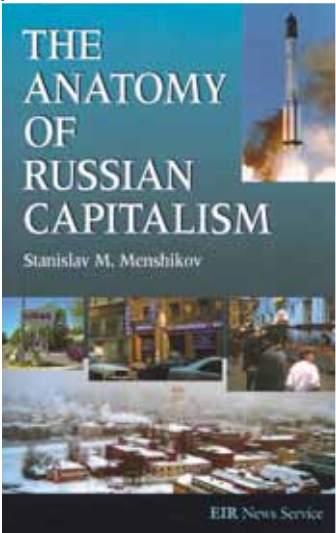
Destruction of the Middle Class

The proliferation of information technology is leading to a crisis of governance, including a crisis of traditional democracy, which is ceasing to function before our very eyes.

The exhaustion of the liberal and market-oriented paradigm has been apparent since the 1997-99 currency crisis of the underdeveloped countries. Remember that the current market paradigm assumes that a person lives for profit, and the liberal paradigm puts the state at the service of global business, not of its people.

One manifestation of the exhaustion of the liberal paradigm is the elimination of the middle class.

For one thing, if there is too much debt and the money supply cannot be increased any further, then the global monopolies begin to cut costs. This means reducing the consumption of that part of the population, which is already consuming from the market more than it produces (although it can provide human capital,



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which is not a market product)—that is, the consumption of the middle class.

Secondly, super-productive post-industrial technologies are making the middle class superfluous. The global monopolies have destroyed the middle class in Africa, Latin America, and the post-socialist countries. Now they are destroying it in the heart of the capitalist system: the United States and the developed countries of Europe. The impoverishment of the middle class in developed countries—the infamous “golden billion”—will not save anybody from the crisis, but it is shifting this crisis into new post-economic and post-democratic dimensions.

After all, democracy exists on behalf of and in the name of the middle class. After its downfall, democracy will degenerate into a new dictatorship, based on the reshaping of minds. This will complete the process of dehumanization and the repudiation of civilization. We will see the West reject individual sovereignty and self-consciousness, that most important achievement of the Enlightenment, and revert to the Middle Ages—perhaps because of a disaster that smashes the public and individual psyche. The first step in this direction has already been taken: Descartes’ maxim, “I think, therefore I am,” has been replaced by a more profitable business formula: not even “I consume,” but rather “I buy, therefore I am.”

Advertising tells us that when a particular brand label is attached to an item, its price increases many times over. This means that the mass exchange of goods and services has already become inequitable. And inequitable or “non-equivalent” exchange is nothing but stealing. If stealing has become the norm, that means that the traditional market no longer exists. And this is natural: The impoverishment of the middle class deprives a modern economy of demand, and an economy without demand is a non-market economy.

At the same time, the systemic loss of control by the owners of large corporations over their senior executives, strictly speaking, abolishes private property, and, with it, capitalism in the classical sense. Thus traditional democracy and the market have come to an end; we just haven’t recognized this fact yet.

The crisis of democracy and the development of a global ruling class, exercising external control over all the rest of humanity, tends to revive systems of governance that are covert in nature, like the medieval orders.

These systems accumulate knowledge; but hidden knowledge, by its very nature, will inevitably die, degenerating into rituals. So the computerized Middle

Ages that is bearing down on us and is so relished by a section of the global ruling class, will not remain computerized for very long.

Thus, a painful and deep retrogression awaits us, with considerable loss of life: a kind of plunge into a new Dark Age....

Russia’s Potential Contribution

We do not know whether humanity will succeed in avoiding a catastrophic continuation along this route, but we must make every effort to prevent it.

The task is two-pronged: to preserve the technologies we have and continue technological progress, despite the contraction of markets (and, consequently, a reduced division of labor), and to save humanism by putting an end to the general dehumanization.

Russia has considerable prerequisites for solving this problem.

For one thing, the Soviet military-industrial complex created the basis, which has largely been preserved, for super-productive so-called “closing” technologies,² which are distinguished from traditional technologies by their cheapness and simplicity. Although these have been blocked by the monopolies, after the collapse of the latter in the global depression they will be able to maintain their high profitability even in small markets.

Secondly, our culture is fundamentally humanistic because of the exceptional significance it attributes to the pursuit of justice. The pursuit of justice yields ongoing advantages, based on a preference for the effectiveness of society as a whole over the effectiveness of any individual firm; this is an essential precondition both for collective survival and for the preservation of humanism.

Russian culture is fundamentally messianic: The bearers of this culture do not live without a grand purpose, even when they are living in comfort (this is a common feature of the human species). Moreover, they are capable of independently generating such a grand purpose, even at the brink of ruin.

This allows Russia to make a serious attempt to find a way out of the trap in which modern society finds itself, through a kind of “technological socialism.”

Translated from Russian by Susan Welsh

2. A “closing” technology, in Russian *zakryvayushchaya tekhnologiya*, is one that produces such economies of labor and other resources that it may cause the shutdown of less advanced industries.

‘Knew or Should Have Known’

In the post-World War II trials of Nazi criminals at Nuremberg, a standard for truth and morality was set, that today’s potentates of finance, in particular, are very anxious for us to forget. That standard is the “knew or should have known” criterion, applied to those policies which today are creating a chilling repeat of *genocide* across southern Europe, fully comparable to that carried out by the Nazis more than 70 years ago.

Today, as then, this policy must be identified for what it is, and stopped by the same force which was crucial for crushing Nazism, the United States.

Voices are being raised throughout Europe against this reality of the genocide being carried out in Greece, Portugal, Cyprus, and Spain. Take just three:

- On April 27, Cephass Lumina, the United Nations Human Rights Council’s expert on foreign debt and human rights, issued an interim report on the situation in Greece, which he had been assigned to inspect. “[Human] rights ... are under threat or being undermined by harsh pro-cyclical policies—austerity, labor reforms, liberalization and privatizations—that the government has been constrained to implement since May 2010,” he said. The result is a “contraction of the economy and significant social costs for the population, including high unemployment, homelessness, poverty, and inequality.”

- Even sharper are the preliminary reports on a book-length study coming out May 21, entitled “The Body Economic: Why Austerity Kills.” Based on studies in Europe and North America, the authors report on the deadly increase in suicides, disease, and drug abuse, resulting from the austerity measures being imposed on both sides of the Atlantic, but especially in Greece.

- Then there’s Portuguese Socialist Party leader Manuel Alegre, who, in an article published March 26 in *Jornal i*, likened Southern Europe to a concentration camp, being impoverished and enslaved by the financial powers dictating policy throughout all of Europe. It’s only a matter of time before we are *all* victims, he says—despite the illusions some Europeans have.

Those very illusions, of course, are rampant in the United States. The skyrocketing unemployment, suicides, disease, homelessness, are “over there,” and “not our problem.”

But, just as in the 1930s and World War II, that view is either an illusion or an outright lie. The very powers, centered in the British financial empire and its Queen, which are demanding the blood of millions of Europeans in order to keep their system alive, are not going to stop there. They are eating up the victims, and will soon need others, and that emphatically includes us here in the United States.

We have already seen the Nazi principle in action here, with the Obama “health” plan, which demands that helpless Americans give up “useless” care in order to “cut costs.” We see it in the violation of Constitutional separation of powers, in kill lists, in heartless and incompetent austerity against the poor. This is leading to genocide; the financial empire knows it, and others should have known.

The solution is difficult, but simple: Crush the financial empire that is behind the genocide. How to do that efficiently and effectively? The unique solution is to reimpose Glass-Steagall in the U.S., an act which will wipe out the power of those murderous bankers, thus saving Europe, the United States, and the rest of the world.

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