

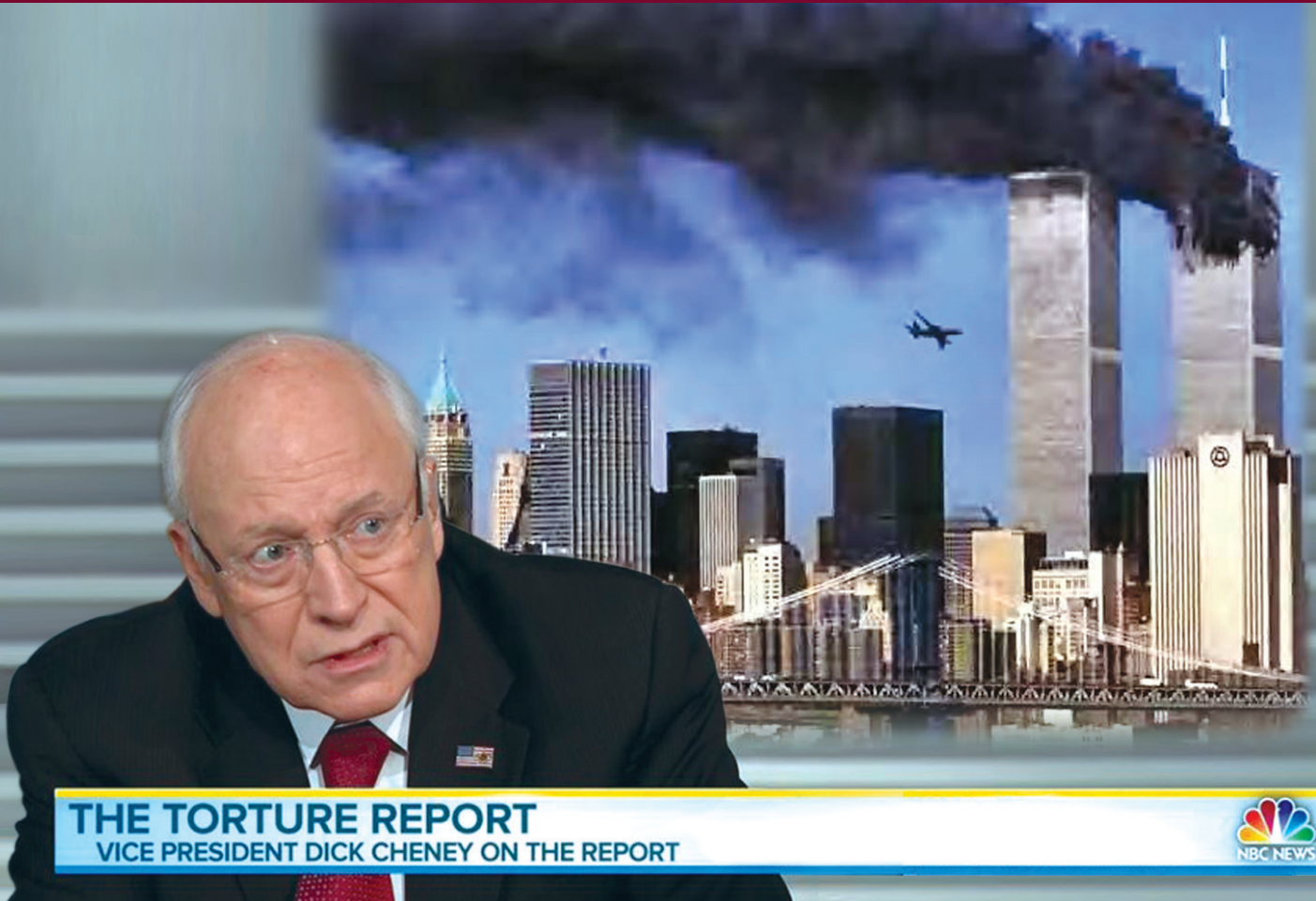
EIR

Executive Intelligence Review

December 19, 2014 Vol. 41 No. 50 www.larouchepub.com \$10.00

Who Is Behind the Drive To Dismember Russia?
Oil Plunge Can Trigger 'Subprime' Debt Crash
The BRICS and Hamilton: What Americans Need To Know

The Beginning of the End Of the Post-9/11 Era



THE TORTURE REPORT
VICE PRESIDENT DICK CHENEY ON THE REPORT



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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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From the Editors

We end 2014 on an optimistic note, despite the need for an abundance of caution as well. The era of police-state measures, lies, and fascist economic austerity which has increasingly crushed the U.S. population since the British/Saudi assault on the United States on Sept. 11, 2001, is currently being profoundly shaken, opening up the potential for the United States joining the new world economic order being created by the countries of the BRICS.

The Dec. 12 LaRouchePAC webcast (*Feature*) provides a comprehensive picture of the sea change in process, beginning with the courageous release of the Torture Report by the Senate Select Committee on Intelligence, and including the raging battle that has broken out in Congress over Wall Street's control of the Administration and Republican leadership. The emergence of public fights over these issues holds the promise of finally freeing the United States from the Bush-Obama disaster, and opening up the pathway to Constitutional government, including Glass-Steagall, once again.

British war provocations continue, of course, as our *International* lead describes, but the U.S. and NATO are increasingly being outweighed by the BRICS alliance, as the results of the recent visit by President Putin to India reflect.

The fact sheet, "Who Is Behind the Drive To Dismember Russia?" (*Counterintelligence*) makes the air-tight case that there is one coordinated nexus deploying for global thermonuclear war, ranging from the Chechen radicals to ISIS, the Ukrainian Nazis, and U.S. neo-cons like Obama's State Department official for Eastern Europe and Eurasia, Victoria Nuland.

Meanwhile, financial blowout looms, today signalled by an oil price collapse which threatens to implode the unprecedented derivatives bubble (*Economics*). That's what happens to an economy built on looting and money, rather than on the physical economic principles of Alexander Hamilton. Hamilton's concepts are being actualized today in the BRICS—and Helga Zepp-LaRouche's Schiller Institute is fighting to bring the U.S. and Europe into that alliance. See our coverage of the recent conferences, especially Zepp-LaRouche's message, which is appropriate going into the New Year (*National*):

"So, let's join, to get the United States and Europe to join with the BRICS, to join with the new paradigm, because that is the only war avoidance strategy which will work."

The Editors wish you a joyful Holiday Season. Our next issue will be dated Jan. 2, 2014.

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Mr. Torture himself, Dick Cheney, defends his bestiality on national television.



Cover design: Alan Yue

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LAROUCHEPAC WEBCAST

The Beginning Of the End of The Post-9/11 Era

The Dec. 12, 2014 LaRouchePAC weekly [webcast](#) marked the beginning of the end of the post-9/11 era. The publication, by Senate Intelligence Committee Chair Dianne Feinstein (D-Calif.), of the previously classified material on the Bush/Cheney Torture Program, opens the door to finally ridding the United States of the Bush family dynasty.

The program was moderated by Matthew Ogden. We begin with Dennis Small's remarks.

Dennis Small: We're at the end of an era, and the beginning of a new one, if, to paraphrase Ben Franklin, we can achieve it and keep it. Lyndon LaRouche said that the enemy is taking a real beating, and this is a true moment of opportunity. What the Feinstein revelations on CIA torture portend, is the end of the entire post-9/11 dynamic, which the United States—for the entire 14 years of this 21st Century, under two Bush administrations and two Obama administrations—has been marshaled by the British Empire as an aggressive imperial force, up to and including threatening thermonuclear war against Russia and China today. At the same time, the U.S. was being converted into a garrison national security state under the Nazi ideology of the likes of Dick Cheney and other followers of Leo Strauss,¹ condoning everything from torture, to drone murders, and worse. That was the situation until this week.

LaRouche said that the Republicans are now gearing up to try to push Jeb Bush as the next President of the United States; and that would doom

1. See Jeffrey Steinberg, "Profile: Leo Strauss: Fascist Godfather of the Neo-Cons," [EIR](#), March 21, 2003.



White House Photo/Eric Draper



World Economic Forum/swiss-image.ch/Remy Steinegger



NATO photo

The coverup of post-9/11 CIA torture of detainees finally begins to break, with the release of the Executive Summary of the Senate Select Committee on Intelligence's 2012 report. The successive Presidential administrations of Bush-Cheney and Obama have kept the truth under wraps.

the United States to bankruptcy or worse. What Sen. Dianne Feinstein did, LaRouche stressed, along with the backing of important institutional forces who helped her to stand up to the kind of pressure she was getting both from the Bush league and also the Obama Administration—what she did, LaRouche said, is very, very good. “It may misfire, but I think it will go someplace,” he said. It won’t be so easy to ram through more of the Bush league as the consequence of what was revealed here; and that Bush league includes not just Jeb Bush, but also grandfather Prescott Bush’s financing of Hitler’s rise to power, the first Bush President, George H.W., and then “W” himself.

This is going to be especially the case, now that the average American is aware of what is going on around the torture question, with the Feinstein revelations. The average American has no stomach for anything like this; and the average American, starting with those watching this webcast today, is going to respond even more strongly, as they learn the full story of what’s behind the CIA torture story, as we will present it today.

What 9/11 Really Was

It’s important to remember what 9/11 actually was, when we refer to the end of the post-9/11 period. What 9/11 was, was an attack by the British monarchy using Saudi cut-outs, which was intended to subject the United States to a Dick Cheney-led dictatorship under

the nominal Presidency of coke-head George W. Bush, while using the incident to also justify wars of aggression and regime change around the world.

The Saudi role, in particular, is documented in the infamous 28 pages of the Joint Congressional Inquiry into 9/11, which Bush classified so that they would hopefully never see the light of day, he thought, in order to protect his role, and his allies, and which the Obama Administration has continued to maintain classified as well, until this week.

The post-9/11 dictatorship and imperial wars, LaRouche stressed, were designed to enforce a collapsing trans-Atlantic financial system, including Wall Street, which the Bush league has always represented. “The entire Wall Street policy is now in the process of disintegration,” LaRouche said.

So what this means, is that we’re now also facing what could be called a “Glass-Steagall moment.” As with Senator Feinstein’s courageous stand, significant chunks of the Democratic Party have also revolted against the Bush league’s and Obama’s alliance with Wall Street; as was seen in full technicolor in yesterday’s House vote on the Omnibus Budget Bill. A gathering army is coming to realize that the only way to stop war, and stop the annihilation of the American economy, is with a radical change in course.

So, as LaRouche has repeatedly stressed, we must urgently remove Obama from office; and we must reor-

ganize the Democratic Party on traditional American System lines. We must create a future; and we can do that after Hillary Clinton's likely removal of herself from the candidacy. That's a required step so that Bill Clinton, who, after having been President two times, may not run again, but he should, LaRouche said, and probably will, help orchestrate the new candidacy he should be in—a leader on the case, and a spokesman for the new Presidency that the country requires at this time.

The issue underlying all of this, LaRouche said, is that of Wall Street, and how close we are to a blowout. You can't evade the issue of Alexander Hamilton and his system. People think they're going to save something in terms of money—by not bringing that up, by pretending it's just not there—but that's precisely what will kill them. It's understandable—they're terrified. But if they stick to that, it's going to kill them. So, we have to dump Wall Street and return to Hamilton; which is exactly the prospect offered to the United States by joining the BRICS nations in the creation of a new international order. This week, now, we have the possibility of ending the post-9/11 period, and taking advantage of this Glass-Steagall moment which is now before us.

What Feinstein Said

Here is an excerpt from Feinstein's speech on the Senate floor Dec. 9, which was shown during the web-cast.

Sen. Dianne Feinstein: Mr. President, I want to thank the Leader for his words and for his support. They are extraordinarily welcome and appreciated. Today, a 500-page executive summary of the Senate Intelligence Committee's five-and-a-half-year review of the CIA's detention and interrogation program, which was conducted between 2002 and 2009, is being released publicly. The executive summary, which is going out today, is backed by a 6,700-page classified and unredacted report with 38,000 footnotes, which can be released if necessary at a later time.

The report released today examines the CIA's secret overseas detention of at least 119 individuals, and the use of coercive interrogation techniques, in some cases, amounting to torture. Over the past couple of weeks, I've gone through a great deal of introspection about whether to delay the release of this report to a later time. This clearly is a period of turmoil and instability in many parts of the world. Unfortunately, that's going to continue for the foreseeable future,



Sen. Dianne Feinstein (D-Calif.) addresses the Senate on Dec. 9, providing details of the report on CIA "enhanced interrogation techniques," whose release she fought long and hard to achieve.

whether this report is released or not.

There are those who will seize upon the report, and say, "See what the Americans did?" And they will try to use it to justify evil actions, or incite more violence. We can't prevent that. But history will judge us by our commitment to a just society, governed by law, and the willingness to face an ugly truth and say, "Never again."

Matthew Ogden: I encourage you to watch this speech in full, but what you just heard Senator Feinstein end with here, when she said "history will judge us by our commitment to a just society, governed by law, and the willingness to face an ugly truth and say, 'Never again,'" I think gets directly at the core of the issue here. After the Nuremberg trials, when the Nazi war criminals were being tried and hung, what did we say? "Never again." The full extent of the evil that the Nazis represented had to be exposed and put on full display for the entire world to see, in order to ensure that this type of evil never happened again. So today, this torture program, which is now being exposed by the Feinstein report, in its full and horrifying detail, was itself nothing but a purely Nazi program put in practice by a purely Nazi administration. And Feinstein is saying the same thing; we must show the world the evil that was committed, in order to ensure that this type of evil occurs "Never again."

And I think that's a phrase that also applies perfectly

to Jeb Bush, or any other Bush league candidate for President of the United States. President Bush? Never again. What the Bush-Cheney Administration represented was the attempt to transform the United States from a Constitutional republic into a fascist dictatorship in the aftermath of 9/11. And this is largely what has occurred in the intervening 13 years; both in terms of the internal police-state policies, including the domestic surveillance of the NSA, and in terms of the permanent warfare policies abroad. We've been in a constant state of war for the entirety of this century to date.

However, what occurred following Sept. 11, 2001, did not originate in the events of Sept. 11. This is something that Lyndon LaRouche warned about explicitly nine months *prior* to the attacks that occurred on Sept. 11; warning that the incoming Bush Administration would use a Reichstag Fire-type event to impose dictatorial emergency rule on the United States.

Let me show you a clip from a webcast that Mr. LaRouche delivered on Jan. 3, 2001—nine months *before* 9/11.

LaRouche's January 2001 Warning

Lyndon LaRouche: You're going to have something like a Nazi regime....

What you're going to get with a frustrated Bush Administration, if it's determined to prevent itself from being opposed—you're going to get crisis management, where members of the special warfare types, of the secret government, the secret police teams, and so forth, will set off provocations, which will be used to bring about dictatorial powers and emotion, in the name of crisis management. You will have small wars set off in various parts of the world, which the Bush Administration will respond to, with crisis-management methods of provocation. That's what you'll get. And that's what the problem is, and you have to face that.

The 'Neo-Con Manifesto'

Ogden: Nine months later, the 9/11 attacks occurred, and everything that LaRouche warned about happened. How did LaRouche know? It wasn't because he had some sort of secret information, or some sort of inside knowledge or something like that. The Nazi character of the Bush Administration was plain for anyone to see, if they cared to look. It was prepro-



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Former Florida Gov. Jeb Bush would be a disastrous choice as the next President, Lyndon LaRouche said: It would doom the United States to bankruptcy or worse.

grammed into the Administration long before Bush was even selected to become President of the United States.

The most immediate antecedent for this, is what should be called the "Neo-Con Manifesto," or the "Roadmap to a New British-American Empire," or the statement of the founding principles which set up the Project for a New American Century—or PNAC. One of the founding members of PNAC was none other than Jeb Bush—George W. Bush's brother—along with a whole retinue of neo-cons who would later come to comprise practically the entirety of the Bush-Cheney Administration. And who was the original co-founder of PNAC? Mr. Robert Kagan, also known as Mr. Victoria Nuland.²

What did this manifesto say? It asserted that in the aftermath of the Cold War—this was released in 1997—American foreign policy must be to do everything possible to maintain the hegemony of the United States and its leading ally, the United Kingdom. And to prevent the rise of Russia, of China, or of any other nation that

2. See this week's *Counterintelligence* report, "Who Is Behind the Drive To Dismember Russia?"

might challenge this hegemony. It asserted, “The history of the 20th Century should have taught us that it is important to shape circumstances before crises emerge, and to meet threats before they become dire.”

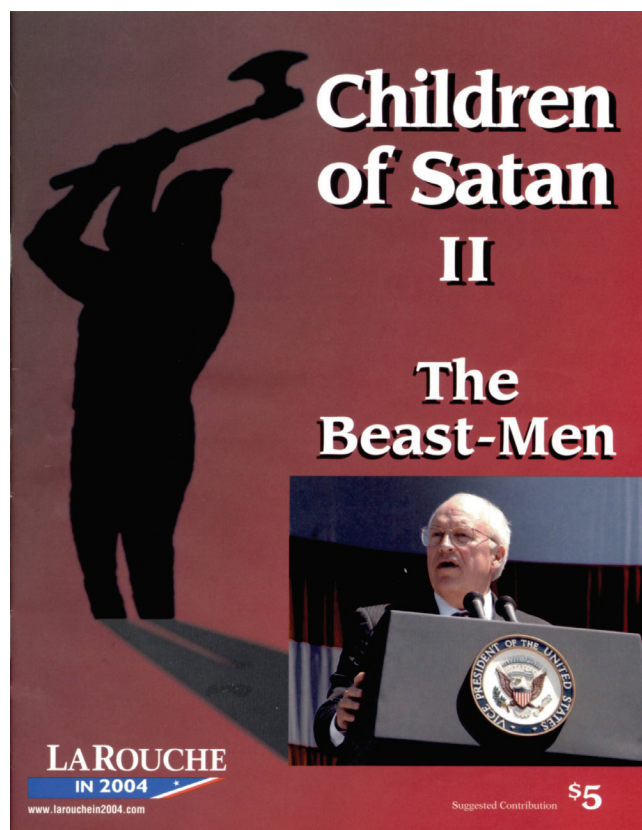
Now, what do they mean by “shape circumstances before crises emerge”? Well, long before Sept. 11 ever happened, what were the founders of PNAC arguing for? Already in 1998, PNAC representatives were openly campaigning for regime change against Saddam Hussein, on the premise that he possessed weapons of mass destruction that he was about to unleash against the United States. Sound familiar? This was the big lie that Bush, Cheney, and Tony Blair used to bomb Iraq five years later, in 2003, while also claiming that Saddam was somehow connected to the attacks on 9/11—also a lie.

Here’s another chilling example: In 2000, PNAC authored another report titled “Rebuilding America’s Defenses,” which called for preserving Anglo-American preeminence through a massive military build-up, in order to “deter the rise of a new great power competitor,” calling specifically for the military encirclement of China. The report also called for regime change in Iraq, Iran, Syria, and pretty much any other state in the region that was deemed hostile to Anglo-American interests.

And finally, it called for “consolidating the victory of the Cold War in Europe by the creation of a Europe whole and free from the Baltic to the Black Sea,” i.e., running color revolutions on Russia’s border, including in Ukraine. Remember, this is Robert Kagan writing this, husband of Victoria Nuland.

I should also note that Robert Kagan has explicitly attacked John Quincy Adams, who famously said, “America goes not in search of monsters to destroy. She is a well-wisher to the freedom and independence of all. She is a champion and vindicator only of her own.” Kagan stated, “But why not go abroad in search of monsters to destroy? Because America has the power to contain or destroy many of the world’s monsters, a policy of sitting on a hill and leading by example becomes in practice a policy of cowardice and dishonor.” Hence, an imperial policy of regime change and perpetual war.

The most chilling thing about this 2000 report, which was written a full year before Sept. 11, is that it admits that such a military buildup to encircle Russia and China would take a very long time to accomplish under ordinary peacetime circumstances, absent “some



LaRouche in 2004

LaRouche’s 2004 Presidential campaign committee documented the fascist agenda of the “Straussians” in the Bush-Cheney government. Leo Strauss was the intellectual mentor of the neo-cons.

catastrophic and catalyzing event like a new Pearl Harbor.” So, should it be a surprise that this apparatus was in place and ready to go the minute that Sept. 11 occurred? Ready to launch wars, domestic surveillance, police-state tactics, and torture.

The 28 Pages

So as you read this Feinstein report, it’s necessary to keep all of this in the back of your head, and remember that the premise for this entire torture program has this as its background. If Bush and Cheney were serious about getting to the root of who did 9/11, and preventing another attack from occurring, why did they classify the 28 pages of the 9/11 Joint Inquiry report, which documented the Saudi sponsorship of the 9/11 attacks under the then-Ambassador to Washington Prince Bandar—also known as “Bandar Bush”? Why did Tony Blair shut down the investigation into the BAE/Al Yamamah deal, which would have exposed the British role in facilitating the Saudi 9/11 operation? Why is

Obama continuing to cover up the 28 pages? Not to mention working directly with the Saudis in the Middle East, to arm and train a whole new batch of jihadi terrorists.

Is this not aiding and abetting the sworn enemies of the United States, who attacked us on 9/11, and who intend to do it again?

Now, also when you read this Feinstein report, ask yourself this: What sort of character did these people have to have, to condone such bestial and inhuman torture policies? This comes out very clearly in an interview that none other than Dick Cheney did yesterday [Dec. 11] on Fox News, in which he declared that the Feinstein report was “full of crap,” and said absolutely remorselessly, with a sneer on his face, “I was strongly supportive of this program. We were perfectly justified in doing it, and I’d do it again in a minute.”

I think what else Cheney said, is also very telling; he said, he “strongly believes that the ends justified the means.” Now this happens to be an explicit statement of the fascist ideology of Leo Strauss, who was the intellectual mentor of the entire neo-con apparatus. LaRouchePAC documented this very thoroughly in our now-famous—or infamous, depending on who you are—*Children of Satan* book in 2004. And PNAC really was an open conspiracy of this grouping of so-called Straussians, who had planted themselves deeply within the institutions of the U.S. government, and were waiting for the moment to put their fascist ideas into action. And that moment occurred on Sept. 11, 2001.

Strauss’s Noble Lie

So, who was Leo Strauss? Leo Strauss was a protégé of the “Crown Jurist” of the Nazi Third Reich, Carl Schmitt. What both Strauss and Schmitt believed, was, quite literally, that the end justifies the means. That an elite must rule society, using what they called “the noble lie” to pacify and control what they believed were a stupid population, who were unable to govern themselves. Schmitt and Strauss both based their philosophy on the belief that man is inherently evil, and that [Thomas] Hobbes was right when he described the world as a war of each against all.

For example, Leo Strauss wrote a letter to his mentor, Carl Schmitt, in September of 1932—right before Hitler’s ascent to power—in which he said the following: “The ultimate foundation of right, is the principle of the natural evil of man. Because man is by nature evil, he therefore needs dominion. But dominion

can be established, that is, men can be unified, only in unity against other men.” So clearly, the Hobbesian bestial idea of man.

Schmitt believed that the Treaty of Westphalia had been nullified by World War I, and therefore, the only international law that applied, was that of the struggle for the preservation of power of one state against another. Sound familiar? Let me read that quote from the 2000 PNAC report again: The goal of American post-Cold War foreign policy must be “to deter the rise of a new great-power competitor”—China, Russia, and so forth. And this end justifies all the means, including regime change, coups d’état, color revolution, etc.—even pre-emptive nuclear war. This was the argument that was used to justify the war in Iraq, which was premised on Saddam Hussein’s so-called weapons of mass destruction—which Cheney all along knew to be one big lie, as did Tony Blair.

The Bush Dynasty’s Fascist Roots

To understand why George W. Bush was the perfect vehicle for this attempted Nazi coup in 2001, and why we can’t let Jeb get anywhere close to the Presidency now, one only needs to look at a brief history of the

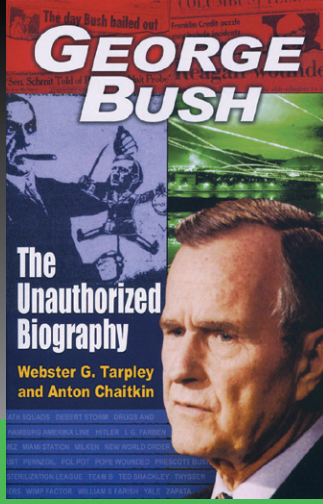
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The Bush Family

EIRNS/Claudio Celani

proponents of eugenics inside the United States—what would later become Hitler’s genocidal so-called “race science.” And did this end after the defeat of Hitler? Absolutely not. It merely transformed into the more benign-sounding, but equally evil, population control/population reduction movement. Prescott Bush was a pioneer in this in the United States. His son, George H.W. Bush, went on as a Congressman, to chair the Republican Task Force on Earth Resources and Population.

George H.W. Bush [who came to be known as “Rubbers”—ed.], during his time as the chair of this task force, issued a statement, in which he said: “It is almost self-evident that the greater the human population, the greater the demands for natural resources. How many is too many people? Many believe that our current environmental problems indicate that the optimum level has been surpassed.” And this was in the 1970s. Sound like Prince Philip to you? It should be no surprise, I think, that George H.W. Bush was awarded an honorary knighthood by the British Queen. And it should also be no surprise that this linkage between population growth and raw materials ultimately became the premise of the now-infamous National Security Study Memorandum 200, which called for regime change in countries around the world.

So, after George Bush was the Director of the CIA, and after he was the Vice President under Reagan, he became the President for one term, from ’88-’92, and who did he appoint as his Secretary of Defense? None other than Dick Cheney. And when Bush lost his second term to Bill Clinton, this Cheney crowd went underground and formed itself into what became PNAC, whose manifesto, again, was written by Robert Kagan, and signed by Jeb Bush, who would now have you believe that he is the kinder, gentler, more moderate member of the Bush family. Right.

So I think we need to embrace this moment, as Dennis laid it out in the beginning of our broadcast, with this release of the Feinstein report, as LaRouche said, where we’ve reached the end of one era, the 9/11 era, and the potential beginning of a new one, and specifically, as Dianne Feinstein said: We have looked evil in the face, and we have declared, “Never again.” And that *absolutely* applies to the Bushes!

Bush family. The Bush family—or better said, the Bush dynasty—represents the legacy of fascism in the United States, going all the way back to before Hitler’s rise to power.

Prescott Bush, the grandfather of George W. Bush and Jeb Bush, was the son-in-law of George Herbert Walker, who, immediately after World War I, was set up in a Wall Street-based bank called Harriman & Co. He hired his son-in-law, Prescott Bush, to set up a subsidiary, called UBC, Union Banking Corp. What was this bank for? The only reason for UBC to exist, was to manage Fritz Thyssen’s business accounts inside the United States. Quite literally—Thyssen was the *sole client* and depositor of Union Banking Corp. Who was Fritz Thyssen? I think the title of his autobiography says it all: *I Paid Hitler*.

In 1942, Franklin Roosevelt launched an investigation of UBC, and seized the accounts of Prescott Bush under the Trading with the Enemy Act, as well as a number of other subsidiary companies that were owned by Prescott Bush. Now, you could ask the question: Weren’t the Bush family merely shrewd businessmen, making money off of wartime profiteering? Or, was there some sort of ideological affinity for what Hitler represented? Well, it’s very well-known that George Herbert Walker and his partner, Harriman, were early

However, it's our responsibility now, to define what the new era must be. How will we create a new Presidency? How will we create a new paradigm, a new dynamic of optimism, to give the American people real leadership and a real mission-orientation, and to sweep the United States into this new international order that's now being created by the BRICS?

So, I'd like Dennis Small to come back to the podium to discuss this.

A 'Glass-Steagall Moment'

Small: That's exactly the sense in which this is, indeed, a Glass-Steagall moment, because the entire paradigm has been called into question. We've reached the limit, both in terms of the extreme danger of an immediate nuclear war being launched by this crowd against Russia and China; and we've also reached the absolute limit of the disintegration of the entire trans-Atlantic financial system, including the collapse of the U.S. economy. And this double reality has clearly begun to dawn on some people.

There was, last night, a very important vote taken in the House of Representatives. There was a 219-206 vote which *did* finally approve the Omnibus Budget Bill, and this approved bill included the repeal of section 716 of the Dodd-Frank Act. This is the so-called "Swaps Pushout Rule." Now, this section 716 is the *one, tiny part* of Dodd-Frank, all of a thousand-plus pages, which somehow survived and said that the government should not back up a certain category of derivatives trading that the banks were engaged in. That has now been revoked: It's now totally clear sailing. It's very interesting, that the existence of that one *tiny* clause, in these thousands of pages, was used by many Congressmen and others to justify the fact that they would not support Glass-Steagall. They said: No, we don't need to do that, because after all Dodd-Frank does have 716 in it.

Well, Dodd-Frank doesn't even have 716 in it any more. And what happened, both by the way it was done, and the content of the maneuvering of the action policy, is that a revolt occurred among Democrats, in



Sen. Elizabeth Warren (D-Mass.) led the revolt against Wall Street's bid to repeal the Dodd-Frank Act's "Swaps Pushout Rule." Here she addresses the Senate on Dec. 11. The next day she made it explicit: Restore Glass-Steagall!

particular, in the House of Representatives, that threatened passage of this bill up to the very last minute. Sen. Elizabeth Warren played an extremely important role in organizing members, not just across the aisle, but in the House of Representatives as well—which is not commonly done by any means—to not allow the revocation of this to pass. Because the issue, she said, and many agreed with her, was "Wall Street." Who runs the show? Are we going to allow this Wall Street crowd—which, remember, is who actually runs Bush—are we going to allow them to continue with their destructive derivatives trading until the entire country is destroyed?

'Whipped' into Line

What ultimately led to the vote of approval of this removal of Section 716, was the fact that the House members were "whipped"—and that's the phrase that's used to pressure members to vote a certain way—but in this case, I think it could possibly be taken literally as well, especially given Dick Cheney's influence over policies—after all, whipping and waterboarding, not a big difference.

But they were whipped into line by phone calls from the following people, which I'm going to cite in order of influence: first, Jamie Dimon, the head of JP Morgan;

secondly, Barack Obama, placed into the Presidency by the same Wall Street interests; then, Denis McDonough, White House Chief of Staff; and also Vice President Biden. It should be noted that McDonough was also one of the people who was deployed out to talk to Senator Feinstein, to try to convince her, in the weeks prior to the release of the CIA report, that it should not be released, and that is one of the pressures she stood up to.

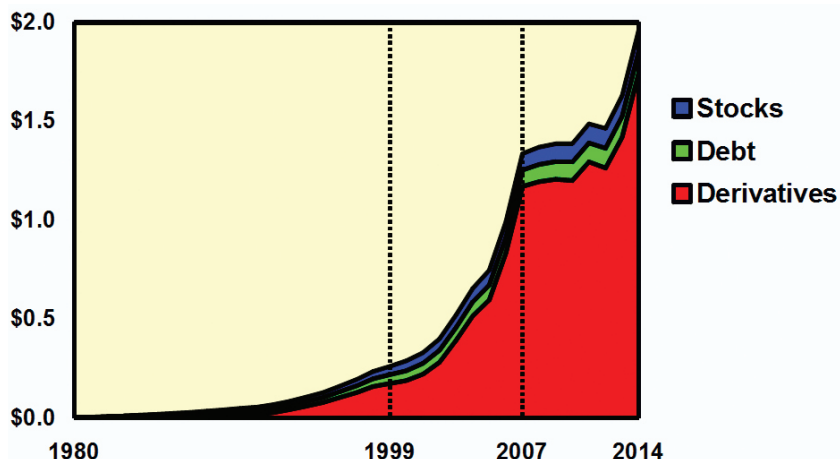
What happened around this whole thing, is that you had Obama and Jamie Dimon of JP Morgan jointly pressuring the House of Representatives, to make *sure* that the banks were given absolutely free rein in the derivatives. And this led to a big ruckus, summarized adequately, by Congresswoman Maxine Waters of California, who said the following: “It is just very strange that the two of them [Obama and Dimon] would be working for the support of this bill.” And she was asked: Was this an Obama sell-out to Wall Street? And she said, “That’s not for me to determine. I know that the President was whipping. I know that Jamie Dimon was whipping and calling directly into members’ offices. And that’s odd. That’s an odd combination.”

Marcy Kaptur, Democrat from Ohio, one of the sponsors of the Glass-Steagall resolution before the House of Representatives, said: “I’d like to know who is really behind this, who has enough power to try and bring this before this committee. I have some imagination of who that might be.” And I’m sure she does, and so do we.

A \$2 Quadrillion Bomb

The point here, what’s actually on the table, as increasing numbers of influentials, including in the Democratic Party, are coming to realize, is that the financial system of the entire Western world is completely, totally blown out. The latest drop in oil prices has lit a new fuse on a gigantic \$2 quadrillion bomb, because the lowering of the price of oil has created with it, a \$500 billion or so speculative bubble built up around fracking and so on; because if the price drops to a certain point, it’s not just that fracking becomes unprofitable, but the *whole bubble* built on it,

FIGURE 1
World Financial Aggregates
(\$ Quadrillions)



EIRNS

like in the case of the subprime mortgages, goes bust as well.

But that’s just one aspect of the whole thing. The real problem, as can be seen in the graphic (**Figure 1**), the problem is that there are currently approximately \$2 quadrillion in total derivatives! What happened was, that with the end of Glass-Steagall in 1999—and take note of the date—the end of Glass-Steagall in 1999 was just about two years before the 2001 9/11 case, which was the other part of the paradigm shift which we’ve been discussing here.

So what happened with the end of Glass-Steagall, the bubble grew rapidly, as you can see on the graph, from about \$260 trillion total to \$1.4 *quadrillion*, at the time of the 2008 blowout. That’s a *fivefold increase* over that period of time, about 10 years.

What happened after that, was about \$9 trillion in quantitative easing and funny money printed in the trans-Atlantic system, the U.S., the U.K., and Europe, to try to bail out the bubble. And especially in the last two years, 2013 and ’14, there has been a dramatic increase again in this whole cancerous speculative bubble. And over the last two years, it grew from about \$1.5 quadrillion to \$2 quadrillion today! That is a *33% rise* in just two years.

Now: What was Dodd-Frank? Dodd-Frank was effectively Wall Street’s survival kit for the financial cancer, that’s what it was. It established the premises of bailing in—in other words, whose money would be stolen, to try to keep this incredible bubble afloat? And

who would be bailed out? And what Dodd-Frank established, is that the \$2 quadrillion, the cancer, would be bailed out. Who gets bailed in, who has to pay for it? *You!* along with 6 billion other people, human beings, who are considered excess population by the Bush league, the Obama policies, and exactly this Nazi ideology which Matt was referring to previously.

Now, if you care to do the calculation, that comes to approximately \$300,000 per corpse, that these people would eliminate for their purposes. But, bottom line, is that none of this will work.

A SWIFT Kick from the Russians

Russia and China *know it*. They know, for one, that military nuclear war is being actively threatened against them. Most recently, this week the Chief of the General Staff of the Russian Armed Forces, Valery Gerisamov, once again reiterated the Russian view. He said, “Steps are being taken, to implement specific measures to weaken Russia’s strategic nuclear force.” And he went on to denounce the ballistic missile defense system, and the various provocations coming from the Obama Administration and NATO.

That has been said before by the Russians. What was most interesting about what he did in this case, is *where* he said it and *how* he said it: He summoned to his meeting, and spoke before *70 foreign military attachés posted to Moscow*, representing 50 countries. He called in the military representatives of 50 countries and told them: Gentlemen, this is not going to be accepted.

So they’re really very clear on the military aspect of nuclear war. But the Russians are also very clear that what is going on, on the financial front, is *financial nuclear war*, threatened against them in the world. And it was stated explicitly, by Wolfgang Münchau, writing in July of this year, in the *Financial Times*; he said, we can bring Russia to its knees in a week! How? We expel them from the international interbank transaction system known as the SWIFT system. And he said we should do this because “payments systems are the nuclear bombs of the financial war.”

Two months later, the Deputy Prime Minister of Russia [Dmitri Rogozin] was in China discussing how to build their own system of interbank clearances to do without SWIFT; and he emerged from those meetings to say, yes, we have discussed this and we approved this idea. Over the course of this week, Russian authorities announced that they were carrying out financial tests of

the various banks involved, and they will have their own system up and running by May 2015.

Why? Because as was stated by the head of VTB Bank, the number two bank in Russia, and this gentleman is also a personal friend of Vladimir Putin’s—his name is Andrei Kostin—what he said is, if they throw us out of SWIFT, it is “a bright red line.” “In my personal opinion it would mean war, if this type of sanction were introduced.” So they’re building a new financial architecture, with the Chinese and with the other countries of the BRICS.

A New Financial Architecture

All of this should also be a very “bright red line” for the United States as well, and I think that there are some people in Congress who have realized that that is in fact the case. We need a new financial architecture, of the sort that Bill Clinton was starting to discuss, precisely at the point where he was Watergated with the Lewinsky affair: We need a complete, total, Hamiltonian reform of this system, and we have to do this, because the physical economy of the United States and of the entire trans-Atlantic sector is being annihilated.

It’s not just that monetary values are at stake here. The *physical economy* is being destroyed: Unemployment throughout Europe, youth unemployment is hitting 60%; in the United States, youth unemployment, *real* youth unemployment is *over 30%* in 40 states in the United States! So you’ve got a situation which is completely out of control.

Pensions are being wiped out. There’s a water crisis which is making the entire West of the United States unlivable, because the necessary investments in science and technology and infrastructure are not occurring, will not occur, *cannot* occur, under this system.

We *must* return to the policies of Hamilton. As LaRouche said in the mention that I made at the outset of this program, the issue is Hamilton’s policies against the breakdown of the system. We must reorganize the debt; we have to take this \$2 quadrillion, and the vast majority of it has to be simply written off. The Hamiltonian principle has to function centrally, as it did in the United States; you don’t have a bunch of states operating independently, you have a single national purpose, a single direction, and credit is created from the single central standpoint, for the purpose of the economic policies which will actually increase the technological platform from which we’re functioning.

We have to create the credit for development as the



EIRNS

It's time for a "Glass-Steagall moment"! Here, farmer and LaRouchePAC activist Ron Wiczorek, in Mitchell, S.D., spreads the word.

BRICS nations are now doing. Here we have a situation in the world, where Wall Street, and bankers in the United States and Europe, are talking about *billions* of dollars in derivatives, *trillions* of dollars, *quadrillions* of dollars: It's all meaningless, it's all worthless.

Tons, Not Dollars

And China is talking about millions of tons, or *billions* of tons of iron ore, of steel, and thousands of kilometers of high-speed railroad. Just this week, China announced a 1,000-km high-speed-rail line from Shanghai to Guangzhou, which will reduce the time of travel from 16 hours to less than 7 hours.

China just announced this week, they launched the maiden voyage of the largest container ship on the planet, 19,100 TEU—the unit to measure container ships; bigger than anything that exists on the planet. It is so big, that it does not fit through the Panama Canal, it will not fit through the revised and improved Panama Canal; it does not fit through the Suez Canal. *But*, it will fit through the Nicaraguan canal that the Chinese are investing in, and will be ready in five years.

Brazil, another BRICS country, has announced that

it is going to increase its iron ore exports, measured in tons, not dollars, by 50% over the next five years. And they have purchased 35 of the largest cargo ships imaginable, 400,000 DWT (dead-weight tons) to carry this out.

So you have massive physical economic flows going on in one part of the planet, and *massive* speculative, cancerous flows going on in the other! That's the reality that we're facing: These two worlds cannot long coexist. And what we have to do in the United States at this point, is to take advantage of this "Glass-Steagall moment"; we have to join with the BRICS, to get the physical economy

going, but most importantly, to get our entire nation back on the track of the kind of thinking that can produce the technological changes to completely revolutionize the way the entire economy is run.

Why should we have container ships floating around the planet, based on oil and other kinds of fuel? Why should they carry their own weight around with them, and have to carry that, too? That's as idiotic as having a non-electrified train, just for the same reason that we should have fusion-powered rocket ships, if we're serious about exploring the Solar System. We need to do this. Why should we ship petroleum from one part of the planet to another? LaRouche has long emphasized this. You know, a small amount, yes, but you have to go nuclear! To use petroleum as a fuel for the economy is simply unnecessary from a physical-economic standpoint, *if* we go forward in a big way with fission and then with a fusion power economy.

So these are all the kinds of things that need to be done; these are the opportunities that are before us. The opening has been created: The end of the post-9/11 era is with us now, we have the opportunity to do that, if we can do it and keep it.

Col. Patrick Lang: The U.S. Must Purge Itself

Special Forces Col. W. Patrick Lang (ret.), who was also a senior official in the Defense Intelligence Agency (DIA), published the following remarks on Dec. 11 on his blog, [Sic Semper Tyrannis](#) (SSC), which has a wide military readership. The article refers to Director of Central Intelligence John Brennan's [response](#) to the Senate Select Committee on Intelligence's release of the unclassified part of its report on "The Central Intelligence Agency's Detention and Interrogation Program."



CIA Director Brennan's self-administered *auto da fe* fell flat. He met with POTUS this AM and was evidently told to get his statement in line with the president's position "or else." The "else" is pretty clear. He could easily find himself doing the "Hagel Two Step." As a result the gospel according to Brennan backed away from any real defense of the deeds of CIA in its tormented and torturing history since 9/11.

On the one hand, he told us that information derived from torture was, at times, useful. On the other hand he told us that it is "unknowable" if the information so derived had any real value. He said that some of the things done by CIA officials were "abhorrent" but in answer to a question was ambiguous and non-committal as to whether or not it might be necessary to do the same kind of things in the future.

Well, pilgrims, ... the US is a signatory of the UN Convention Against Torture. This convention signature was ratified by the US Senate and for that reason has the status of US federal law.

The CIA and its Corps of Tormentors disgraced and soiled the United States as did the US Army at Abu Ghraib. Insufficient punishment was meted out to the senior army culprits at Abu Ghraib, but now there is a chance to make an example of the monstrous fools who motivated, directed and executed this renewal of the In-

quisition. It should be mentioned that Cheney and Rumsfeld played a direct role in encouraging US Army intelligence to torture prisoners at Abu Ghraib.

I suggest the following as steps to be taken by the SST community:

- Brennan has made himself an accomplice in what amounts to a criminal conspiracy to violate federal law.

He should be fired and should be prosecuted for that crime.

- The Obama Justice Department should reverse its stated position and reopen investigations that may lead to the indictment of Cheney, Rumsfeld, Rodriguez, and all those who participated in this criminal violation of US and international law. For the president and Holder to fail to do this would make them be in violation of their oaths of office. They swore to see that the law of the US would be upheld and enforced.

- All interested readers of SST should press their governments abroad to have their courts indict all those guilty of crimes against the Torture Convention in international law.

- The full Senate report on this matter is over 6,000 pages long and is at present classified as was the 500-page summary. The full report should be de-classified and released to the public. The material to be released is mainly CIA cables and internal documents that support the summary judgments already released. IMO the full report should be released in an unredacted form so that those guilty of these crimes against US and international law can be identified and prosecuted for their crimes.

- The large sums of money paid to the torture psychologists should be "clawed back" in the process of prosecuting these consultants.

- To prevent future "adventures" of this sort, covert action should be removed from CIA's menu of missions and placed under DoD where effective oversight by Congress and a bias against adventurism is predominant. This was the case in WW2 when OSS (a JCS subordinated organization) ran covert operations. CIA should be an organization that does clandestine HUMINT (espionage) and nothing else.

I appeal to this committee to move history in this matter and to help restore the honor of the United States.

Senator Warren: Pass Glass-Steagall Bill

Sen. Elizabeth Warren (D-Mass.) took to the floor of the Senate on the evening of Dec. 12, blasting Wall Street bankers—notably Citigroup—for ramming through the omnibus spending bill, which takes out the only (weak) prohibition against bailing out derivatives from the Dodd-Frank Act. She explicitly put restoration of the Glass-Steagall Act on the table, which she generally has not done in her recent attacks on the bankers. Here are excerpts from her remarks.

Mr. President, I'm back on the floor to talk about a dangerous provision that was slipped into a must-pass spending bill at the last minute to benefit Wall Street. This provision would repeal a rule called, and I'm quoting the title of the rule, "Prohibition Against Federal Government Bailouts of Swaps Entities."

On Wednesday [Dec. 10], I came to the floor to talk to Democrats, asking them to strip this provision out of the omnibus bill and protect taxpayers.

On Thursday, I came to the floor to talk to Republicans. Republicans say they don't like bailouts either. So I asked them to vote the way they talk. If they don't like bailouts, then they could take out this provision that puts taxpayers right back on the hook for bailing out big banks.

Today, I'm coming to the floor not to talk about Democrats or Republicans, but about a third group that also wields tremendous power in Washington: Citigroup. Mr. President, in recent years, many Wall Street institutions have exerted extraordinary influence in Washington's corridors of power, but Citigroup has risen above the others. Its grip over economic policy-making in the Executive branch is unprecedented. Consider a few examples:

- Three of the last four Treasury Secretaries under Democratic Presidents have had close Citigroup ties. The fourth was offered the CEO position at Citigroup, but turned it down.

- The Vice Chair of the Federal Reserve system is a Citigroup alum.

- The Undersecretary for International Affairs at Treasury is a Citigroup alum.

- The U.S. Trade Representative and the person nominated to be his deputy—who is currently an Assistant Secretary at Treasury—are Citigroup alums.

- A recent chairman of the National Economic Council at the White House was a Citigroup alum.

- Another recent chairman of the Office of Management and Budget went to Citigroup immediately after leaving the White House.

- Another recent chairman of the Office of Management and Budget is also a Citi alum—but I'm double counting here because now he's the Secretary of the Treasury.

That's a lot of powerful people, all from one bank. But they aren't Citigroup's only source of power. Over the years, the company has spent millions of dollars on lobbying Congress and funding the political campaigns of its friends in the House and the Senate. . . .

Break Up the Biggest Banks

Mr. President, Democrats don't like Wall Street bailouts. Republicans don't like Wall Street bailouts. The American people are disgusted by Wall Street bailouts. And yet here we are—five years after Dodd-Frank—with Congress on the verge of ramming through a provision that would do nothing for middle class, do nothing for community banks—do nothing but raise the risk that taxpayers will have to bail out the biggest banks once again.

There's a lot of talk lately about how the Dodd-Frank Act isn't perfect. There's a lot of talk coming from Citigroup about how the Dodd-Frank Act isn't perfect.

So let me say this to anyone who is listening at Citi: I agree with you. Dodd-Frank isn't perfect. It should have broken you into pieces.

If this Congress is going to open up Dodd-Frank in the months ahead, let's open it up to get tougher—not to create more bailout opportunities.

If we are going to open up Dodd-Frank, let's open it up so that, once and for all, we end Too Big To Fail. And I mean let's really end it—not just say we did. Instead of passing laws that create new bailout opportunities for Too-Big-To-Fail banks, let's pass Brown-Kaufman. Let's pass the bipartisan 21st Century Glass-Steagall Act—a bill I've sponsored with John McCain, Angus King, and Maria Cantwell. Let's pass something—anything—that would help break up these giant banks. . . .

War Provocations Mount Against Russia, China

by Jeffrey Steinberg

Dec. 14—In words and deeds, the Obama Administration and leading European NATO allies continue to drive towards global confrontation. The targeting of Russia has escalated over the past week, since the U.S. House of Representatives passed the Ukrainian Freedom Support Act, calling for new sanctions against Russia, the arming of Ukraine, and other actions driving NATO right up to the border with Russia.

On Dec. 7, *Foreign Affairs*, the journal of the New York Council on Foreign Relations, published an anti-Putin diatribe under the headline “Rage Comes to Russia.” The article gloated over the recent sophisticated terrorist attack in Grozny, the capital of Chechnya, and warned President Putin that the Islamic State (IS) is gunning for him and has aligned with Chechen terrorists, who are preparing to open a new battlefield inside Russia.

The Obama Administration has also recently launched a new campaign against Russia, based on the claim that Moscow is in violation of the Intermediate Range Nuclear Force (INF) Treaty. In a hearing of the House Foreign Affairs Committee last week, Deputy Undersecretary of Defense Brian McKean told lawmakers that the Administration was preparing specific actions against the alleged Russian violations that will “make Russia less secure.”

The United States has already announced the deployment next year of two more Aegis ballistic missile defense system-equipped guided missile destroyers, the *USS Carney* and the *USS Porter*, to the Spanish port of Rota, bringing to four the number of Aegis-equipped

ships deployed to Spain. The U.S. is also in the process of installing land-based Aegis missile defense systems in Romania as part of the U.S. unilateral BMD deployment to Europe.

And last week, NATO concluded Trident Lance maneuvers in Germany. Gen. Philip Breedlove, the Commander of NATO, told reporters at the end of the maneuvers that these were part of an expanded series of military actions by the Alliance, in response to what he called “Russian aggression in Ukraine.” Breedlove said that the Alliance is working to build up capabilities to act against Russia on “short notice.”

Warnings of a ‘Hot War’

These actions have prompted growing warnings from Russian circles about general war. On Dec. 11, *Time* magazine published an interview it did in November, with former Soviet President Mikhail Gorbachov, in which he warned that the West was provoking a “hot war by belittling Russia,” adding that we have entered “times of great trouble.” He noted that his own experience was that you can “listen to the Americans but you can’t trust them.”

Harsher responses came from Russian military commanders, including Chief of Staff Gen. Valeriy Gerasimov, who addressed a Moscow audience of 70 military attachés from 50 countries last week, and warned that the United States is taking “steps to weaken Russia’s strategic nuclear force,” including by building a global BMD system. “In defiance of our repeated pro-

posals,” he said, “neither the United States, nor the European countries, nor NATO in general wish to guarantee its non-use against Russia.”

On Dec. 10, General Gerasimov gave an interview to *Sputnik News*, in which he further detailed NATO’s expanding operations in the Black Sea and the Baltic Sea. He assailed the Western destabilizations, using the “color revolution format,” to “overthrow” governments.

Two other close allies of President Putin took up the “regime change” issue in widely circulated comments last week as well. On Dec. 8, Sergei Ryabkov, Deputy Minister of Foreign Affairs, addressed the State Duma and warned that Western “sanctions aim to create the social and economic conditions for regime change,” noting that these actions aim to “tear the CIS countries away from Russia.” He added that Western powers have backed “radical nationalists” in these color revolutions.

Also in an address to the Duma, Konstantin Dolgov, the Russian Human Rights Commissioner, charged that the United States is supporting “national radicals and neo-Nazis” in Ukraine.

As if to prove Dolgov’s point, on Dec. 10, the U.S. National Endowment for Democracy sponsored a Washington, D.C., event, “Maidan One Year Later,” which was chaired by NED Vice President Nadia Diuk, a longstanding Ukrainian-American promoter of the radical Banderist forces in Ukraine [see *Counterintelligence* section in this issue].

There is, fortunately, growing opposition internationally to the madness of the provocations against Russia.

On Dec. 8, a group of 120 prominent political figures from 46 countries sent a letter to the Vienna Conference on the Humanitarian Impact of Nuclear Weapons, warning that the current danger of thermonuclear war is being dangerously underestimated. Among the signers were former U.S. Senators Sam Nunn (D-Ga.) and Richard Lugar (R-Ind.); Gen. James Cartwright, former Deputy Chairman of the U.S. Joint Chiefs of Staff; former French Prime Minister Michel Rocard; former German Defense Minister Volker Ruhe; and former Australian Prime Minister Malcolm Fraser. Separate letters to the same event from Pope Francis and former International Atomic Energy Association (IAEA) director Dr. Mohammed ElBaradei invoked similar warnings.



www.lc.nato.int

A NATO press conference in Grafenwoehr, Germany Dec. 10, during the Trident Lance maneuvers. Their purpose was to build capabilities to deploy against Russia on “short notice.”

In a clear understanding of the links between the growing war danger and the economic warfare being directed against Russia via sanctions, Andrey Kostin, the head of the Russian Foreign Trade Bank (VTB), declared, in a Dec. 3 interview with Germany’s *Handelsblatt*, that if Russia is excluded from the SWIFT interbank settlements system, as some are threatening, this would be crossing “a bright red line.” “In my personal opinion it would mean war, if this type of sanction were introduced,” he said. Kostin is a close friend of President Putin.

China, for its part, has also taken a major step towards preparation for war. For the first time, China has deployed a new generation stealth submarines armed with nuclear weapons capable of reaching U.S. territory. For the first time, China has a secure second-strike capability.

Both Beijing and Moscow know that Washington is updating war plans through a newly released plan called “Third Offset.” On Dec. 9, the author of the proposal, former Navy Department official Robert Martinage, testified before the House sea-power subcommittee and spelled out his proposal for a new generation of stealth drone fighters, expanded submarine deployments, and other new systems aimed at “offsetting” Russian and Chinese advances in weaponry that jeopardize the U.S. global military edge.

The Modi-Putin Summit: More Than Meets the Eye

by Ramtanu Maitra

Dec. 15—The Dec. 11 summit in New Delhi between Russian President Vladimir Putin and Indian Prime Minister Narendra Modi resulted in the signing of 16 bilateral agreements, including one that ensures supply of more Russian nuclear reactors to India over the coming years. More importantly, the summit was a joint statement by the leaders of the two powerful nations, of the arrival of a polycentric world, and the efforts made by these two members of the BRICS group of nations (the two, plus Brazil, China, and South Africa) to broaden their base of interactions, by strengthening their strategic cooperation and the new polycentric world order.

The summit, in which negotiations took place on various issues of trade, manufacturing, defense, and high-tech collaboration, did not go down well in Washington, where anti-Russia prejudices run rampant. On the day of the summit, U.S. State Department spokesperson Marie Harf said: “We’ve seen press reporting on India concluding business, nuclear and defense deals with Russia, but not confirmation of those agreements or specifics of what those agreements would entail. Our view remains that it’s not time for business as usual with Russia.”

Harf also made clear why Washington opposes India doing business with Russia, i.e., that Russia has been heavily sanctioned by the U.S. and EU for its support of pro-Mos-

cow rebels in eastern Ukraine, and its assimilation of Crimea earlier this year.

Since India does not support non-UN sanctions against any country, it has not supported Western sanctions against Russia; at the same time, New Delhi has not officially approved the Russian incorporation of Crimea.

Silly Distractions

During the summit, the issue of the Republic of Crimea came into the spotlight, causing some heartburn in Kiev and Washington. Crimea’s Prime Minister Sergei Aksyonov arrived in India with the Russian Presidential delegation. The Indian External Affairs Ministry made clear that Aksyonov was not formally a member of Putin’s delegation, and his meeting with an Indian business group was deemed private, although he was accompanied by Russian officials. No Indian government official was at the meeting.

The presence of Aksyonov in New Delhi at the same time as Putin set a cat among the pigeons in Ukraine, Washington, and the gossip world. Ukrainian President Petro Poroshenko, hoping to secure some money and “the non-lethal assistance” that Australia’s Abbott government had promised him last September, lashed out at a public event in Sydney, targeting India over the unofficial visit of Aksyonov.

Accusing India of placing



PIB India

The Dec. 11 summit in New Delhi between President Putin and Prime Minister Modi reflected the continuing consolidation of the polycentric world order that began with the BRICS initiatives last Summer.

more importance on “money” than “values” by welcoming Aksyonov, Poroshenko ranted that India was not standing with “civilization” against Russian aggression, the *Moscow Times* reported. “The Indian position doesn’t help, it doesn’t save Mr. Aksyonov,” he added. “He is a criminal, it’s very simple. He has a criminal background and no doubt he has a criminal future.” Poroshenko’s rants were echoed in Washington, where, at the U.S. State Department briefing on Dec. 11, spokesperson Jen Psaki nonetheless gave India’s External Affairs Ministry the benefit of the doubt, suggesting that New Delhi had conveyed to Washington that it was not “officially aware” of Aksyonov’s presence in the Putin delegation, the *Times of India* reported.

Indeed, Aksyonov was working out business deals with the Indian businessmen. Subsequently, on Dec 13, citing Georgy Muradov, Crimea’s Vice Prime Minister, Tass reported that a group of Indian businessmen is now scheduled to visit the Republic of Crimea with the intent to implement investment projects there. “Indian businessmen have great interest in Crimea. Therefore, there is an agreement that several groups of Indian businessmen will visit Crimea soon,” Muradov told Tass.

Strategic Import of the Summit

Considering the war provocations that the United States and its trans-Atlantic allies have carried out over the past year, and longer, to undermine and weaken Russia, the Putin-Modi summit is itself of great global significance. Using neo-Nazis to carry out the coup against the elected government of Ukraine, and supporting the secessionist movements of the Islamists of Chechnya, Dagestan, Ingushetia, etc., within Russia, the bearers of the decrepit, old world economic order are engaged in launching a new Cold War. The support lent by the BRICS, with their economic and military capabilities, is a warning to both Washington and Brussels. In that context, the efforts of Putin and Modi to consolidate their strategic relationship at this time, and seek ways to enhance their economic capabilities by working to cooperate in the areas of energy, high technology, and defense, are clear and firm steps in the right direction.

The importance of the summit was best expressed in a series of tweets by the Indian Premier hours prior to the Russian President’s arrival in New Delhi. Modi said: “Delighted to welcome President Putin to India. Looking forward to a productive visit that will take India-Russia ties to newer heights.” “The bond between the people of Russia & India is very strong. Our nations have stood

by each other through thick and thin.” “Times have changed, our friendship has not. Now, we want to take this relation to the next level & this visit is a step in that direction.” The world should note that the summit could indeed lead the relations to the next level, as Modi said.

Following the summit, Putin said, “We are content with how this visit is being conducted and also with the outcome of the visit.” Describing the talks as constructive, he said, “India and Russia encourage the use of nuclear energy for peaceful purposes.” He also said that the limited bilateral trade between the two countries “is not enough.” “We talked of measures to diversify bilateral trade,” the Russian President said. Putin made it a point to note that Russia and India have a special, privileged partnership. “It continues to develop dynamically,” Putin said.

In remarks after the summit, Modi said that Russia has been a pillar of strength for India’s security. “The strategic partnership is incomparable in content,” he said, adding that Russia had given its steadfast support to India “in difficult times.” “India too has stood with Russia through its challenges,” he added.

Since Modi became India’s Prime Minister last May, the primary thrust of his diplomacy has been to promote economic diplomacy with all nations. He is keen on developing strong bilateral relations with economically and militarily powerful nations, and has invited foreign investment to help build a strong physical infrastructure in India—the foundation on which all strong economies rest. In his quest for investment, in addition to the summit with Putin, Modi had organized China’s President Xi Jinping’s visit to India in September; met with Japan’s Shinzo Abe in Japan Aug. 31-Sept. 3; visited Washington and met with President Obama in September; and will be starting off the new year by hosting the U.S. President in New Delhi. He seems to be convinced that if India develops broad and vibrant economic and defense relations with all the large and powerful nations, it will be mutually beneficial for all, and will usher in a new environment, away from the present poisonous atmosphere of conflicts and wars.

The Russia-India summit needs to be looked at as yet another step to achieve that objective.

The Joint Statement

The Joint Statement issued following the summit addressed this vital issue. It said: “Reaffirming their commitment to upholding the principles of international law and promoting the central role of the UN in



IAEA/Petr Pavlicek

Russia has supplied two 1,000-MW VVER-1000 nuclear power plant sets for India's Kudankulam plant. The first unit is in operation, while the second is expected to go into operation in March 2015.

international relations, India and Russia will work together to promote a polycentric and democratic world order based on shared interests of all countries. The two countries will work for democratization of global political, economic, financial, and social institutions so that these institutions better represent the aspirations and interests of all segments of the international community. India and Russia oppose economic sanctions that do not have the approval of the United Nations Security Council. . . .

“The two countries will consult and coordinate in multilateral fora such as G20, EAS [East Asia Summit], BRICS and RIC (Russia, India, and China). Russia looks forward to India becoming a full member of the SCO [Shanghai Cooperation Organization] following the completion of all required negotiations procedures. The sides support the evolution of an open, balanced and inclusive security architecture in the Asia Pacific region based on collective efforts, considering legitimate interests of all states of the region and guided by respect for norms and principles of international law.”

Cooperation in Nuclear Power; Oil and Gas

It was evident before the summit that India-Russia trade, which hovers around a paltry \$10 billion range, cannot be increased quickly. To begin with, neither India

nor Russia, on their own, can build up vibrant trade, in the short or medium term, in various industrial, raw materials, semi-finished products, and consumer goods, which form the backbone of all large trade lists. It is for this reason that the Indian Premier is insistent on bringing in Russian manufacturing facilities, and developing joint manufacturing capabilities for global trade.

As a result, the direct trade between the two will continue to center on energy sources; military hardware and various space and other innovative high technologies traveling from Russia to India; while pharmaceuticals, electronic equipment, machines, engines, pumps, iron and steel, clothing, coffee, tea and spices, and other food products will travel in the other direction.

Although these imports and exports could rise significantly in the coming years, particularly since the U.S.- and EU-led sanctions could force Russia to source and sell its products from and to India and other nations. Nonetheless, the way each country's economy is structured, growth in economic interaction could be enlarged significantly, by building up joint manufacturing capabilities and situating them in India, because of India's manpower, particularly its decided age advantage—i.e., its huge youth population: 50% is below the age of 25, and more than 65% is below 35—over almost all the nations in the world.

On the front end of the 16 agreements signed during the one-day summit, the most important economic ones center on energy and defense. “We have just signed a document of great significance—the strategic vision for strengthening Indian-Russian cooperation in the peaceful use of nuclear power. It contains plans to build over 20 nuclear power units in India, as well as cooperation in building Russia-designed nuclear power stations in third countries, in the joint extraction of natural uranium, production of nuclear fuel and waste elimination. This will lay the foundation for our long-term mutually beneficial cooperation in the nuclear sector,” Putin told reporters following the talks. “I would like to stress that here we have reached a new level of cooperation. This is not merely trade in goods and services, or even technologies, but the creation of a new industry in India.”

The calculation of Sergei Kiriyyenko, the director-general of Rosatom (the Russian state atomic energy corporation), is a bit different. He said that “the foundation had been laid for at least 12 units to be put into operation within 20 years. This morning a general framework agreement was signed on the construction and equipment delivery for the third and fourth blocks of the Kudankulam Nuclear Power Plant at the present site. Cement foundations [for the new blocks] will be poured in the beginning of 2016.”

Russia has already supplied two 1,000-MW VVER-1000 nuclear power plant sets for the Kudankulam plant. The first unit is in operation, while the second is expected to go into operation in March 2015.

In the oil and gas sector, a \$10 billion contract was signed by the Indian Essar Group with Russia’s Rosneft to import crude oil from Russia over a 10-year period. Moscow-based OAO Rosneft Chairman Igor Sechin said the agreement was to ship by sea as much as 10 million tons of oil per year to the Essar Group. “Rosneft and Essar signed key terms of oil and oil products supplies to Essar refineries in India,” beginning in 2015, Sechin said.

Defense and High-Tech

In the defense sector, the Joint Statement said “the sides recognize the virtually unlimited opportunities for enhancing this cooperation, increasingly based on



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The Russia-India defense relationship is longstanding; about 70% of India’s military inventory is of Soviet/Russian origin. The INS Chakra, India’s nuclear-powered submarine, is leased from Russia.

joint research and development, joint manufacturing, technology sharing and collaborative research in futuristic technologies, in accordance with existing agreements on military-technical cooperation.” It also took note of the recent decision by the Modi government to permit “foreign direct investment in the defense sector up to 49 per cent.”

“The sides will exploit these opportunities optimally and enrich bilateral interaction through regular joint military exercises, training in each other’s services’ institutions and institutionalized consultations between the armed forces,” the Statement added.

In addition to these two sectors, one area of long-term Russia-India cooperation is science and technology, subsuming nuclear energy, space, and advanced technological cooperation in all areas of defense. The Modi-Putin Statement said “they will further develop various support mechanisms for joint research. Their bilateral scientific and technological collaboration will cover frontier areas, such as environmental science, power sector (including alternative sources of energy), energy efficiency and energy security, information and communication technologies, nanotechnology and new materials, engineering science, bio-energy, nano-bio-technology, bio-equipment and affordable diagnosing equipment for healthcare and agriculture.

“It will be aimed at creating institutional linkages between scientific research institutions of the two countries. In view of the importance of safeguarding

food security, the sides would expect to conduct further joint research in the fields of horticulture and biotechnology. They will exchange scientific and technological manpower to build capacity for exchange of knowledge most relevant to the economies of the two countries. . . .”

Beyond the front-line agreements that were signed, a number of other agreements are also in the works. Disagreements on terms and conditions, and some level of bureaucratic lethargy on both sides, have held up these agreements. To begin with, an important agreement that India was looking forward to is getting an equity stake in Russia’s already operational East Siberian Vankor field, which produces more than 400,000 barrels of oil per day. India is seeking a 25% stake, which is considered too high by the Russians as of now. The negotiations are continuing with the hope of finding a middle ground.

In the high-tech area, the president of the nonprofit partnership GLONASS, Alexander Gurko, told RIR (Russia & India Report) on Dec. 12 about Russia’s proposals to India for joint production of navigation receivers, and their exports to third markets. Gurko said work is proceeding to unite the Russian and Indian part-

ners to develop, produce, and implement joint solutions in the field of navigation, using Russian GLONASS (Global Navigation Satellite System) technology and India’s own navigation system IRNSS (Indian Regional Navigation Satellite System).”

“The idea is to develop navigation receivers GLONASS/GPS/IRNSS for the Russian and Indian market as well as the third countries’ markets. Our tasks include the joint development of transport management systems for the Indian market and the introduction of systems based on these technologies,” Gurko added.

In the defense sector, no new agreements were signed, but since the Russia-India defense relationship is longstanding, and about 70% of the Indian military inventory, and major platforms for all the three services, are of Soviet/Russian origin, the cooperation in the sector can only get stronger.

After the summit talks, Deputy Prime Minister Dmitri Rogozin told the media that Russia and India have agreed to assemble 400 twin-engine helicopters a year in India. He said the deal related to the Ka-226T, a light multi-role helicopter built by Russian Helicopters that can be used for search-and-rescue operations in mountainous areas.

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EIR FACT SHEET

Who Is Behind the Drive To Dismember Russia?

by an EIR Intelligence Team

Dec. 11—Contrary to the line in the orchestrated international media, the current increasing tensions between the NATO nations and Russia, have nothing to do with the “Ukraine conflict,” and the fact that Crimea has rejoined Russia. The conflict stems from the fact, openly identified by numerous Russian government spokesmen, as well as by certain British and U.S. war-party strategists, that the United States and NATO have adopted a policy of strategic confrontation against Russia, including “regime change,” which is intended to force the world’s second greatest nuclear power into subservience to the West. If this policy is not rejected in the West, it will be rejected by Russia, and therefore can only lead to a Third World War, a war of annihilation.

President Vladimir Putin said in his Dec. 4, 2014 annual message to the Russian Federal Assembly: “I’m sure that if these events [the coup in Ukraine and so-called Crimean Spring—ed.] had never happened, ... they would have come up with some other excuse to try to contain Russia’s growing capabilities, affect our country, or even take advantage of it.”

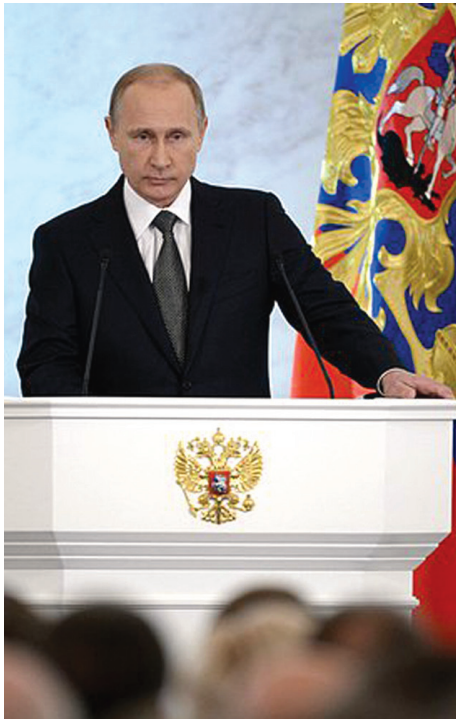
Putin also identified the Western origins of the current, as well as previous, threats against the Russian republic, specifically the terror attacks carried out by Chechen separatists that very day in Grozny, the capital of Chechnya in the Russian North Caucasus. Referring to the period of the 1990s and the early 2000s, Putin stated:

“We remember well how and who back then almost

openly supported separatism and even outright terrorism against us, while referring to murderers, whose hands were stained with blood, as none other than ‘rebels,’ and organizing high-level receptions for them.... Despite the fact that we considered ... our former adversaries as close friends and even allies, the support for separatism in Russia from abroad, including information, political and financial support, and support provided by the special services—was absolutely obvious and left no doubt that they would gladly let Russia follow the Yugoslav scenario of disintegration and dismemberment.... It didn’t work.... Just as it did not work for Hitler with his misanthropic ideas, who set out to destroy Russia and push us back beyond the Urals. Everyone should remember how it ended.”

On that occasion, Putin did not name the names, when he made this charge. *EIR*, however, has done so over the past 20 years. From the mid-1990s on, we have identified the nexus of assets deployed by the British Empire, and extending into Saudi Arabia, and both the liberal imperialist and neo-con apparatuses in the United States, which have used financial, political, and outright guerrilla warfare to try to destroy Russia as a nation. Particularly prescient was *EIR* founder Lyndon LaRouche’s 1999 feature documentary which pointed to the Saudi-Chechen nexus as the spearhead of irregular warfare against Russia.

Complementary to outright separatist and terrorist insurgencies, has been the British tactic known as



YouTube

In his annual address to the Federal Assembly Dec. 4 (left), President Putin identified the Western origins of both the 2004, and December 2014, terror attacks in Grozny, Chechnya.

“color revolutions,” devised at Oxford University, most prominently, and carried out to great fanfare in places such as Ukraine. At a conference in May 2014, Putin and top Russian military commanders documented at length how such “democratic revolutions” are yet another form of warfare against the targeted nations.

From the time Putin began his current term as President (May 2012), it has been the clear intention of the British Empire to create conditions in which he would be removed, by upheaval or even assassination, as a review of one of the Empire’s brashest mouth-pieces, *The Economist*, makes clear, as a means of getting Russia to capitulate their global financial dictatorship.

In the pages that follow, we present the leading documentary evidence of this international open conspiracy.

Post-Cold War Geopolitics: No Rival To Be Allowed

When the Berlin Wall came down in November 1989, there were intense discussions between the NATO nations and the Soviet Union as to future relations. Former U.S. Secretary of State **James Baker III** and former Soviet President **Mikhail Gorbachov** have both confirmed that there was a 1990 understanding between the Soviet Union and NATO that, in return

for Moscow’s acceptance of the reunification of Germany, NATO would not expand eastward, even into the former German Democratic Republic, never mind the other members of the Soviet-led Warsaw Treaty Organization.

That agreement was immediately abrogated when the former East Germany was brought into NATO as part of the reunified country. (After 1999, of course, NATO expansion brought it right up to Russia’s borders, with the consequent threat to Russia’s security.)

By the time the Soviet Union itself collapsed, in December 1991, the George H.W. Bush-Margaret Thatcher alliance had already determined on a course toward the destruction of Russia. The U.S. Defense Department, then run by **Dick Cheney**, commissioned **Paul Wolfowitz** to devise a new defense doctrine, in light of the collapse of the United States’ former rival. As it was revealed in 1992, that so-called “Wolfowitz Doctrine” declared: “Our first objective is to prevent the re-emergence of a new rival, either on the territory of the former Soviet Union or elsewhere, that poses a threat on the order of that posed formerly by the Soviet Union. This is a dominant consideration underlying the new regional defense strategy and requires that we endeavor to prevent any hostile power from dominating a region whose resources would, under consolidated control, be sufficient to generate global power. These regions in-



DoD

Then-Defense Secretary Dick Cheney holds a news conference in 1992 on Operation Desert Storm. Seated are Saudi officials, and Paul Wolfowitz (seated, second from right).

clude Western Europe, East Asia, the territory of the former Soviet Union, and Southwest Asia.”

The Bush, Sr. Administration, and especially **Larry Summers’** Treasury Department and **Vice President Al Gore’s** circles in the Clinton Administration, followed the lead of London in imposing a murderous austerity regime on Russia—one described in great detail by current advisor to President Putin, economist **Sergei Glazyev**, in his book *Genocide, Russia and the New World Order*. The destruction of Russian society by that “shock therapy”—which reduced industrial production by 50%, and led to a skyrocketing suicide rate among men, among other results—was a policy “imposed from the outside by deception and graft,” Glazyev asserted. And it was not until the aftermath of the 1998 GKO crisis, which forced Russia to default on its sovereign debt, that Russian nationalists, such as **Prime Minister Yevgeni Primakov** (1998-99) and President Putin (who took office in 2000) took the necessary actions to reverse the process—thus winning them special enmity from London and neo-con circles in Washington.

Concurrently, the British geopoliticians launched the terrorist/separatist flank against Russia. The focal point for this assault was Chechnya.

A leading propagandist for this was **Prof. Alexandre Bennigsen** of the Sorbonne in Paris. His daughter, **Marie Bennigsen Broxup** (1944-2012), followed in his footsteps, becoming editor of the British quarterly *Central Asian Survey*. In 1996, the year of an interim truce in Chechnya, Marie Broxup undertook what was advertised as a fact-finding mission to the North Caucasus. The message she brought back was: Dagestan is next.

In 1998-99, as North Caucasus irregular warfare shifted, as predicted, to Dagestan, the largest North Caucasus republic, Broxup conducted interviews with more than a dozen Chechen field commanders. The London *Economist*, ever the mouthpiece of the most aggressive British geopolitical circles, editorialized at that time: “Add Dagestan to the list of unruly statelets that threaten to tear up Russia’s southern rim” (July 18, 1998).

Dudayev was encouraged and patronized by then-Prime Minister Margaret Thatcher, her ally **Lord McAlpine** (1942-2014), and the **Minority Rights Group** of Britain, chaired by **Sir John Thomson**, former British ambassador to India and to the United Nations. Thatcher also patronized **Gen. Aslan Maskhadov**, the successor to Dudayev when the latter was killed in 1996.

After the 1996 Chechen truce, a more radical wing



of the Chechen insurgency became its main operational force. It was led by **Shamil Basayev** (1965-2006) and the Saudi-born **Commander Khattab** (1969-2002), real name **Samir Al-Suweilem**—both of them operatives of the British- and Saudi-sponsored international “Afghansi” terrorist capability, dating from Western support for the mujaheddin in the war against the Soviet Union in Afghanistan (1979-89).

From 1996 to 1999, Basayev prepared for an invasion of Dagestan, which took place in Summer 1999. In the same years, Lord McAlpine built business projects, and cultivated political assets in the North Caucasus. McAlpine (who was instrumental in bringing Tony Blair to power in 1997, by defecting from the Tory Party to financier Jimmy Goldsmith’s third party, the previous year) had, as his business partner, in the **Caucasus Common Market Closed Share Society**, none other than **Hojahmed Nukhayev**, a Chechen organized crime figure, who was simultaneously financing the separatist movement.

In 1997, they sought the franchise to operate the Chechen segment of the Baku-Novorossiysk pipeline. Nukhayev and McAlpine also launched the **Caucasus Investment Fund** and **Caucasus Common Market** scheme with billionaire Saudi arms dealer **Adnan Khashoggi**.

The 1999 Dagestan incursion brought British- and Saudi-sponsored Wahhabism to the fore, although the fanatic Wahhabite sect had next to no base in multi-ethnic Dagestan. Basayev’s first major terror attack had come in 1995, when his men seized a hospital in Budyonnovsk, signaling the first expansion of the Chechen war into the rest of Russia.

Basayev wore 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



Baroness Margaret Thatcher, flanked by Chechen President Aslan Maskhadov (left) and Khojakhmed Nukhayev, head of the Caucasus Common Market project, in a 1998 visit to London.

paid three visits to Afghan mujahedeen camps, where I learned the tactics of guerrilla warfare.”

Besides oil deals, such as those of Nukhayev, McAlpine, and Khashoggi, another source of funding for North Caucasus separatism was the Chechen kidnapping industry, which interfaced with drug- and gun-running in the region. Barbaric North Caucasus kidnappings foreshadowed the atrocities of the **Islamic State** today, as in the 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 communications technicians, accused by Chechen gangs of being spies.

The late **Boris Berezovsky**, the Russian financial operator who was close to the Yeltsin regime and was a major factor in Russian policy in the North Caucasus in the late 1990s, made a business of arranging for kidnap victims in Chechnya to be freed, often behind the back of a federal government policy of not paying ransoms.

Shamil Basayev also threatened China. In July 1998, as acting Prime Minister of Chechnya, he issued a threat to Chinese Prime Minister **Zhu Rongji**, that if China once more referred to Chechnya as part of Russia, Chechnya



Shamil Basayev was a leader of the British/Saudi-sponsored Chechen insurgency.

would launch support actions for the Uighur population in Xinjiang Province to split off as an independent state.

When Russian forces drove Basayev out of Dagestan in 1999, he threatened to hit Russia with new acts of terrorism, “such as the world has not seen.” What followed in the years ahead included the horrific Nord-Ost Theater hostage-taking in Moscow, 2002; two major subway bombings in Moscow, two domestic airline flights downed by suicide bombers, and the bloody first-day-of-school hostage-taking in Beslan, North Ossetia (Russia), all in 2004; another Moscow subway bombing and the spread of terrorist bombings into the Volga River basin in 2010, continuing to the present; and the Domodedovo Airport bombing in Moscow, 2011.

Throughout the first decade of the new century, Russia officially protested that the U.K. and the U.S.A. were providing “political asylum to terrorists.” As of 2004, two Chechen separatist leaders, **Ilyas Akhmadov** and **Akhmed Zakayev**, were living under protection, respectively, in Washington and London. Both had been officials of the separatist regime set up under Maskhadov and Basayev. Moscow also unsuccessfully sought the extradition of Berezovsky, who ran afoul of Putin’s new leadership, and lived in London from 2000 until his death in 2013. Interviewed by the *Times* of London in 2008, then-Prime Minister Putin warned that Anglo-Russian relations would never improve, as long as London remained a base for anti-Russian operations, citing Berezovsky and Zakayev in particular.

The Chechens and ‘Islamic Terrorism’

Guerrillas who fought in the North Caucasus insurgencies now form the backbone of the Islamic State.

A number of Islamic terrorist groups functioning from Britain, and containing an important Chechen factor, were already instrumental in shaping predecessors to IS. The most important of these is the Saudi-funded **Hizb ut-Tahrir (HuT)**. Many HuT members are well-trained Chechens who migrated to Jordan more than 100 years ago.

An estimated 1,000 Chechen fighters—veterans of the Caucasus wars, the Afghan War, the Iraq Wars, the Libyan “color revolution” backed by NATO and the United States, and the four-year war in Syria—are among the top IS commanders in both Iraq and Syria.

One such commander, known as **Abu Omar al-Shishani** (“**Abu Omar the Chechen**”) is a former Georgian Army sergeant who fought against Russia in the 2008 South Ossetia War, and then joined the Islamic



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Abu Omar al Shishani (Omar the Chechen) is a former Georgian Army sergeant who fought against Russia in the 2008 South Ossetia War, and then joined the Islamic State, commanding all its operations in northern Syria.

State, commanding all its operations in northern Syria. His actual name is **Tarkhan Batirashvili**; he is from the Pankisi Gorge region of northern Georgia, which has been a major recruiting hub for jihadists. Saudi Arabia has provided vast quantities of money, and has flooded the region with Wahhabi clerics since no later than the Balkan Wars of the 1990s.

Not surprisingly, given its London “mother,” the IS has been vocal about targeting President Putin and Russia, in its drive for a universal Caliphate. A case in point was a YouTube video posting on Sept. 2, in which purported IS militants delivered the following message, along with a picture of Russian jets delivered to the Syrian government: “This is a message to you, oh Vladimir Putin; these are the jets you have sent to [Syrian President] Bashar [al-Assad], we will send them to you.... And we will liberate Chechnya and the entire Caucasus, God willing.”

ISIS and its ideological, if not literal, partner **al-Qaeda**, has also declared war against Russia’s strategic ally China. The Ramadan message on July 1, 2014 from putative ISIS leader **Abu Bakr al-Baghdadi** put China

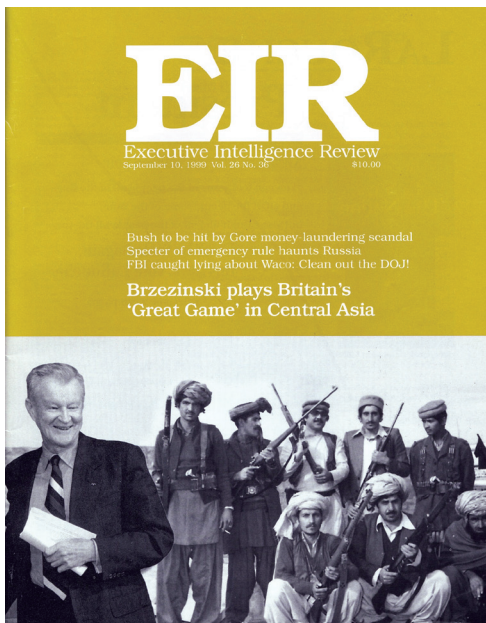
first, among a long list of nations accused of forcibly violating the rights of Muslims, and concluded “So by Allah, we will take revenge! By Allah, we will take revenge!” Al-Qaeda’s English-language magazine *Resurgence* on Oct. 22 also featured an implicit call for jihad against China, declaring that al-Qaeda’s “victory” would be a “deathblow” against that nation.

The Chechen/Ukraine Connection

The Ukrainian “color revolution” against Russia also relies on strong links that exist between the neo-Nazi Banderite terrorists in Ukraine and the Chechen terrorists. This collaboration underscores the fact that terrorism and “color revolutions” carried out under the banner of “democracy,” are two dimensions of the same strategy.

EIR has documented at length the way the current Ukrainian regime was installed in the February 2014 coup, which occurred under pressure of neo-Nazi groupings, whose roots trace back to the pro-Nazi Banderite **Organization of Ukrainian Nationalists (OUN)**. Current Ukrainian movements, including the **Right Sector** and the **Svoboda Party**, openly boast of their Banderite roots, and played a key role in the Maidan Square violence that led to the overthrow of the legitimately elected Yanukovych government.

At the close of World War II, **Stefan Bandera** and his closest collaborators, who had facilitated Hitler’s occupation of Soviet Ukraine in 1941 and had joined in the Nazi murder of Jews and Poles, were shielded from war crimes prosecutions. Instead, they were recruited by Britain’s MI6 and by U.S. intelligence agencies to form a core part of the anti-Communist terrorist underground inside the Soviet Union. The U.S. and British



intelligence patronage of the wartime Nazi collaborators carried forward all the way to the breakup of the Soviet Union, and beyond. Many of the current leaders of the Right Sector and other Banderite parties in Ukraine today are second- and third-generation leaders of the original OUN network.

From that early period, under MI6 and CIA supervision, the Banderite Ukrainian neo-Nazis were linked up with Islamist networks in the Caucasus that also traced their roots to World War II-era Nazi collaboration. The Islamist networks were affiliated with the **Muslim Brotherhood**, which had its roots in the British occupation of the Suez Canal Zone in the late 1920s. British intelligence operative **Dr. Bernard Lewis** labeled the destabilization program against the Caucasus and Central Asian regions of the Soviet Union the “Arc of Crisis.” Lewis came to the United States in 1975, and became a mentor of many of the U.S. political figures engaged in the post-Cold War targeting of Russia, including **Zbigniew Brzezinski** and Dick Cheney.

As early as 1995, Ukraine fascists from the Bandera OUN stable joined forces directly with Caucasus jihadist terrorists, starting with the First Chechen War.

One of the components of the Right Sector, the violent Banderite group that was instrumental in scotching the French-German-Polish-sponsored agreement of Feb. 21, 2014 and in the overthrow of elected President Victor Yanukovych the next day, was the **Ukrainian National Assembly-Ukrainian National Self-Defense (UNA-UNSO)**. Originating as paramilitary units of an alliance of right-wing grouplets in 1991, UNA-UNSO chose as its leader **Yuri Shukhevych**, son of Banderite military commander **Roman Shukhevych** from the World War II era.

The younger Shukhevych remained committed to a guerrilla war to defeat Russia once and for all. Some UNA-UNSO units and individual volunteers from the UNSO joined the Chechen insurgents against Russia, under Jokhar Dudayev in 1994-95. One of them, **Alexander Muzychko** (“Sashko Bily”) a prominent Right Sector figure killed under mysterious circumstances in Spring 2014, for a time headed up Dudayev’s security detail. The investigative journalist **Tetyana Chornovol**, initially, the **Authorized Representative for Anti-Corruption Investigations** in the post-coup Kiev regime, had handled UNA-UNSO liaison with Chechen insurgents in the 1990s.

The late **Vasyl Ivanyshyn**, co-founder of **Tryzub Bandery (the Bandera Trident)**, another Right Sector component, also had Caucasus connections, appearing in Chechen separatist media to boost a joint struggle against “the Muscovites.” In May 2007, Tryzub set up an **International Anti-Imperialist Front**, which was joined by the **International Movement for Decolonization of the Caucasus (IMDC)**, headed by **Ahmad Sardali**, who, in 1999, had been part of terrorist Shamil Basayev’s **Islamic Shura of Dagestan**—the project to invade Russia’s North Caucasus republic of Dagestan from Chechnya, which touched off the Second Chechen War (1999-2009).

The involvement of these Banderite groups—all of them enjoying the sponsorship of U.S., British, and NATO agencies both before and after the breakup of the Soviet Union—along with Chechen separatism, should be seen in the context of the radical nationalists’ belief that Ukrainian lands should extend eastward to the Don River. In other words, all of southern Russia north of the Caucasus, including the breadbasket Stavropol and Krasnodar Territories, along with the Belgorod and Bryansk Regions, should become Ukrainian.

The activation of the Banderite and Chechen terrorists inside Russian and Ukrainian territory has been run, top-down, from an Anglo-Saudi intelligence infrastructure associated with the “Al Yamamah” project (started in 1985), under which oil-for-weapons barter agreements between the British and Saudi monarchies created off-shore black funds to bankroll the terrorist networks. Thus, in July 2013, the then-head of Saudi

The West’s Plan To Dismember Russia



Zbigniew Brzezinski's 1997 book *The Grand Chessboard* featured this map (also published in the CFR journal *Foreign Affairs*), illustrating plans to break up Russia.

Arabia’s intelligence service, **Prince Bandar bin Sultan**, met with President Putin and delivered direct threats of jihadist terrorism against the upcoming Sochi Winter Olympics—unless Russia abandoned its support for the Assad government in Syria.

Within days of Putin’s stern rebuke of Bandar’s blackmail effort, **Doku Umarov** issued a statement vowing that the Sochi Olympics “must not be allowed to happen by any means possible.” He called on Chechen fighters in Syria to return to the Caucasus in preparation for the planned terrorist onslaught against the Sochi Games. Umarov boasted that his “**Riyad-us-Saliheen Brigade** is now replenished with the best among the best of the mujahedeen, and if the Russians do not understand that the war will come to their streets, that the war will come to their homes, so it is worse for them.”

A Common Mother in London

While the Saudi role in the promotion of jihadist terrorism against Russia has been well-documented and is known within the U.S. diplomatic community in detail, the role of the British in fostering the same networks is less understood and largely covered up. The British Empire has cultivated and used Islamic radicalism for centuries, and played a key role in bringing the Wahhabite kingdom to power. In the 20th Century, one of



Assistant Secretary of State Victoria Nuland hands out food to Ukrainian “rebels” in the Maidan December 2013, during the neo-Nazi coup. U.S. Amb. Geoffrey Pyatt tags along.

the leading British “Islamists,” later transferred to the U.S., was Bernard Lewis, who developed the Brzezinski strategy of using the “Islamic card” in the so-called “Arc of Crisis” around the Soviet Union.

As early as 1999, the Russian government had filed two formal diplomatic protests with the British Foreign and Commonwealth Office, detailing the widespread recruitment of Islamist fighters in mosques throughout the United Kingdom. During this period, **Osama bin Laden’s** al-Qaeda maintained public offices in the London suburbs, and scores of terrorist groups from around the world enjoyed protection, funding, and logistical support from British intelligence services. The details of the British protection racket were provided in January 2000 by *EIR*’s editors to **Secretary of State Madeleine Albright**, proposing that Great Britain be placed on the Department’s list of state sponsors of terrorism.

Victoria Nuland was typical of an extensive network of U.S.-based neo-conservatives and “humanitarian interventionists” who form part of the same apparatus represented by the British protection of terrorist cells on British soil.

Nuland’s husband, **Robert Kagan**, a leading American neo-con, was a founding member in 1999 of the **American Committee for Peace in Chechnya**, an organization created by **Freedom House**, which fostered support for the destabilization of Russia’s Caucasus region. The group was launched by Brzezinski, **Gen. Alexander Haig**, and former **Congressman Stephen Solarz** to provide public backing to the terrorist-sepa-

ratists operating in Chechnya. When the Second Chechen War ended, the American Committee simply changed its name to the **American Committee for Peace in the Caucasus**, and broadened its targeting. It was still active as late as 2013.

President Obama has given strong personal support to the “color revolution” warfare against Russia, the Middle East, North Africa, and China, actively promoting the idea of **Responsibility To Protect (R2P)**. R2P claims that national sovereignty is trumped by the “responsibility” to intervene preemptively against potential future human rights violations. It is a broad license for regime change. In August 2011, President Obama signed Presidential Study Directive 10, establishing the **Atrocities Prevention Board** within the National Security Council. Its first head was **Samantha Power**, now the U.S. Ambassador to the United Nations.

While there has been strong pushback against the Board and the adoption of the R2P rationale for regime change from within the U.S. military and diplomatic circles, the Obama White House has fully embraced the doctrine of “post-Westphalian” end of national sovereignty, promoted in 1999 by then-British Prime Minister Tony Blair. As long as Obama is permitted to pursue that policy, the world is on a course toward World War III.

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Oil Plunge Can Trigger ‘Subprime’ Debt Crash

by Paul Gallagher

Dec. 10—What began as a British-Saudi financial warfare weapon against Russia and Iran—the so-called “oil sanction”—is turning into an unpredictably bouncing hand grenade which may blow out a large debt bubble over the bankrupt U.S. economy.

Warnings are now starting to proliferate, as the price of West Texas Intermediate crude oil has fallen to the low \$60s/barrel, that a wave of defaults of “high-yield,” or junk, energy debt, could trigger a broader mass default in the high-yield debt markets as a whole, which represent a couple of trillion dollars in very leveraged debt. High-yield energy debt is variously reported to constitute 20-30% of that bubble.

One of Two Results Possible

During the last decade’s “shale oil boom” which has propelled the United States toward the world lead in oil production, oil companies here and in Europe have taken on record levels of debt. This is true both of the independent shale oil producers and of the long-established oil majors, although for different purposes. The repayment of that debt requires prices for a barrel of (Brent crude) oil which range from \$80-85 to \$120.

Therefore, the Saudi-triggered plunge in oil prices from \$110-115/barrel this past Summer, to \$60-65 now, will have one of two results: Either the price will shoot abruptly back up in 2015, or the collapse of energy debt can trigger a financial crash in the U.S., as it already has in Norway.

This point was made by economics columnist Liam Halligan in the *Telegraph* Dec. 1. His colleague Ambrose Evans-Pritchard had written several data-loaded columns since July, comparing the petrochemical sector currently to the mortgage sector in 2006-07 and the role of “subprime” debt in the 2007-08 crash. The petroleum sector is overloaded with debt whose basis is an appreciating oil price. This, despite persistently depressed demand since the 2008 financial collapse.

The International Energy Agency (IEA), in a report of July 29, 2014, made clear that since 2008, the oil industry has been borrowing about 20% of the cash it needs, or about \$100 billion a year, net new debt. Its total debt has rocketed to about \$1.6 trillion, with revenues of under \$600 billion a year *at \$110/barrel average*. If the oil price remains in the \$60-70 range, that would become \$1.6 trillion in debt *based on less than \$400 billion in revenues*—a ratio perilously close to the definition of “unsecured leveraged lending” in banking terms.

And Evans-Pritchard wrote in September, when the oil price was in the \$90s, that “The world’s leading oil and gas companies are taking on debt and selling assets on an unprecedented scale to cover a shortfall in cash, calling into question the long-term viability of large parts of the industry. . . . Companies appear to have been borrowing heavily both to keep dividends steady and to buy back their own shares, spending an average of \$39 billion on repurchases since 2011.”

Financial columnist Andrew Critchlow found, in the *Telegraph* on Nov. 14, that oil shale drillers had come to be nearly one-third of all “high-yield, sub-investment grade” (sub-prime) borrowers in the United States. And that if the oil price stayed in the \$60s, 30% of high-yield B- and CCC-grade [energy] borrowers would default: “A shock of that magnitude could be sufficient to trigger a broader high-yield market default cycle.”

‘Mini’-Financial Crash?

Debt defaults have already begun to hit in the North American shale oil/gas industry, due to the collapsed oil price and the relatively great inefficiency of the hydraulic fracking technology. More significantly, credit has quickly frozen up in this sector in the past two months, and the effects are spreading to the “high-yield” bond and loan markets as a whole.

The Dec. 5 *Dallas Morning News* carried one such warning on its front page: “As Prices Fall, Fears Rise About Massive Debts Taken On in Boom.” “Already trouble is emerging in the usually steady bond markets,” the paper reported. “Among the nation’s largest energy companies, the ratio of debt to earnings, a key measure in determining a company’s leverage, has almost doubled since 2011. And now that forecasts of even lower oil prices are emerging, the value of high-yield bonds in the energy sector has plummeted.”

For reasons presented in the article following, namely the great economic inefficiency of the “shale oil and gas revolution” since 2009, it has consumed a great deal of capital investment to keep new holes constantly drilling while prior holes gave out—an estimated 35% of all U.S. capital investment since 2009. It has accounted for one-third of all net employment creation in the U.S. economy since the end of 2007: roughly 400,000 jobs. That investment has been heavily leveraged with debt of the “high-yield” variety, which can be analogized to “subprime” debt in the mortgage bubble.

What is the relation of this high-yield energy debt to the entire high-yield debt market (leveraged debt and junk bonds)?

Former Reagan budget chief David Stockman, on his “ContraCorner” website Dec. 9, estimated that the now-shaking high-yield debt bubble in energy is \$500 billion—\$300 billion in leveraged loans and \$200 billion in junk bonds. *EIR* had also estimated, Dec. 7, that high-yield energy debt is close to one-quarter of the

more-than-\$2 trillion high-yield market.

In that junk energy debt market, interest rates have suddenly leaped, in the past 45 days, from about 4% higher than “investment grade” bonds, to 10% higher; i.e., credit in that sector has effectively disappeared, triggering a sudden 40% drop in oil drilling permits, and the start of defaults of the highly leveraged shale companies and their big-oil sponsors.

Bloomberg News reported Dec. 8 that Southern Pacific has hired Royal Bank of Canada to advise on quarterly interest payments it can’t make on C\$432 million of bonds. Conacher, with C\$977 million in debt, hired Bank of Montreal to advise on a similar default.

In the larger, \$2 trillion high-yield debt market as a whole, interest rates have also risen sharply, so far by 2-2.5%: i.e., contagion.

Whether this bubble, which is only about one-fifth the size of the mortgage debt which melted down in 2007, could detonate a broader “reverse leverage” blowout, is now the subject of analyses that claim it is “contained.” The term is familiar. *Business Insider*, for example, published a chart estimating the big U.S. banks’ exposure to oil/gas debt at 2.5% of their total assets, with Citibank an outlier at 7% (about \$65 billion).

But according to a Brown Brothers Harriman analysis published Dec. 6, the energy sector has just suffered its own “Minsky moment.” That term refers to the point in time when a commodity which must, to sustain the debt leveraging it, go up indefinitely—takes a sudden turn lower and starts a debt crisis. “A lot of things were leveraged based on oil prices that can only go up,” states the analysis.

Whether the debt collapse will be mini or maxi, may be determined in the markets for \$20 trillion in commodity derivatives exposure. About \$4 trillion of that exposure is energy commodity derivatives exposure of the half-dozen largest U.S.-based banks. And because the shale energy producers have bought derivatives contracts from these banks to protect themselves against a plunge in oil prices, there is good reason to believe that the big banks’ \$4 trillion energy derivatives exposure consists largely of bets in the wrong direction now.

Is it a coincidence that Republican leaders in Congress are in a strong push, with Wall Street, to pass legislation to allow commodity derivatives, among other types of these financial weapons of mass destruction, to be put under FDIC insurance?

This, on the path to another financial blowout.

Fracking—A Stupid Move By the ‘Global Players’

by Andrea Andromidas

In July 2014, the Bank of America circulated a report which stated: “With the delivery of 11.6 million barrels of crude oil and liquefied natural gas, the United States of America has exceeded, by a small margin, Saudi Arabia’s production level.”

While domestic passions, intoxicated by this momentary snapshot, based on the long-sought dream of making America into the geopolitically dominant raw-materials supplier had been fulfilled, taking stock of the real economy can lead to no other conclusion than that this presumed high-altitude flight will be followed by a steady, or even an abrupt fall.

In fact, what is happening to American energy policy, very much like the German exit from nuclear power, is a radical departure from the principle of security and economic viability, in favor of a gigantic inflation of financial market profits. The current low price of energy should not distract anyone from the fact that the Pickens Plan (2008),¹ including the so-called “fracking revolution,” is saddled with the same fatal problems of inefficiency as is the German exit from nuclear.

In Germany, too, the public was deceived with false optimism about the large quantities of electricity to come from solar and wind technology. These promises were overshadowed a long time ago by gigantic price increases, and the suspicion, even dawning on Energy Minister Sigmar Gabriel, that this insane undertaking is ultimately so uneconomical that it may crash the entire industry into a brick wall.

Setting a False Course

An industrial nation like the United States must essentially do what was normal policy until the middle of the 1970s: While perfecting the current nuclear fission technology, at the same time, investing in the future

technology which offers a fundamentally higher energy-flux density, which today would be nuclear fusion. That is the way China and other Asian nations are going. But, already in 1977, the Carter Administration put on the brakes by giving up, step by step, the planned investments in the already promising fusion technology, until only a sad residue remains today.

Fortunately, in spite of this, at least the current inventory of about 100 nuclear plants in the United States is not put in question, and five more are in the process of construction. Moreover, since an exit from nuclear power is not anticipated, at least an escape route remains open for the case that the present [fracking] policy fails.

Nevertheless, instead of investing in the future, America, since 2001, has been tinkering with the plan of T. Boone Pickens, publicized seven years later, which, not unlike the German “energy revolution,” represents a return to the energy-flux densities of the Middle Ages, with wind and solar. What remains generally hidden in all the press hype on the subject of “fracking,” is the fact that this so-called fracking revolution is only the gateway to a “green economy,” with its own financial market swindles and similarly lunatic geostrategic plans.

Dangerous Miscalculations

In contrast to the usual methods of recovery of fossil fuels, the technique called hydraulic fracturing, or “fracking,” is promoted as enabling the exploitation of difficult-to-access reserves of oil and gas. In order to be able to exploit these resources under difficult conditions, a correspondingly higher expenditure is necessary, which is inevitably associated with a price increase. Thus, this does not involve a future technology, but rather one which makes exploitation possible for a certain period, or under certain circumstances, but is burdened from the start by the problem of inefficiency. As we will see below, the real interest of the “green economy” lobby does not lie in the technology as such, but in the shift of economic weighting in the direction of financial market operations,

1. Thomas Boone Pickens runs the hedge fund BP Capital Management, and is among the richest investors in the oil and gas business, and financed the election campaigns of George W. Bush.

even if it destroys important parts of the real economy.

The course was set in this direction when President George W. Bush formed the National Energy Policy Development Group (NEPDG) at the start of Bush's first term in 2001; it was later usually called the Energy Task Force. Under the leadership of Vice President Dick Cheney, and excluding any public input, lobbyists of the biggest energy companies, including Enron, ExxonMobil, Conoco, Royal Dutch Shell, BP Oil, et al., planned "a new energy future for America." Its meetings took place in the White House.

With the Energy Policy Act of 2005, during Bush's second term, there appeared a couple of legal amendments to smooth the way to this new future, including subsidies and tax incentives for investments in all kinds of alternative energy technologies, as well as regulations setting the proportion of biofuels required in gasoline. In order not to come in conflict later on with environmental regulations, it was already ensured in 2005 that everything associated with fracking technology would be excluded from the Safe Drinking Water Act of 1974.

But all of that was still not sufficient to guarantee profitability to the financial markets. For that, it was necessary to repeal the regulations stemming from the experience of the 1929 Crash and the subsequent Great Depression. The repeal without replacement of the Public Utility Holding Company Act (PUHCA) of 1935,² in 2005, was followed in 2010 by a change of still more serious consequences in the Securities and Exchange Commission (SEC), as we will see in a moment.

To be able to understand the full dimension of this change, one must first look at the problem of the inefficiency associated with "fracking," which is not a new discovery. It was determined already in 2004 that a drill hole (Robert Heuer 1-17R), located in the Bakken Shale Basin in North Dakota, did indeed, at the beginning, lift



EPA/Jim Lo Scalzo

Fracking, or hydraulic fracturing, is not only a blight on the landscape, it is a huge scam, aimed at fattening the coffers of the highly leveraged banks, and worse, take energy levels back a millennium to the Middle Ages. This is a fracking site in the Lehigh Valley, Pa.

an impressive 2,358 barrels in a single month, but that that level sank by 69% in the year that followed.

Other, later, spectacular holes, such as Serenity 1-3H of Chesapeake Oil in the vicinity of Oklahoma City, confirmed this trend. In 2009, some 1,200 barrels a day were lifted there; three years later, it was just 100. At least we had received an early warning that we had to deal with the short lifetime of the sources, in distinction to conventional exploitation of gas and oil. It was in stark contrast to Saudi Arabian fields, for example, where the Ghawar Field, which has been producing since 1951, has lost some production, but still pumps 5 million barrels a day.

The fact that we have to contend with the extremely short lifetimes of the fracking sources means, above all, that exploitation can only be maintained by the constant drilling of new hole. According to an estimate by Global Sustainability Research, 6,000 new holes must be drilled annually in the United States, with an investment expenditure of \$35 billion. It was also known that drill holes lying immediately next to one another were not necessarily equally good, but could show enormous differences in yield. It has sometimes proved to be the case that just 20% of the holes drilled in a field met economic expectations, and sometimes, even less than 10%.

But since any orientation to real economic considerations has long since ceased to be controlling, these facts were swept aside.

2. This law was enacted in 1935 to prevent holding companies which were responsible for public energy supplies, from again diving into speculative transactions.

Nature: Study Sees Fracking Fall-Off

A study by University of Texas researchers, reported in *Nature* Dec. 3, foresees less shale oil and gas in America's future than promised in all the industry's projections.

The article by Mason Inman says that the Texas researchers have produced the most authoritative study of the U.S. "shale revolution" to date, by analyzing figures from individual blocks in the shale basins, at 20 times as high a resolution as the Energy Information Agency (EIA), which uses data by county.

The researchers analyzed four big shale gas fields, or "plays," which account for two-thirds of current U.S. shale gas production: Marcellus (in Pennsylvania), Haynesville (Texas/Louisiana), Fayette (Arkansas), and Barnett (Texas). They con-

cluded that natural gas production from these four fields would likely peak by 2020 (just five years away) at about 250 billion cubic meters of gas per year—some 10% higher than it is now—and fall by 2030 to 150 billion cubic meters annually.

By contrast, the EIA has consistently forecast shale gas production doubling by 2040, including 325 million cubic meters being recovered from the above four fields by that year. Several industry projections, including one by Goldman Sach, are far higher still, and have been the basis for extremely high and leveraged investments in shale "plays"—approximately 25% of all U.S. capital investment since 2010.

The argument already raised against the University of Texas study is that it does not assume continuing technological advance in shale fossil fuel recovery. But this is technological "advance" which makes such recovery more expensive, unstable, and environmentally degrading than the previous technology.

—Paul Gallagher

The Gold Rush Re-enacted

The change in orientation to speculative financial market operations had been long desired on Wall Street, and had been underway for at least two decades. But for a long time, the regulations of the supervisory agency for the exchanges, set up under Franklin Roosevelt in parallel to the Glass-Steagall Act, were in the way. These strict regulations with which FDR had driven out of the real economy the speculative activities that caused the market crash of 1929, were no longer desired. Much more under the pressure of the finance lobby, and less under that of industry, as is claimed, the SEC, since the end of 2008, worked on changing the regulations for exchange-listed firms in the oil and gas industry.

Prior to this change, these firms could only count ownership of those reserves whose future yield was geologically estimated as secure, and which were in the immediate vicinity of already existing wells. But the new rule made it possible to include in the reports to investors, wide-ranging fields on the basis of their presumed future yield, and expert testing of this by a third party was no longer demanded. The new rule took effect in January 2010, under the heading "Modernization of Oil and Gas Reporting," which read:

"The Commission is adopting revisions to its oil and gas reporting disclosures which exist in their cur-

rent form in Regulation S-K and Regulation S-X under the Securities Act of 1933 and the Securities Exchange Act of 1934, as well as Industry Guide 1. The revisions are intended to provide investors with a more meaningful and comprehensive understanding of oil and gas reserves, which should help investors evaluate the relative value of oil and gas companies.

"In the three decades that have passed since adoption of these disclosure items, there have been significant changes in the oil and gas industry. The amendments are designed to modernize and update the oil and gas disclosure requirements to align them with current practices and changes in technology. The amendments concurrently align the full cost accounting rules with the revised disclosures. The amendments also codify and revise Industry Guide 2 in Regulation S-K. In addition, they harmonize oil and gas disclosures by foreign private issuers with the disclosures of domestic issuers."³

Since the introduction of the reporting requirement in the framework of the Carbon Disclosure Project,⁴

3. "Securities and Exchange Commission, Modernization of the Reporting Requirements for Oil and Gas Companies," Jan. 1, 2010.

4. The Carbon Disclosure Project was founded in 2000 in London, and is now backed by 655 investors. It has exchange-listed companies report to it once a year on the state of their CO₂ and water "footprint." This is used to value and sell options on the financial markets.

completely imaginary amounts of CO₂ emissions are marketed, and the above-cited “revisions” signify nothing less than the legalization of fraudulent statements.

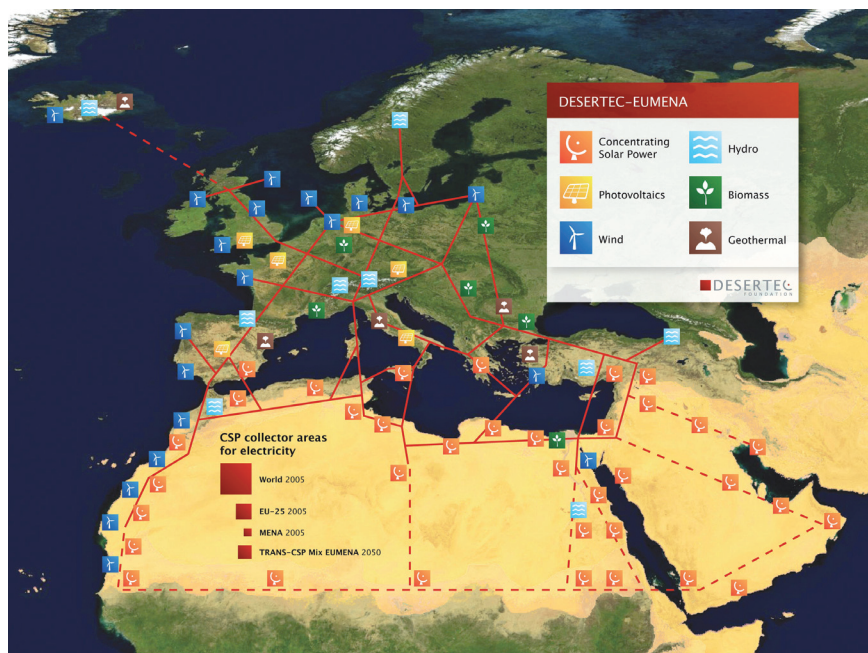
With this change in the law, the precondition was created for massive manipulations of revenue and profit forecasts, uncoupled from any realistic basis, solely in order to attain gigantic financial gains. Is it any wonder, that companies arbitrarily increase their attractiveness to investors on the basis of this swindle? As the *New York Times* reported in 2011, of the 19 biggest companies in the industry, 7 abruptly increased their reported reserves by 200%, while expenditures for exploitation fell accordingly, to their advantage.

As a consequence of this wonderful “growth,” funds and certificates are popping up like mushrooms out of the ground: funds for drilling equipment, rail transport, LNG (liquefied natural gas)—funds for everything connected in any way with shale gas profits. It is precisely here that one sees what a real economic disaster follows from the miscalculations made under the new exchange law: The U.S. Geological Survey, reporting on the case of the Marcellus Field in Pennsylvania, said that the misestimation was in the range of 80%.

Write-offs have therefore been on the agenda since 2009, and for many companies, the large investments are already at the borderline of what is feasible under today’s conditions, and fall below that line with an oil price below \$70 per barrel [It is now about \$60—ed.]. Loder and Arnsdorf reported in *Bloomberg News* on Oct. 10, that CEOs are under financial pressure, solely to impress investors, to make public reports of reserves which are still 5 to 27 times (!) higher than what has been reported to the exchange authorities.

Depletion of the Real Economy

The over-hyped expectations for the creation of employment in fracking were just as misleading. According to a study by the State of Ohio, the shale gas revolution was supposed to create at least 200,000 new jobs. In reality, it was 20,000. For Pennsylvania, the estimate was 100,000, and in the end it was 44,000.



The Desertec project to build solar reflectors in the Sahara Desert was the brainchild of the genocidal Club of Rome; it has now gone the way of Ozymandias.

But the fracking business, saddled with these problems of inefficiency, will go completely out of control, no later than when the attempt is made to construct the entire energy supply of an industrial nation according to the rules of the game of this financial market swindle. Where are the pipelines that will bring the recovered oil out of sparsely populated North Dakota to the industrial centers? Where are the ports through which the liquefied natural gas is to be shipped overseas? None of this is available.

This problem immediately recalls the senseless plans which the great global players originally had for the now miserably failed solar energy project known as Desertec. The German nuclear exit also struggles with this same nightmare of retrofitting: Multiple large power transmission lines have to be built all across Germany in order to bring the energy from the North Sea windmills to the industrial centers in the south.

Thirteen years after the installation of the first offshore wind turbines in Blyth Harbour in northeast England, the firm TAG Energy Solutions finds that wind turbines in the sea are perhaps the most expensive way of producing electricity. Thanks to the subsidies paid out for this, some financial sharks have been able to skim off large profits in the interim. All under the motto: “Après moi, le déluge.”



Wikimedia Commons

Windmills, like these offshore wind turbines in Blyth Harbour, U.K., are the most expensive way to produce electricity. Only fat government subsidies have allowed the financial sharks to skim off big profits.

Equally criminal are the actions of Warren Buffett, who is among the initiators of the fracking swindle, with his Berkshire Hathaway firm. In 2009, Buffett was allowed to buy all the rail lines for the future transport of the oil derived from fracking, for \$34 billion, and it is no surprise that he has since given preference, in the use of this rail empire of now more than 32,500 miles of railroad routes, to the transport of drilling materials and the evacuation of the raw material, which rose particularly sharply from 2012 to 2013.

After hearings in Washington in the Spring of 2014, the American Surface Transportation Board found itself forced to demand that Buffett's BNSF (Burlington Northern Santa Fe) railroad not hinder the transport of agricultural fertilizers.

A similar problem exists in California, which, as is well known, has been struck by a pronounced multi-year drought, and for obvious reasons, cannot spare the water which is now being used, in not insignificant quantities, for fracking.

But it is not only greed which prompts people like Buffett to compete with food production in their own country. In May 2009, he participated in the Billionaires' Club meeting in New York, at which Bill Gates, George Soros, Ted Turner, Michael Bloomberg, and others got together to talk about their common goal: reducing the Earth's population. These people know very well that a flourishing financial market swindle kills two birds with

one stone: It fills their pockets, and at the same time, takes down society's industrial production.

So it is not at all surprising that this same Billionaires' Club controls and finances the radical environmental movement in the U.S.A., as was made public by U.S. Senate Environment and Public Works Committee staff members Luke Bolen and Cheyenne Steel in their report of July 30, 2014.⁵ It was the Club of Rome who nominated the new gods of Olympus—investors—who for three decades now have been acting on the motto that material growth has long since reached its limits. The motto of the investors is "intangibilized growth": capital market profits instead of production.

The Pickens Plan

From this shaky ground now arises the dream of an energy-independent America, which replaces Saudi Arabia in its role as the world's leading oil producer, to make the world dependent on it, and thereby enable the U.S. to dominate the globe. But there has arisen also the suspicion that the Pickens Plan, the poster-child of the neo-conservative American Enterprise Institute, since its launch in 2008, will lead quickly to the true intent behind the foolhardiness of this plan: the belief that its backers will realize the old British imperial plan for a world government.

The plan goes as follows: The money that America pays OPEC for imports will be saved by the fracking revolution. Thus, not only will the payments to the Saudi sheikhs disappear, but also, the dependency on a region which, in any event, is sinking into chaos. Instead, America will construct the entire infrastructure for this new enterprise, in order then to export oil and gas to the entire world, especially to Europe, China, and other strategic partners in Asia.

The funds thus generated will not only serve to take down America's trade deficit, but beyond this, will also pay for the complete renovation of the U.S. energy supply system: giant wind parks in the Great Plains; solar power plantations in the sunny South; a modern

5. U.S. Senate Committee on Environment and Public Works, "How a Club of Billionaires and Their Foundations Control the Environmental Movement and Obama's EPA," July 30, 2014.

power grid; conversion of all vehicle fleets to natural gas or biodiesel; and insulation of buildings. T. Boone Pickens will personally invest \$1 billion in wind turbines. This is all supposed to be complete in ten years.

From the German standpoint, it is interesting that this plan existed long before the accident at Fukushima.

Chancellor Angela Merkel, who has always signaled that she inclined more to the claims to power of the big investors, than to her own expertise in physics, perhaps saw, during the days of the Fukushima accident, her great chance to use the exit from nuclear in Germany to reach for the stars, and break into the ranks of the global players.

Here, as well as there, one must give credit and honor to those experts who warned long ago, that this enterprise amounted to nothing more than a giant Ponzi scheme.

Like Desertec, this entire strategy will collapse into the sand more quickly than some suspect, and those who still today are letting themselves be blinded by the promise of fuel deliveries obtained, or low energy prices, will soon have to think otherwise.

This article originally appeared in the German weekly Neue Solidarität Dec. 3, 2014, and was translated by EIR.

Fracking Exacerbates U.S. Drought Crisis

In California, Texas, and other parts of the West, drought is a national and world-scale water and food emergency. Nevertheless, hydraulic fracturing (fracking) is consuming huge volumes of water for oil and gas extraction.

A 2014 report by the Boston-based Ceres, found that 47% of all new fracking wells opened in the U.S. and Canada over the 29-month period January 2011 to May 2013 were in areas of high water stress. The map shows four such areas for the U.S.

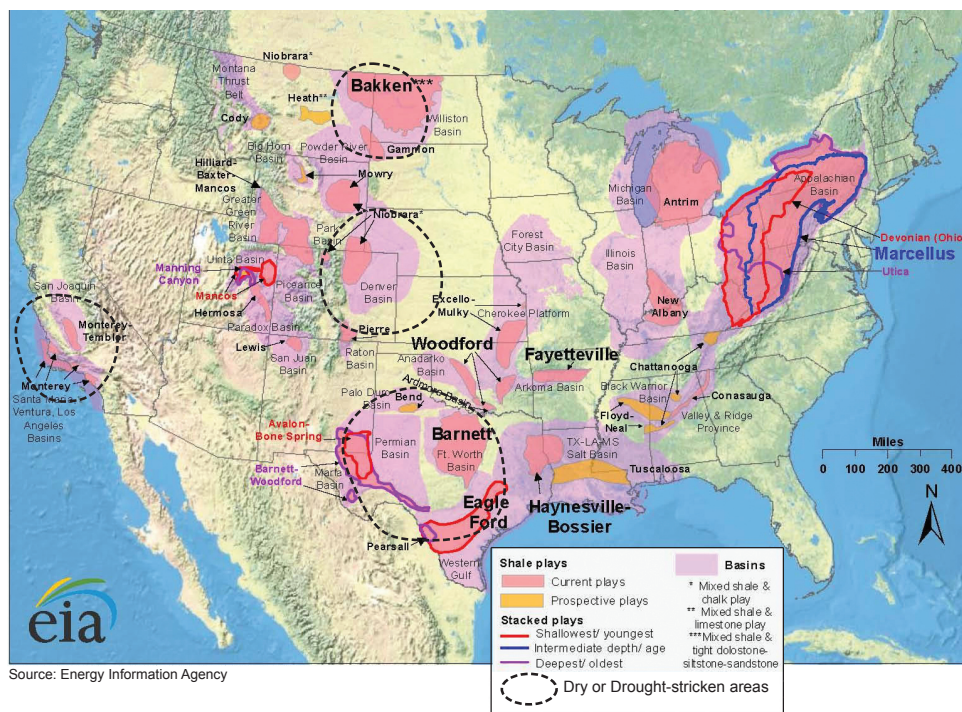
Drought-stricken Texas, during this time period, had 9,000 new wells opened in places of extreme water shortage, and another 9,000 in dry-prone locations.

Only about 5% of all water used for fracking in these regions has been recy-

clad; that is, 95% is “consumed,” and gone. This has directly led, in such places as West Texas and eastern New Mexico, to ranches shutting down, and towns running out of water.

The volume of water consumed in these wells overall, in the United States and Canada, over a 2.5 year period, amounted to 367 million cubic meters (97 billion gallons). That is equivalent to the municipal water use of a city of 1 million people for a year.

—Marcia Merry Baker



Source: Energy Information Agency

SCHILLER INSTITUTE EVENTS

The BRICS and Hamilton: What Americans Need To Know

by Dennis Speed

Dec. 15—The Schiller Institute convened a conference on Dec. 13 in New York City, titled “Alexander Hamilton’s New BRICS Paradigm Can Save the United States.” How so, you ask? The Institute, which is mobilizing Americans to join the drive of the BRICS nations for technological progress and development, in opposition to the bankrupt trans-Atlantic system, showed that it is precisely Hamilton’s standard of physical economic growth which the BRICS are putting into effect. Bringing the United States into the BRICS effort will mean restoring Hamilton’s American System of political economy—and thus reviving the shattered economic landscape of this country.

Mike Billington, a co-author of EIR’s new report *The New Silk Road Becomes the World Land-Bridge*, gave the keynote speech, beginning with a moral challenge to the audience: “We have heard from Schiller Institute founder Helga LaRouche of the stark choice we have to make today. It’s very much like the choice that Martin Luther King made, where each individual is faced with



EIRNS/Stuart Lewis

Statue of Alexander Hamilton in New York City. His economic concepts are in harmony with the initiatives of the BRICS countries today.

the question of whether or not they will take up the mission to deal with the crisis that threatens, literally, all of civilization.”

The conference, one of more than 25 such events planned to take place in North America in December, sought to answer Chinese President Xi Jinping’s offer to the United States to join the efforts of the BRICS nations (Brazil, Russia, India, China, South Africa), by inspiring American citizens to take responsibility for making the right choice.

Over the last week, Schiller Institute events on the BRICS perspective were held in Houston, Detroit, and San Francisco, in addition to Alexander Hamilton’s New York City. All began with a video presentation by Helga Zepp-LaRouche (see below). The Houston event

also featured a contribution from BRICS collaborator Egypt, which is appended.

The Hamiltonian Principle

Moderator Dennis Speed reminded the audience that “on Dec. 13, 1790, 224 years ago today, Hamilton

submitted to the Congress of the United States his *Report on the National Bank*. This is the second of four Hamilton writings, which are, as a body, the most important documents in the science of physical economy.



Dennis Speed

They are the most important documents after Gottfried Leibniz's 1672 essay "Society and Economy," which established the science, and Benjamin Franklin's 1729 essay "A Modest Enquiry into the Nature and Necessity of Paper Currency."

Speed continued: "Hamilton establishes in these reports that it is the power of the people of

the United States, through one, sovereign, central government, to create the means for the promotion of the General Welfare of all its citizens, through unifying the nation by internal improvements—canals and water management, and rail systems, including continental rail systems slightly later. This would be done through a system of credit solely issued and controlled by that national government, and disbursed through the authority of Congress. To that end there must be a national bank. It is this system of national credit, and the internal improvements resultant from it, that was the basis for the United States becoming, at one time, the greatest economy in the world."

Hamilton's Report on the National Bank systematically tears down the premises of monetarism, in which money is seen as a value in itself, and defines a form of national banking where "the banks become nurseries of national wealth," as measured in the increase of commerce, industry, and living standards. That is exactly what the BRICS are doing today.

The Silk Road Solution

Billington described the contents of the "New Silk Road" report, saying that "this report poses the solution that we have to convey to the American people and to the people of the world—that there is an alternative to the disaster now spreading throughout Europe and the United States, and the onrush to war, which within days or weeks could become thermonuclear."

Billington referred to the immediate moral and stra-

tegic crisis that had erupted only days earlier in Washington, notably Sen. Dianne Feinstein's (D-Calif.) courageous and controversial release of the CIA "Torture Report." He emphasized that international law does not merely *suggest* that the perpetrators and originators of these acts be brought to justice—it *demand*s it, and has so demanded it from the time of the Nuremberg Tribunal.

Billington told the audience that LaRouche had once before "done the impossible," and altered American and global military defense policy in his organizing of President Ronald Reagan to adopt the Strategic Defense Initiative policy in 1983, in the interest of the common aims of mankind. That policy was rejected by British agents in power in Russia, so the SDI did not happen. LaRouche warned the Soviet Union that if it did not adopt this, the USSR would collapse. They did not listen. When the Berlin Wall came down, and the Soviet Union collapsed, "LaRouche invented the European Productive Triangle proposal, which became the New Silk Road, and the New Silk Road has now become the World Land-Bridge."

Challenging Geopolitics



Clyde Magarelli

The interwoven themes of war, physical economy, and diplomacy were echoed by two other speakers. Clyde Magarelli, author and former Director of War Studies and current professor of sociology at William Paterson University, in Wayne, N.J., spoke on "Positive Approaches to a Russia/China/India Alliance:

The True West Point Intelligence Tradition." He began:

"One of the often neglected positions in relationship to economics and war, is how the military feels, particularly the professional soldier. And in particular, the



Mike Billington

higher professional soldiers in America, which come from West Point. It's a tradition that goes back to 1812, where the moral element is stressed—where weapons change, tactics may change, but the position of moral development becomes key. It's the will to win and also the will to win dependent upon the righteousness of the effort itself. . . .

"Those who have been to West Point . . . know that the tradition or the stress for the cadet is a traditional conception of honor, duty, country. From that, they develop the capacity to make the decisions as to what is right and wrong, and within the legal framework, they have the duty to disobey illegal wars—not a right, but a *duty* to disobey these. . . .

"There are three basic concepts of war. The one we now face today is the British concept. It's not a new concept; it dates back to the Athenians, the Spartans, the Carthaginians, the Venetians, into World War I into World War II. It's a concept that is based upon war as strictly an application of power, without any moral aspect to it."

Magarelli made it clear that this imperial theory of warfare was the most expensive, in the loss of property and human life, and ultimately fails "in almost every case."

The next speaker was Ann Lee, adjunct professor of finance and economics at New York University, and author of *What the United States Can Learn from China*, who said: "I think really right now the greatest challenge facing us, is *how* to get the U.S. and China to work as allies together as opposed to adversaries.

I say this because I know, today, at the Pentagon, . . . the war games being played are against, *not* countries in the Middle East, *not* against Russia, but against China.

"And I've spoken to a number of other people in the military who have studied at the War College in D.C., and they do tell me . . . that they are currently talking about pre-emptive war. And for those of you who don't know what that is about, it means to strike an enemy before they are powerful enough to strike back. And that is the case today with the U.S. The U.S. has the



Ann Lee

world's strongest military by over ten times that of all the other countries collectively combined. We have over a thousand military bases all around the world. China doesn't have a single military base outside its borders.

"And so why does the U.S. want to target China as an enemy? Well, there's this concept in the military called 'peer competitor,' and what that really means is, in order for them to justify spending the trillions of dollars that they do on military equipment, they have to have a reason to justify that kind of spending. And thus China would be the closest

'peer competitor.' And even though China has never threatened the U.S. in any way, from any national security standpoint, they have never tried to aggressively attack us, it's only been cooperative or reactive to the U.S., still the U.S. military is forced to think of China as an enemy, by virtue of these concepts and various perversions that exist today."



Lynn Yen

Revive Classical Culture

It is precisely to end that perversity in present-day American policy, exemplified by both the Obama Administration and the Bush family-dominated Republican Party, that the conference attendants were urged to see the World Land-Bridge, not as something for "other countries" to do, but as the most immediate means to uplift the desperately pessimistic American population.

The final presentation was by Lynn Yen, founder of the Foundation for the Revival of Classical Culture. Her presentation, "Remembering Isaac Stern in

China: The BRICS and Classical Culture," while recounting how once-banned Western Classical music came to permeate modern China, rekindled an earlier Schiller Institute campaign to return Classical musical performance to the Classical tuning of Middle C = 256 cps (cycles per second).

Musical performances bracketed the conference speeches, including vocal selections from Bach, Schubert, Glinka, patriotic songs, and African-American Spirituals.

Bring Americans into The BRICS Paradigm!

Zepp-LaRouche, the founder of the Schiller Institute, prepared this video address on Dec. 6 for the Institute's meetings in New York and other cities.

I think that if the average American knew how close we are to World War III, people would be out in the streets, and they would demand a change of the present policy of the Obama Administration.

The former Chief of the General Staff of the Russian Army, Gen. Yuri Baluyevskiy, a couple of days ago gave an interview in which he said that he believes the conflict between NATO and Russia is already underway, that it began with an information war, with a tremendous psychological campaign, pressuring the minds of the population, and that military force proper will only be the final phase of this. When he was asked if he thought it still could be stopped, he said, unfortunately, he believes that it is no longer possible; that the mechanism has been set into motion; that our adversaries' aim has been clearly defined: They will try to prevent Russia from becoming their equal partner, militarily or economically.

At a recent conference in Slovakia, Prime Minister [Robert] Fico said that he believes that the likelihood of a thermonuclear war, involving more countries than just Ukraine and Russia, is 70%.

Yesterday, there was a group of people in Germany, very important dignitaries, who issued an appeal to the German government and the German Parliament, with the headline "War Again in Europe? Not in Our Name!" [See *EIR*, Dec. 12, 2014] They outlined why they think the present course of policy is going to go to war with Russia in the short term, and they appealed to the German government and to the media to stop the disinformation campaign, the demonization of Russia and China. It was signed by former Chancellor Gerhard Schröder, by former President Roman Herzog, by the former head of the Munich Security Conference, Horst Teltschik, and many important people from industry, politics, the media, and the cultural world.

Now, that is very good, because we are right now on

a confrontation with Russia in the short term, which can only mean the extinction of civilization.

Origins of the War Threat

All of this really started with the neo-con policy at the time of the collapse of the Soviet Union, when the neo-cons decided to create a world empire with the British, based on the model of the British Empire and based on the "special relationship" between Great Britain and the United States. And all the steps that have been taken since—the color revolutions against Ukraine and Georgia; the attempt to do so in many other countries in the world, to cause regime change among all countries which would not submit to this idea of the empire. The promise at the time of the German unification, not to expand the borders of NATO to the Russian border, was obviously broken.

The sanctions against Russia, as Foreign Minister [Sergei] Lavrov recently said, are not really aimed to force Russia to change its policy, but to create such havoc economically in Russia, that the Russian population would turn against Putin and topple his government, and then go for the dismemberment of the Russian state.

The BRICS Alternative

This all is a situation which must not happen, because there is an alternative. What the mass media in the United States have completely blocked out, is the fact that since July of this year, since the summit of the BRICS countries in Fortaleza, Brazil, a completely new economic system is developing very, very fast. You have right now a situation where more than half of mankind—the BRICS countries, most Latin American countries, many Asian



Helga Zepp-LaRouche is interviewed on Chinese TV, April 14, 2014. She is known as "the Silk Road Lady."

countries, even some African countries, like Egypt and South Africa—are on a road of a complete explosion of economic reconstruction, of development projects which had been prohibited by the IMF conditionalities for the last several decades.

Following the Fortaleza summit, for example, China is now helping Nicaragua to build in five years a second Panama Canal through Nicaragua, which is immediately creating 50,000 jobs; it will create two ports; a major transport line from one ocean to the next; a new city, a new international airport, and it will transform Nicaragua from a poor country into a very, very hopeful country of prosperity.

The same is happening in many Latin American countries: China is helping Brazil to build a transcontinental railroad from Brazil all the way to Peru. Many of these countries are cooperating in the building of new nuclear plants, between Russia and Argentina, China and Brazil, India and Russia, and many other combinations; and they're also going on the path of absolutely fantastic space exploration.

Also these countries have created new financial institutions, which are only devoted to financing physical economy, development projects, and are devoted to the common good of the people. There is the Asian Infrastructure Investment Bank (AIIB) by China; there is the New Development Bank of the BRICS countries; the Shanghai Cooperation Organization is in the process of creating a new bank. Also the South Asian countries of the SAARC [South Asian Association for Regional Cooperation] states are creating a new bank. There is a new development fund for the Silk Road.

All of these projects will go in a very positive direction, to eliminate the poverty of these countries in only a few years. Since India's new Prime Minister, Narendra Modi, came into office, there is an explosion of enthusiasm in India. He has announced that he will build 100 new cities, that he will create 1 million jobs per month; he is reviving 30 water-management projects which were put on hold after Indira Gandhi was assassinated. So there is an enthusiasm in India which you have no idea about!

The same is true for China: Don't believe one word that you have heard about China! I was in China two times this year and I can assure you that the population



<https://larouhepac.com/brics>

LaRouchePAC issued this pamphlet to build support for the New Silk Road program in the United States.

is absolutely optimistic. They are convinced that the unbelievable Chinese economic miracle, which they were able to accomplish in *only 30 years*, will make an industrial revolution possible, which most countries of Europe, and the United States, needed 200 years to accomplish! And when President Xi Jinping announced the New Silk Road as the basis for a new world economic order, this meant simply that the Chinese government is offering now, that every country which wants to participate can repeat the same principles of this Chinese economic miracle in their own country.

I'm absolutely certain that the only way we can stop the escalation to World War III, is that we take up the

offer of President Xi Jinping, which he made at the closure of the APEC summit, in a press conference together with President Obama, where he offered to Obama that the United States and other major countries should join the New Silk Road and these new financial institutions.

I have not heard Obama making any response that he would do so, but I'm absolutely certain that the countries of Europe, which are in rebellion against the war danger, are absolutely capable of joining with the BRICS countries for this global development.

And I appeal to you: We have to get the United States to stop the war posture against Russia and China, and we have to get the United States to work together with the BRICS, for a new world economic order.

We will only come out of this mortal danger to the existence of civilization if we get the United States to join this new paradigm which these countries are already living in. Do not believe the propaganda! China is based on Confucian ideas right now; India has revived the great spirit of Mahatma Gandhi and Jawaharlal Nehru; and that optimism is profound and it has been contagious for the populations of these countries. There is a completely different paradigm already working in these countries, which, together with the other Asian, African, and Latin American countries, after all, represent the majority of civilization.

So, let's join, to get the United States and Europe to join with the BRICS, to join with the new paradigm, because that is the only war avoidance strategy which will work.

The New Silk Road Becomes The World Land-Bridge

The BRICS countries have a strategy to prevent war and economic catastrophe. It's time for the rest of the world to join!

This 374-page report is a road-map to the New World Economic Order that Lyndon and Helga LaRouche have championed for over 20 years. This path is currently being charted by the nations of the BRICS (Brazil, Russia, India, China, and South Africa), which are leading a dynamic of global optimism toward real economic development, complete with new credit institutions and major high-technology projects for uplifting all mankind.

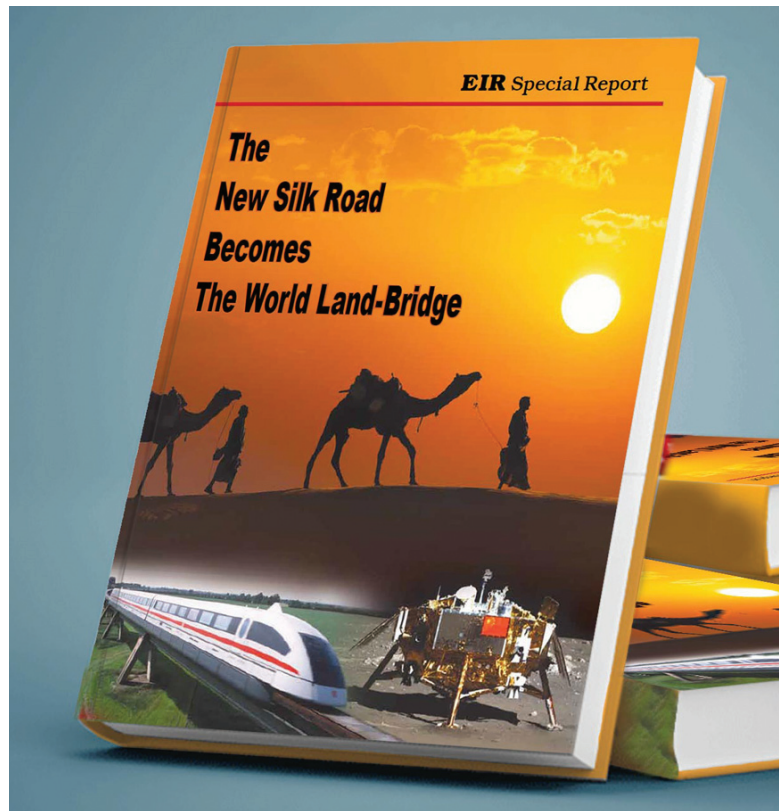
Includes:

Introduction by Helga Zepp-LaRouche, "The New Silk Road Leads to the Future of Mankind!"

The metrics of progress, with emphasis on the scientific principles required for survival of mankind: nuclear power and desalination; the fusion power economy; solving the water crisis. Detailed maps show what has been accomplished and what has not, since Zepp-LaRouche first addressed a Beijing conference on the Eurasian Land-Bridge in 1996.

The three keystone nations: China, the core nation of the New Silk Road; Russia's mission in North Central Eurasia and the Arctic; India prepares to take on its legacy of leadership.

Other Regions: The potential contributions of Southwest, Central, and Southeast Asia; Australia as a driver for Pacific Development; Europe, the western pole of the New Silk Road; Africa—the Test for Global Progress; bringing the Western Hemisphere on board; the LaRouches' 40-year fight for international development.



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Egyptian Consul General On Suez Canal Project

The Egyptian Consul General in Houston, Khaled Rady, addressed a meeting of the Schiller Institute on bringing the U.S. into the BRICS process, on Dec. 11. These are his remarks.

I would like to thank the Schiller Institute for giving such a great opportunity to discuss such an important issue related to global growth and development and relation to BRICS and the New Silk Road. I would like also to extend my gratitude to the distinguished speakers today for their valuable influence on this very important subject.

Egypt has undertaken recently very important steps on the path of growth and development, focusing on development projects of new cities and new routes for trade.

I would like to take this opportunity to reflect on one of the most important projects which will affect very much the ease of transportation through a new project the Egyptian government has initiated. This is called the Suez Canal Corridor Development Project, or the New Suez Canal [Figure 1].

There are papers full of details on this project available here.



EIRNS

Khaled Rady, Consul General of Egypt, addressing the Schiller Institute conference in Houston, Dec. 11.

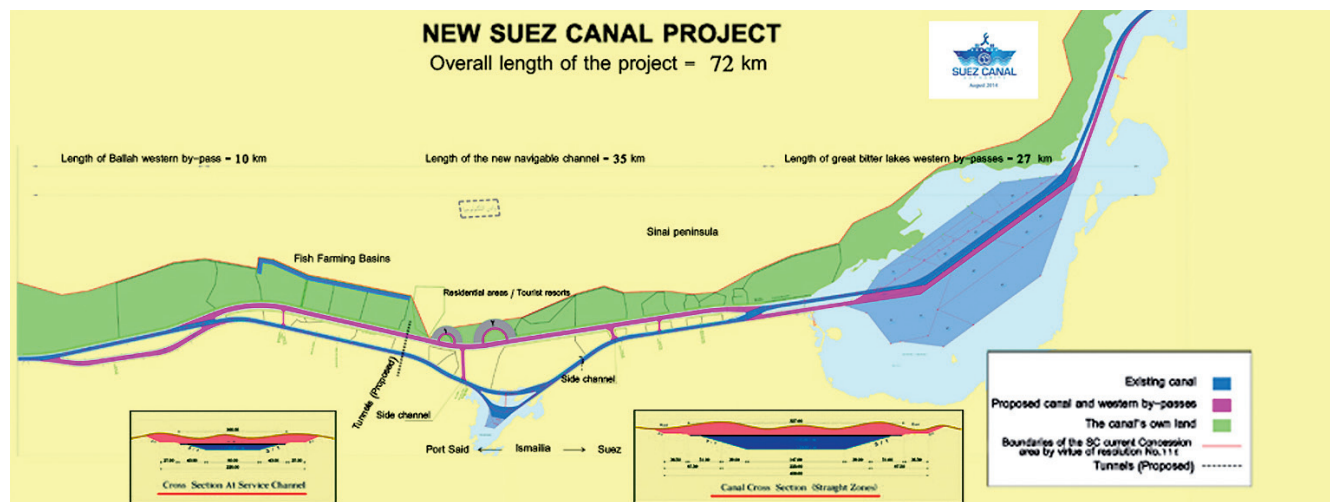
The Project Dimensions

The Suez Canal Authority (SCA) intends to develop the canal by doubling the bypass from kilometer 55 to kilometer 122, to enable ships with a draft of about 66 feet to transit freely in two directions at the same time.

Currently, it is not possible for ships to pass from both sides. So we try to overcome this obstacle by enhancing the ability of the canal to create these shipment capabilities.

The project comprises excavating a new canal between kilometer 58 and 92, with a depth of 24 [meters], widening and deepening the west branches of Ballah, Deversoir, Bitter Lake, Kabrit up to 24 [meters]. Those are names of cities in Egypt; they are in some locations

FIGURE 1



adjacent to the canal. The project includes as well, deepening the depths of those areas.

The plan of implementing the Suez Canal Corridor Development Project includes carrying out 42 projects in general, six of which have top priority. These major projects include:

1. Developing the roads of Cairo-Suez and Ismailia-Port Said into free roads for facilitating transportation and movement between the province's areas and to link it with the capital.

This is the Red Sea and this is the Mediterranean Sea [Figure 2]. The Suez Canal actually connects both from here. The project is to try to double it, and to make the depths deeper as well. There are some lakes, here—we will try as well to deepen these lakes.

2. Establishing the Ismailia tunnel passing through the Suez corridor to link the eastern and western banks of the Suez Canal.

Now we have the Adabiyah tunnel, but I think with the development programs, it's not sufficient. So, we need to complete those tunnels.

3. Establishing a tunnel at southern Port Said under the Suez Canal to facilitate linking the eastern and western banks of the Suez Canal to each other,

4. Developing Nuweiba Port into a free zone. Nuweiba is a port on the Red Sea.

5. Developing Sharm el-Sheikh Airport.

6. Establishing a new water bypass on Ismailia canal up to the site of the water desalination station at the east of the Canal, to support the new development areas.

Other projects will be set up including the establishment of a tunnel under the Suez Canal. It will be the largest of its kind in the Middle East. The tunnel will include four lanes.

Also, the plan envisages setting up two airports, several tunnels, three harbors to serve ships and stations for loading, shipping, repairing, and unloading commodities from giant ships, as well as stations for re-export.

This project will help increase the revenues and accelerate the passage in the navigational waterway, as about 10% of the global trade and 22% of the container trade in the world pass through the Suez Canal. How-

FIGURE 2
The Suez Canal



ever, the Canal's revenues will not exceed the transit fees.

Egyptian Sovereignty

As for the financing of the project, the financing is fully Egyptian. The Governor of the Central Bank of Egypt, the CBE, asserted that the total value of the Suez Canal Investment certificates reached the target: 61 billion Egyptian pounds, without calculating the investment certificates sold by Egyptian Post.

The CBE chief noted that the public offering of Suez Canal certificates was closed after reaching the target amount. A lot of Egyptians tried to get the

bonds of this new project, but all of that was sold in a few days. I received many requests by Egyptians who live here in the States, calling the consulate to try to buy those bonds, but they were already sold.

This was one of the wise and important steps by the Egyptian government, to depend on themselves, on Egyptian capabilities, to finance this project.

This was actually a political message that the people of Egypt support this project and support the government—at an important and critical juncture. We needed a practical proof for the support by the people of this government. So, I think it was a very clear message of how much the Egyptian people support the presence of General el-Sisi and the government.

The Suez Canal Corridor Project will provide a good chance for setting up world logistic hubs.

The project will turn the Egyptian ports to main harbors for transit trade.

Building the 'Heart' Bridge

Let me add, that may we have a World Land-Bridge, but before the land bridge, I think there is the "heart bridge," the feeling bridge; this is what we need. People's feelings and people's hearts, all over the world—this is the real bridge, actually. From East to West, from North to South, the feeling of warmth, hands extended, where we all are for peace.

God bless all of you, and thank you very much for everyone here today, and thank you to the Chinese Community Center for hosting this event, and thank you, Schiller Institute, thank you, everybody.

LaRouche Presents the Solutions

In the face of the escalating provocations from the Obama Administration and NATO, on Dec. 16, Lyndon LaRouche blasted the British and President Obama, for bringing the world to the brink of general war, through their economic warfare actions against Russia. Russian officials from President Putin to Foreign Minister Lavrov have made clear that the sanctions and oil-price warfare against Russia are seen in Moscow as part of a regime-change drive that they will not tolerate. These actions put the world on the edge of thermonuclear extinction. “These are not economic measures,” LaRouche declared. “These are acts of war and will be seen as such in Moscow.”

LaRouche added that the recent emergence of Jeb Bush as a possible Republican Party candidate for President in 2016 further adds to the war drive climate. “We are seeing the reincarnation of Prescott Bush, the grandfather, who was a proven booster of Adolf Hitler and the Nazis,” LaRouche continued. “The mere idea of Jeb Bush being promoted as a credible GOP candidate for President, intensifies the war danger greatly.”

LaRouche proposed several straightforward solutions to the British-Obama war provocations. First, he said, Russia must, without delay, adopt the “Mahathir solution” to its economic crisis, by imposing immediate capital controls, exchange controls, and other protective measures against the assault of currency speculators. Only by such emergency actions now can Russia defeat the financial warfare assault.

LaRouche emphasized that Russia and the world need a Hamiltonian credit system to defeat the power of the City of London-Wall Street oligarchy once and for all. “If Russia does not take these measures immediately, we are headed into

a profoundly dangerous international crisis. If the Russians take the proper action now, the British and Wall Street are dealt a tremendous defeat and the BRICS process moves a giant step forward.”

Second, LaRouche demanded the immediate release of the 28-pages from the original Joint Congressional Inquiry into 9/11, which documents the Bush family-Saudi collusion in the 9/11 attacks. “Once the 28 pages are exposed,” LaRouche said, “the Jeb Bush campaign, along with the entire Bush family legacy, is destroyed.” LaRouche reminded that “George H.W. Bush was instrumental in the railroading of me and my political association back in the 1980s—at the point that I had collaborated with President Ronald Reagan in the Strategic Defense Initiative.

“The United States will not survive another moment of Bush treachery. Between the release of the 28 pages and the continuing revelations about the George W. Bush and Dick Cheney Administration’s torture program, the Bush option can be crushed, decisively,” LaRouche concluded.

And third: “The world at large needs a return to a Hamiltonian credit system. Hamilton’s system of Federal credit through a National Bank was at the very heart of the U.S. Constitution,” LaRouche said.

“The Hamiltonian system is America’s gift to the world. It has been adopted by the BRICS countries, representing half of humanity. Now it is time for the United States to take its historical and rightful place within a new global system of cooperation among sovereign nations for great projects financed through Hamiltonian credit. That means dumping Obama, Bush, Wall Street, and London—and getting on with a future worthy of mankind.”

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