

## A 'Pearl Harbor Effect' in Russia

by Jeffrey Steinberg

In a matter of days, as the worst strategic-military crisis of the post-Soviet period was unravelling, bringing this planet to the thermonuclear brink, Russian President Vladimir Putin rose from mere elected President to national hero. Putin's handling of an egregious provocation, instigated by an insane Anglo-American financial oligarchy—the destruction of the Russian nuclear submarine, the *Kursk*, in maneuvers in the Barents Sea—played a principal role in averting World War III, at least for the moment.

Through a series of public actions on Aug. 22 and 23, President Putin unleashed inside Russia a “Pearl Harbor effect” of the crisis. The impact of that “Pearl Harbor” reaction may now give him and his allies, including former Prime Minister Yevgeni Primakov, the opportunity to take on the powerful Russian mafia “tycoons,” who are a “fifth column” for the Anglo-American financial oligarchy inside Russia.

It may be months before the precise details of what happened in the waters of the Barents Sea on Aug. 12 are known. Indeed, the full story may never emerge from the secret archives of Russia, the United States, and Great Britain. But what is clear, is that British and American naval vessels, including at least three submarines, were sent into the area where Russia's Northern Fleet was conducting its greatest large-scale maneuvers in more than a decade, and engaged in what even a former Reagan Administration Assistant Secretary of Defense described as outrageously provocative act of Cold War aggression, a real-life “Hunt for Red October.” The preponderance of evidence suggests that a Western submarine, probably a British submarine, collided with the *Kursk*, causing it to sink with all 118 crew members lost.

### Putin's Finest Hour

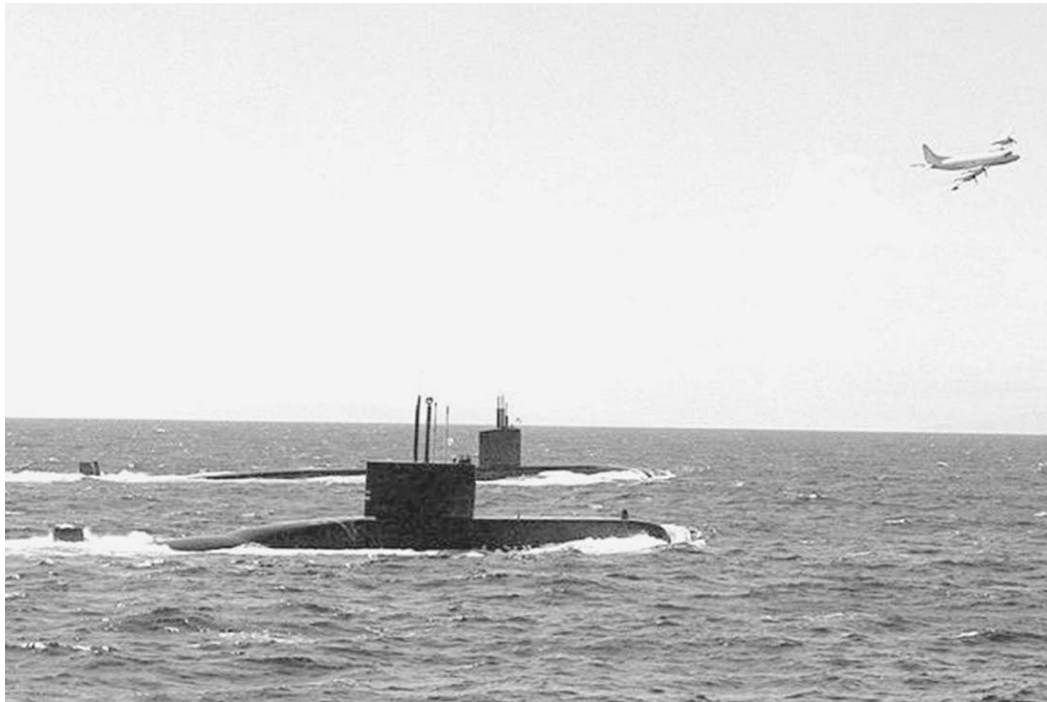
On Aug. 22, President Putin travelled to the headquarters of the Russian Northern Fleet, and held an emotionally

charged six-hour meeting with the families of the sailors and officers who died on the *Kursk*. The next day, he delivered a televised report to the Russian people about the loss of the *Kursk*, conveying both a profound sense of sadness and personal political responsibility, but, also, a confidence that Russia will emerge stronger from the tragedy, and will revive its military and economic strength. He also levelled severe, unambiguous attacks against the so-called “tycoons” who have profitted from the looting of Russia, and who now reside in fancy villas on the Mediterranean coasts of France and Spain. He placed the responsibility for the weakened state of the Russian military squarely on their shoulders, and chastised them for the hypocrisy of now attempting to portray themselves as the closest “friends” of the families of the perished *Kursk* crew, by launching a fundraising drive to help the families.

The response to Putin's television address has triggered a strong psychological shift in Russia. Putin has rapidly gone from being a President under attack, to being a leader in the eyes of the Russian people—one who can steer Russia back to its appropriate position on the world stage.

Two further developments suggest that President Putin is prepared to act decisively to fulfill the promise he made to his people, to restore Russia's dignity and place among the great powers. First, he has established a high-visibility alliance with former Prime Minister Yevgeni Primakov. Primakov's eight months in office, from September 1998 to April 1999, marked a decisive, albeit brief, break with the policies of the so-called “liberal reformers,” who looted Russia to the bone, with the full connivance of British and Wall Street financier oligarchs and the International Monetary Fund (IMF).

On behalf of the Fatherland-All Russia bloc in the State Duma (lower house of parliament), Primakov issued a statement on Aug. 23, calling for the revival of the Russian mili-



*Surveillance of naval maneuvers by U.S. and South Korean submarines.*

tary-industrial complex, through adequate state investment, and a revival of Russia's scientific and technological capabilities.

Second, Putin issued a decree on Aug. 21, asserting more direct control over relations with the International Monetary Fund, by appointing a top member of his cabinet as Russia's IMF Governor, in place of the Central Bank chief. Coming three days after the IMF formally demanded that Russia cancel its recently reinstated oil-export quotas (designed to prioritize domestic fuel needs), Putin's move showed his intention to take relations with the Anglo-American financier-looters more closely in hand.

In the immediate aftermath of the sinking of the *Kursk*, LaRouche had assessed that Russia would launch a "counter-scare" campaign against the Anglo-American oligarchs, demonstrating that their efforts to destroy Russia as a politico-military power had failed, and that their own power would be challenged. Nothing could scare—and harm—these financier madmen more than the wiping out of their Russian mafia looting-partners.

### **Anglo-American Oligarchs Gone Mad**

This brings us back to the fundamental issue: The sinking of the *Kursk*, and the Russian President's effective response to the incident, can be properly understood only in the context of the accelerating collapse of the global financial system, which has posed an existential threat to the continuing power of the Anglo-American financier oligarchy. Faced with the doom of their system, these London- and Wall Street-centered forces have been driven to a state of desperation, where they

are prepared to risk triggering a thermonuclear World War III, rather than surrender their grip on world financial and political power.

The situation today, in that respect, is like that leading up to World War I, when the British Empire was faced with a similar threat to its imperial power, through the emerging alliance among the United States and key nations of Eurasia—from France and Germany through Russia, China, and Japan—to build a zone of peace and prosperity, a "Eurasian Land-Bridge," stretching from the Atlantic to the Pacific, based on an alliance of sovereign nation-states, in the spirit and tradition of John Quincy Adams and the American System of Political Economy. Rather than see their colonial empire defeated, the British launched a string of terrorist actions, to defend their geopolitical power. World War I was the direct result.

LaRouche captured the current state of affairs aptly in an Aug. 20 statement, which was released prior to the public revelation that there had been the Aug. 12-13 near-nuclear confrontation. LaRouche wrote, "At this point, no miracle could save the present IMF-centered global financial and monetary system from collapse in the immediate future. The system is doomed, hopelessly so. That is the good news. The bad news is, that the presently ruling international financier-oligarchy will not willingly accept its inevitable doom peacefully.

"That oligarchy," LaRouche continued, "as self-caricatured by the present editorial staff of the *Wall Street Journal*, is as mad as Lady Macbeth. Under these circumstances, every crisis-spot in the world, inside the U.S.A. itself, in the Ameri-



Russian oligarchs Konstantin Kagalovsky and Natasha Gurfinkel. Kagalovsky are closely linked to Wall Street, Al Gore, and the City of London. Konstantin was Russia's liaison to the International Monetary Fund in the early 1990s, while Natasha worked for the Bank of New York. The two were involved in a scheme that was exposed in 1999, to loot at least \$15 billion from Russia.



One of the Russian oligarchs whom President Putin denounced in his televised interview: Vladimir Gusinsky, general director of the Media-Most Group.

cas generally, in Africa, and in Eurasia generally, is the site of a local political firestorm either in flames, or about to erupt. It is not the tinder of the local hot-spot which causes this phenomenon; it is, rather, the heat of the global crisis of the financial system which seeks out, and tends to ignite all available tinder, such as the case of the sinking of the *Kursk*. In this state of affairs, those firestorms tend to come together, threatening an early global conflagration of awesome, but otherwise unpredictable, intensity, duration, and consequence.”

While the U.S. and European media have all but blacked out any relevant news about the sinking of the *Kursk*, choosing

instead to heap ridicule on the Russian military and on Putin, Russian officials and some Russian press have providing chilling evidence of just how close the world was to thermo-nuclear extinction on Aug. 12-13.

On Aug. 22, Pravda.ru ran a banner headline, “World War III Could Have Begun on Saturday.” The article, one of a series of carefully worded leaks from high-level Russian government sources, is found in the *Documentation* section of our *Feature* coverage. “For several days,” wrote Pravda.ru, “the world hung by a thread, and one false political move could have led to an exchange of nuclear strikes.” “Happily,” the paper concluded, “the incident in the Barents Sea was successfully resolved by political means. Agreement to ‘end the affair in peace’ was reached during a telephone conversation between Vladimir Putin and Bill Clinton.”

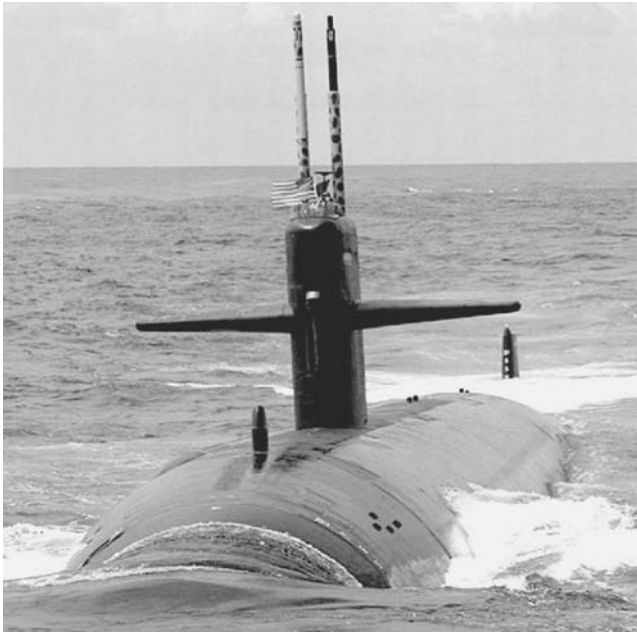
John Helmer, a Moscow-based journalist who writes for

## Clinton’s Los Angeles Speech Hinted at Crisis

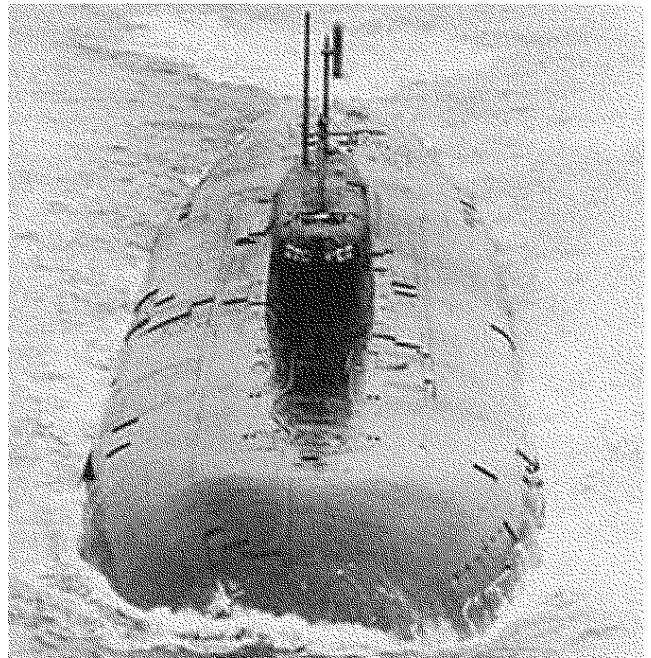
On Aug. 12-14, as the *Kursk* affair was beginning to play out, President Bill Clinton was in Los Angeles, in preparation for the Democratic National Convention. It was during this time frame that the crucial Moscow-Washington military and Presidential consultations were occurring. Clinton, in his address to the opening session of the convention, made no direct mention of the crisis in the Barents Sea, but, at one point, made an historical reference, to emphasize that a sudden sequence of events can alter the course of history in a profound manner.

Near the end of his address, Clinton stated, “When I graduated from high school in 1964, I assumed, like most Americans, that our economy was on automatic — nothing could derail it. We thought our civil rights problems would be solved in Congress and the courts. We never dreamed Vietnam would so divide and wound our nation.

“Before we knew it, there were riots in the streets. Leaders I adored as a young man — Robert Kennedy and Martin Luther King — were killed. Lyndon Johnson, a President I admired for all he did for civil rights, the elderly, and the poor, said he would not run again because our land was so divided. The next election took America on a far different, more divisive course. And within months after that election, the last, longest economic expansion in history was, itself, history.” — Jeffrey Steinberg



A nuclear-powered American submarine, the Los Angeles-class USS Key West.



A Russian submarine of the same Oscar II class as the sunken Kursk.

the *Journal of Commerce* and the *Moscow Tribune*, in an article in the Aug. 22 Singapore *Straits Times*, reported, “The Russian sub drama looked like war at the start.” Helmer’s article is also given in *Documentation* below.

Despite a farago of lies from the media of the NATO countries about Putin’s so-called “uninterrupted vacation,” Putin acted: He ordered an immediate rescue effort, and ordered the military high command to make a strategic assessment of whether the sinking of the *Kursk* had been a conscious act of war by some elements in NATO—either American or British, or both.

According to Washington sources, it was through a series of military-to-military back-channel communications, and a personal phone conversation between Putin and Clinton, that World War III was averted. But for nearly 48 hours, from Aug. 12-14, the world’s survival hung in the balance—due to the insane antics of the Anglo-American oligarchy.

The momentary avoidance of such a superpower thermo-nuclear confrontation should offer little solace, because until the underlying issues are addressed, the kinds of wild miscalculations and flights-forward that caused the *Kursk* affair, are bound to recur. Until the power of the Anglo-American financial oligarchy has been stripped, they will continue to operate like a wild beast in its death throes, committed to taking the rest of the world down with them.

Consider that just prior to the *Kursk* incident, the Russian Federal Security Service (FSB) had exposed that a British intelligence front, a “charity” called the Halo Trust, had been providing demolitions training and equipment to hundreds of Chechen rebels, under the guise of removing land mines in-

side the breakaway Russian republic (see “Russia Accuses British ‘Halo Trust’ of Hand in Chechen War,” *EIR*, Aug. 25, 2000).

More recently, a so-called Islamist insurrection has been launched against the Central Asian republics of the former Soviet Union. This destabilization along the southern tier of Russia, targetting the oil and strategic raw materials wealth of the Caucasus, the Caspian Sea, and Russia’s Central Asian borders, conforms precisely to Zbigniew Brzezinski’s “arc of crisis” geopolitical agenda for the total destruction of Russia. At the recent “World Democracy Forum” fest in Warsaw, Poland (see “French Foul Up Albright’s ‘Democratic’ Fascist Scheme,” *EIR*, July 7, 2000), both U.S. Secretary of State Madeleine Albright and global speculator George Soros highlighted the “New Great Game” for control over the Fergana Valley in Uzbekistan. That valley is now the scene of an invasion by the Taliban rulers of Afghanistan.

### Publication of Record

Unless you were privy to confidential national security cable-traffic, none of the shocking developments reported here were likely brought to your attention until this moment. As during the 1991 Operation Desert Storm, the Spring 1999 Kosovo war, and other similar crises, the major U.S., British, and continental European media maintained a nearly total, uniform blackout of the truth—not in the interests of national security, but on behalf of the very Anglo-American oligarchy that was pressing this new global showdown. In the present case, the reality that the world was on the brink of nuclear World War III was hidden beneath a “Bodyguard of Lies.”