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Zepp-LaRouche: Take Responsibility To Prevent War  
Greece Chooses National Survival, Not Destruction  
Putin in Cairo: Egypt Joins the BRICS Dynamic

## Will Nuland's Nazis Push The World Into War?





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# EIR

## From the Editors

Lyndon LaRouche has identified the removal of Victoria Nuland, Assistant Secretary of State for European and Eurasian Affairs, as a crucial requirement for stopping the Obama Administration's confrontational policy with Russia, which threatens World War III. We spotlight the role of Nuland, and her accomplices, in our *Feature* package this issue, including with dossiers that virtually no other English-language press dares to publish.

In fact, the "mainstream" U.S. press won't even give coverage to prominent political figures, such as former Reagan Administration ambassador to Moscow Jack Matlock, who oppose the lying "narrative" that Russian President Vladimir Putin's aggressive outlook is the cause of the current East-West conflict. We provide the full transcript of one of his recent speeches, which should cut through the brainwashing you otherwise encounter virtually everywhere.

For an in-depth treatment of how and why the current crisis has come about, however, there is no substitute for Helga Zepp-LaRouche's latest major speech, given at the Feb. 14 Schiller Institute conference in Manhattan (*National*). We publish the full transcript, and recommend that you also view the afternoon of presentations, which can be found at [www.larouhepac.com](http://www.larouhepac.com).

While the bankrupt London-Wall Street crowd demands war, the good news is that so much of the world is not only resisting the diktat, but forging an alternative.

Greece's latest moves in this direction are featured in *Economics*, as the new government refuses to submit to blackmail to pay debt which is illegitimate. Look for our upcoming study that will document just that.

As for the BRICS dynamic, that continues to make major strides. Arabic-language editor Hussein Askary reports on the significance of President Putin's recent visit to Egypt, which has huge potential for the entire African continent (*International*). The BRICS alternative to the bankrupt Trans-Atlantic system is also elaborated in a speech by Indian economist Jayshree Sengupta given to a Schiller Institute seminar in Paris, which we publish in full.

The South Korean government's resistance to the Obama Administration's war drive in North Asia is the subject of another article in *International*, while we update the fight to release the classified 28 pages of the 9/11 Congressional Inquiry in *National*.

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*Victoria Nuland hands out buns in Kiev's Maidan Square, as Geoffrey Pyatt looks on, December 2013*



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The immediate danger lies with the neo-Nazi militias which are an integral part of the Kiev government. Those Nazis are acting as protected assets of the Obama Administration, specifically his Assistant Secretary of State Victoria Nuland.

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One hundred and fifty people gathered at the Schiller Institute conference in Manhattan Feb. 14, to discuss how to build a mass movement for development, and avoid the imminent threat of thermonuclear confrontation with Russia. The three-and-a-half-hour event, keynoted by Schiller Institute founder Helga Zepp-LaRouche, also featured presentations on subjects ranging from the strategic situation, to the scientific and economic perspective needed to raise mankind to the level required to launch a new creative era.

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# Will Nuland's Nazis Push The World Into War?

by Jeffrey Steinberg

Feb. 17—As of midnight on Feb. 15, a ceasefire went into force in eastern Ukraine. The deal that was hammered out among Russian President Vladimir Putin, German Chancellor Angela Merkel, French President François Hollande, and Ukrainian President Petro Poroshenko—i.e., *without* the direct involvement of the Obama Administration and the U.K. government—after 17 hours of non-stop negotiations in Minsk last week, is fragile, to say the least.

The immediate danger lies with an identifiable force—the neo-Nazi militias who are an integral part of the Kiev government, which came to power one year ago in a Nazi-driven coup d'état. *Those Nazis are acting as protected assets of the Obama Administration, specifically Assistant Secretary of State for European and Eurasian Affairs Victoria Nuland.*

These neo-Nazi forces have officially rejected the ceasefire. The battalions they control in southeastern Ukraine are not fully under the control of the central government in Kiev, but are armed by Ukraine's "oligarchs"—big businessmen such as Dnepropetrovsk Governor Ihor Kolomoysky. They are the offshoot of the Bandera movement, which was fascist in its own right even before World War II, then welcomed Hitler's invasion of Ukraine and carried out atrocities against the people of Ukraine and Poland that should have landed them in the dock at the Nuremberg war crimes tribunal. Instead, they were recruited by British and American intelligence services for the Cold War against the Soviet Union.

The neo-Nazi representatives within the government in Kiev are also out to sabotage any peace agreement. According to Russian media, former Commandant of the Maidan and current First Deputy Speaker of the Ukrainian parliament (the Supreme Rada) Andriy Parubiy is coming to Washington this week. A cofounder of the neo-Nazi Svoboda party and of one of the paramilitary groups that became the Right Sector spearhead of the February 2014 coup, Parubiy today is a leader in the People's Front, the political party of the man Victoria Nuland hand-picked as Ukraine's post-coup prime minister, Arseniy Yatsenyuk.

Speaking Feb. 14 on Ukrainian TV, Parubiy announced the purpose of the trip: to get weapons. He said that Ukraine needs to strengthen its armed Forces and get "the USA to give us highly precise modern weaponry." He added, "Next week I am going to the United States, to discuss this in a very concrete and targeted way."

The possibility that the U.S. would arm Ukraine—a move Moscow would see as an act of war—is precisely what impelled the leaders of France and Germany to work frenetically to get a ceasefire in Ukraine. It would be a step to World War III.

## The Rush for a Ceasefire

President Hollande and Chancellor Merkel saw the Minsk talks as existential. They agreed that, if there were no diplomatic breakthrough, the Obama Admin-

istration would begin arming the Ukrainian military and this would escalate the crisis. Over the past weeks, more and more strategic analysts and policymakers have come to view the Ukraine crisis as a potential trigger for thermonuclear war between the United States and Russia. Articles headlining the danger have appeared in Germany's *Der Spiegel* and even Britain's *Daily Telegraph*.

The specter of a war of annihilation starting in the center of Europe was a powerful incentive for Merkel and Hollande to team up to preempt the U.S. weapons flows by the last-ditch diplomacy.

On the eve of the Minsk talks, Chancellor Merkel flew to Washington on Feb. 9 to confer with President Obama. She delivered a blunt message, according to German and American sources. First, she told the President that Europe was adamantly opposed to the U.S. arming the Ukrainian Army. Second, she told Obama that the lack of a direct dialogue between him and Russian President Putin was putting the world at risk. Only the leaders of the two nations with the thermonuclear arsenals that could destroy the planet could be the ultimate guarantors of mankind's survival. They had to resume a direct, personal dialogue, Merkel insisted.

Her admonition appears to have had some impact. On Feb. 11, on the eve of the Minsk talks, Obama called Putin, and the two men had a 90-minute conversation, the content of which has been kept secret. According to *Spiegel Online*, which published a detailed account of Merkel's and Hollande's diplomatic efforts, the mere fact that the phone call took place demonstrated that Washington was deeply interested in the outcome of the Minsk talks.

At one point in the marathon diplomatic session, according to the *Spiegel* account, Putin, in private, spoke

by phone to the heads of the self-proclaimed Donetsk and Lugansk People's Republics (DPR and LPR). He secured their agreement to the ceasefire terms. In addition, Kremlin aide Vladislav Surkov shuttled between the Hollande-Merkel-Poroshenko-Putin meeting and

the Minsk contact group, which also met through the night at another location in Minsk (because Poroshenko refused to speak with the DPR/LPR delegation directly). It was the contact group, consisting of Alexander Zakharchenko (DPR), Igor Plotnitsky (LPR), Ukrainian ex-President Leonid Kuchma, Russian Ambassador to Kiev Mikhail Zurabov, and OSCE negotiator Heidi Tagliavini, who actually signed the 10-point Minsk accord.

In the previous months of renewed fighting in eastern Ukraine, after the September 2014 ceasefire broke down, the DPR/LPR forces captured an additional belt of territory, especially within the Donetsk Region, as they moved to push the Kiev battalions out of the range from which they could shell Donetsk and other cities. While the Minsk talks were proceeding, the DPR/LPR militias had nearly encircled 6,000

to 8,000 Ukrainians in the town of Debaltseve, the major rail junction between Donetsk and Lugansk. With growing defections, collapsing morale, and widespread draft evasion, the Ukraine Armed Forces were already at a break-point. For Merkel and Hollande, the idea of arming such a disintegrating army was a grave mistake, reflecting a lack of understanding of the reality of the Ukraine crisis in official Washington.

## The Nuland Factor

Indeed, the policy of the Obama Administration towards Ukraine and Russia has been hijacked from day one by a collection of neo-conservatives and hu-



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*Andriy Parubiy, former Commandant of the Maidan and current First Deputy Speaker of the Ukrainian parliament, is coming to Washington to get weapons this week.*

manitarian interventionist ideologues—led by Assistant Secretary of State for European and Eurasian Affairs Victoria Nuland. The wife of neo-con Robert Kagan, Nuland served as a foreign policy advisor to then-Vice President Dick Cheney, before being appointed as the Bush Administration’s Ambassador to NATO.

Nuland publicly boasted that the U.S. had poured \$5 billion into the “democracy” movement in Ukraine since the end of the Cold War, and she made clear, in an infamous taped phone call in January 2014, that the man who is now Ukrainian Prime Minister, Yatsenyuk, was owned by Washington. She is responsible for covering up the powerful role of the Banderite Nazis in the Maidan coup and the conflict in eastern Ukraine.

Nuland’s current role in sabotaging efforts for peace was highlighted in a Feb. 15 article in Germany’s *Der Spiegel*, entitled “America’s Riot Diplomat.” The column stated that Nuland poses a threat to America’s allies, and that while she is supposed to solve the crisis of Ukraine and relations with Russia, “in the crisis, Nuland herself has become the problem.”

*Der Spiegel* described a closed-door meeting, apparently reported anonymously both to it and to the *Bild* newspaper, held by Nuland at the Munich Security Conference one week ago, with “perhaps two dozen U.S. diplomats and Senators.” There Nuland gave instructions to “fight against the Europeans” on the issue of arming Ukraine to fight Russia. She was described as referring “bitterly” to the German Chancellor’s and French President’s meeting with President Putin as “Merkel’s Moscow junk,” and “Moscow bullshit,” and she welcomed a Senator’s calling German Defense Minister Ursula von der Leyen the “Defeatism Minister.”

These reports give the lie to Nuland’s claim on the morning of Feb. 11, when the Minsk Agreement was announced, that “we [the United States] enthusiastically support it.”

*Der Spiegel* says that Nuland does not stop short of calling for “heavy weapons” to be given by NATO to Ukraine.

## Raising the Alarm

In a statement issued on Feb. 14, Lyndon LaRouche warned that the war danger would persist until Nuland was fired and her links to hardcore Banderite Nazis exposed publicly (see box).

The larger threat of thermonuclear war, stemming

from the Ukraine crisis, was a dominant theme behind the scenes at the annual Munich Security Conference. On the eve of that meeting, three national security specialists, former U.S. Sen. Sam Nunn (D-Ga.), former Russian Foreign Minister Igor Ivanov, and former British Secretary of State for Defence Des Browne, wrote an op-ed calling for an overhaul of the Euro-

Atlantic security architecture, with an inclusive role for Russia.

The same view was echoed in two other high-visibility venues. On Feb. 11, Jack Matlock, who was President Reagan’s ambassador to the Soviet Union during the closing days of the Cold War, told a packed audience at the National Press Club in Washington that the West had violated some of the most essential agreements with Moscow, those which had allowed for the peaceful demise of the Warsaw Pact and the Soviet Union, and that the danger of a world war was grave (see transcript in this *Feature*).

Two days later, Markus Becker, writing about the Munich Security Conference in *Spiegel Online*, warned that the “Threat of War Is Higher than in the Cold War.” He presented some of the same arguments as the Nunn-Ivanov-Browne article.

Unless LaRouche’s demand for Nuland’s ouster is acted upon swiftly, the chances of the neo-Nazis in Ukraine wrecking the fragile peace are immense. Nuland’s ouster must be followed by the agreement among governments to disqualify and remove the Nazi elements now running rampant, and participating



ZDF

Ukraine’s Azov Battalion flaunts the swastika.

in government, in Ukraine. This demand has been raised repeatedly by the Russian government, and by LaRouche.

If the cycle of violence in eastern Ukraine resumes full-force, the prospects of escalation into a direct Russia-U.S. military confrontation are very high.

Richard Burt, who was one of the chief U.S. arms control negotiators with the Soviets, told *Spiegel Online* (Feb. 9) that the danger of nuclear war is very great. “Both American and Russian nuclear arms are essentially on a kind of hair-trigger alert. Both sides have a nuclear posture where land-based missiles could be authorized for use in less than 15 minutes.” He acknowledged that the kind of “hybrid warfare” now underway

in eastern Ukraine adds greatly to the danger of miscalculation into thermonuclear confrontation. Former Russian Foreign Minister Igor Ivanov concurred, telling *Spiegel*, “Now the threat of a war is higher than during the Cold War.”

It must be understood, in addition, that the primary driver for war is the bankruptcy of the trans-Atlantic financial system, centered in London and Wall Street. The desperation of financier circles over the looming doom of their system and the collapse of their political power is driving the war danger. As Foreign Minister Sergei Lavrov observed in a recent statement, if there had been no Ukraine crisis, some circles in the West would have created one.

## LaRouche on Ukraine Crisis: Fire Nazi-Lover Nuland

Feb. 14—With her neo-Nazi killers openly vowing to destroy the Minsk agreement, President Obama’s Assistant Secretary of State for European and Eurasian Affairs, Victoria Nuland, now stands as one of the main provocateurs of a pending global war that could rapidly lead to a thermonuclear war of extinction. If there is to be a genuine effort to implement the ceasefire hammered out in 17 hours of intense negotiations in Minsk, Nuland must be immediately fired, and her neo-Nazi death squads in Ukraine shut down.

Lyndon LaRouche today demanded Nuland’s immediate firing, and called for a full public exposé of her ties to the latter-day Banderist killers who were behind the Maidan coup and are the major on-the-ground force pressing for a strategic military confrontation with Russia.

“She has shown by her actions that she is a Nazi-loving killer. She is the backer of the neo-Nazis in Ukraine who openly boast that they refuse to accept the ceasefire agreement reached by the Normandy Four, and will continue to carry out their butchery in eastern Ukraine. These same Banderists came to Washington late last year and peddled fraudulent photographs, claiming to show that Russia had invaded eastern Ukraine. The photo-

graphs were later exposed as fake. That fakery could contribute to the starting of world war,” LaRouche concluded.

Nuland has a long and notorious career in Washington, particularly during the last two administrations. During the Bush ’43 term, Nuland was a foreign policy advisor to Vice President Dick Cheney, and then U.S. Ambassador to NATO.

Obama named her to the key post of top American diplomat for Europe and Eurasia, from which she personally promoted the Banderist coup in Ukraine between November 2013 and February 2014. She was earlier deeply involved in the lying coverup of the al-Qaeda networks that carried out the deadly Sept. 11, 2012 attacks on U.S. diplomatic outposts in Benghazi, Libya.

Nuland, who is married to neo-con ideologue Robert Kagan, openly boasted in December 2013, that successive U.S. administrations had poured \$5 billion into the color revolutions in Ukraine. She has also repeatedly lied about her role in promoting Banderist neo-Nazi forces in Ukraine, when questioned by Members of Congress and the media.

LaRouche concluded: “Now that Nuland’s Nazis have vowed to break the agreement that could represent the last genuine opportunity to halt the drive for war with Russia, there is only one sane option—fire Nuland and thoroughly expose and shut down her Nazi terrorists. Only by removing her from her position as one of Obama’s key agents promoting world war, can the drive for war be halted at this late date.”



# Ukraine Nazis Caught Manipulating Congress To Get Lethal Weapons

by an EIR Research Team

Feb. 16—Sen. Jim Inhofe (R-Okla.) thought he had a real PR coup last week, when on Feb. 11 he released a set of photos given to him by a Ukrainian delegation, purporting to show “Russian troops in T-72 tanks, BTR armored personnel carriers, and BMP infantry fighting vehicles entering eastern Ukraine,” to the conservative *Washington Free Beacon*. The Senator also used the photos as giant props that day, when he re-introduced his bill (S.452) to authorize the provision of lethal weapons to Ukraine.

The photos had been provided to him in November by a delegation of Ukrainians, led by three members of the Ukrainian parliament (Supreme Rada)—who were in fact [hardcore Banderite fascists](#) and field commanders in the civil war in the Donbass, two of them now operating as leaders within the People’s Front party of Arseniy Yatsenyuk, Victoria Nuland’s hand-picked prime minister of Ukraine. They allegedly showed Russian military columns in Ukraine between Aug. 24 and Sept. 5, 2014.

But Inhofe ended up with egg on his face. Although his colleagues on the Foreign Relations Committee who saw the “evidence” didn’t see a problem, an investigation by bloggers who saw the photos in the *Free Beacon* quickly uncovered the fact that at least one was taken by AP, of Russian convoys in Georgia during the conflict in South Ossetia in 2008.

When the matter was brought to his office’s attention, Inhofe issued a statement (not currently on his website!) as follows: “The Ukrainian parliament members who gave us these photos in print form as if it came directly from a camera really did themselves a disservice. We felt confident to release these photos because the images match the reporting of what is going on in the region. I was furious to learn one of the photos provided now appears to be falsified from an AP photo taken in 2008.”

But Inhofe is going ahead with his legislation anyway, apparently refusing to further investigate just who was carrying out this fraud, in order to push the U.S. toward war.

## The Ukrainian Nazi Fraudsters

The list provided by Inhofe’s office of the 11-person Ukrainian delegation, identified one of the three Rada members who had visited Washington to disinform the U.S. Congress and push for military aid, as the commander of the Donbass Battalion, a freelance pro-Kiev volunteer unit in eastern Ukraine. The other two were called merely “newly elected members of parliament of Ukraine.” Checking their background, however, *EIR* found that all three are all leaders of quasi-private military units fighting in southeast Ukraine, and have been active in the fascist Banderite organizations that were crucial to the illegal coup d’état against the elected government one year ago:

1) Lt. Col. Semen Semchenko, commander of the Donbass volunteer Assault Battalion; 2) Andriy Teteruk, commander of the Peacekeeper unit; and 3) Yuriy Bereza, commander of the Dnipro-1 regiment.

The latter two units are formally under the Internal Affairs Ministry, while both the Donbass Battalion and Dnipro-1 regiment are financed by Ihor Kolomoysky, the “oligarch” governor of Dnepropetrovsk Region. Bereza’s political career goes back to the Congress of Ukrainian Nationalists (KUN), the very first Banderite party re-established in Ukraine after independence, by Slava Stetsko, the widow of Hitler-collaborator and MI-6 sponsoree Yaroslav Stetsko, and the founder of the Bandera Tryzub (Trident), later to become the core of the violent Right Sector coalition (see *EIR* dossier, May 16, 2014).

Semchenko entered the Rada on the slate of Self-Help, a party formed out of the Maidan insurgency last year. The other two became MPs on the slate of Yatsenyuk’s People’s Front (also translated as “National Front”). Bereza and Teteruk also sit on that party’s Military Council, formed in August to build Ukraine’s military capacity; with them is Andriy Biletsky, another Right Sector figure, who is commander of the Azov Battalion—a unit which flies the Nazi *Wolfsangel*, and acts with according brutality against the civilian population. Biletsky, also a member of parliament but not of any party, was co-opted onto the Military Council of the People’s Front.



euromaidanpress

*This is a photo released by Senator Inhofe's office to promote supplying weapons to the Ukrainian Nazis. These men—Andriy Teteruk, Lt. Col. Semen Semenchenko, and Yuriy Bereza—are leaders of quasi-private military units fighting in southeast Ukraine, and have been active in the fascist Banderite organizations involved in the coup.*

## And Their American Helpers

Four other members of the November delegation were listed as officials of the Ukrainian “Charitable Fund for War Veterans and Members of the Antiterrorist Operation.”

It is hardly coincidental that before writing their Jan. 30 [Atlantic Council report](#) calling for the U.S. to provide lethal weapons to Ukrainian forces—the report which inspired Inhofe's planned legislation—the authors of that report made a trip to Ukraine. The list of Ukrainians they met in Kyiv and Lviv includes no fewer than four officials of the “Charitable Fund,” of whom three were part of the delegation which met Inhofe and passed him the phony photos.

The character and ideology of this Military Council is captured in a commentary by Biletsky, written for the London *Telegraph*, and quoted by investigative journalist Robert Parry Feb. 11: “The historic mission of our nation in this critical moment is to lead the White Races of the world in a final crusade for their survival. A crusade against the Semite-led *Untermenschen*.”

Semenchenko visited the USA at least twice, in September-December 2014, seeking U.S. weapons. He met with Sen. John McCain and others, besides Inhofe. (Trained as a film-maker, however, “Lt. Col.” “Semenchenko”—a pseudonym—is so militarily incompetent, that Teteruk and others have reportedly been tasked to straighten out the Donbass Battalion.)

Andriy Parubiy, another senior member of Yatsenyuk's People's Front, and first deputy speaker of the Supreme Rada, announced Feb. 14 that he, too, would be arriving in Washington within days for “very concrete and targeted” talks on the acquisition of “highly precise modern weaponry.” Parubiy, a radical Banderite who co-founded the future neo-Nazi Svoboda Party (1991) and the future Right Sector component Ukrainian Patriot (1999), was Commandant of the Maidan in December 2013-February 2014—a key organizer of the coup.

The coordinator of the delegation to Inhofe was Dr. Phillip Karber, a professor at Georgetown University and president of the Potomac Foundation. Karber is a former strategy advisor to Defense Secretary Caspar W. Weinberger. According to a report they issued on April 8, 2014, Karber traveled to Ukraine with Gen. Wesley Clark (ret.) in late March and early April of last year, at the invitation of the Ukrainian National Security Advisor—also a senior member of the Parliament—and paid for by the Potomac Foundation, whose old 990 tax forms indicate that it has received funding from, among others, the Soros/Open Society Fund and the Smith Richardson Foundation.

During the visit to Ukraine, Karber and Clark reportedly participated in 35 meetings with senior officials, military commanders, and politicians, with Karber also visiting front-line formations. Afterwards, they recommended immediate shipments of American body armor, night vision devices, communications equipment, and aviation fuel, and, to maximize Kiev's defense potential, Clark and Karber recommended the acquisition of MiG-29s, T-72 tanks, man-portable air defenses, and anti-tank weapons.

But not to worry. According to Karber, the whole incident was just a “misunderstanding compounded by miscommunication.”

# Former Ambassador to USSR Matlock Lambastes U.S. Policy on Russia

*Jack Matlock, who served as U.S. ambassador to the Soviet Union, 1987-91, was the featured speaker at an event sponsored by the Committee for the Republic, at the National Press Club in Washington Feb. 11. Here is a transcript of his opening remarks. A video is available on [YouTube](#).*

The last quite a few years, we have been basically living outside the Washington Beltway. It's always nice to come back and see friends, though I must confess that I'm sometimes puzzled, sitting out in the boondocks, at what goes on here. Because there seems to be group-think about many things in foreign policy—it affects both the media and those in the government—that to me, I find more and more difficult to comprehend.

I didn't understand that they wanted me to talk for 20 minutes—I prepared something that I hoped I could say in 40. So, what I'm going to give you is a barebones summary of how I view the situation, and what I think we should be seeing about it, and expect you to ask me questions so that I can actually expand a bit on the details.

I think we're in a very dangerous situation right now, in regard to Russia, over Ukraine. Six months ago, a year ago, when people were talking about Cold War II, I said, this is silly; this is not Cold War II. The Cold War was about a worldwide confrontation over ideology; it was about communism, and the conflict with communism. And it occurred all over—Latin America, Africa, Asia.



YouTube

*Former U.S. Ambassador to the Soviet Union Jack Matlock addressed the National Press Club Feb. 11, on the Ukraine crisis: "If the United States gets further involved in what is, in the minds of the Russians, territory which has historically been part of their country, given the present atmosphere, I don't see how we are going to prevent another nuclear arms race. And that's what scares me."*

What we're seeing now is a conflict in an area which 30 years ago would have been a local problem, in one country. How can that lead us to Cold War II?

However, as things have developed, and as I see debates now as to whether the United States should supply lethal weapons to Ukraine, I wonder what is going on.

I see all these debates, and saying, "Oh, Russia's only a *regional* power."<sup>1</sup> What does that mean? What does that mean, particularly in their own region? And I think the elephant in the room, which nobody is referring to, is the nuclear issue. *No country which has ICBMs, ICBMs—10 independently targeted warheads, very accurate, mobile (so they can't be taken out)—no*

*country with that is a regional power, by any means. It can mean other things.*

The most important thing we did in ending the Cold War was cooling the nuclear arms race. If there are any issues for this country to face that are existential, that's it.

Now let's face it. Much as I respect and love the people in Ukraine—and I do know them. I was probably the only American ambassador to the Soviet Union who could and did make speeches in Ukrainian when I went to Kiev, as well as in Russian when I was in Moscow. I do know that country. I know its literature and its culture. I prize it. My heart goes out to the people

1. President Obama, in a press conference in The Hague, March 25, 2014.

who are going through hell in eastern Ukraine this Winter.

But, I'll tell you: If the United States gets further involved in what is, in the minds of the Russians, territory which has historically been part of their country, given the present atmosphere, I don't see how we are going to prevent another nuclear arms race. And that's what scares me.

## The Expansion of NATO

Now, how did this all come about?

It does seem to me that when we ended the Cold War, we had a coherent policy—believe it or not. That's very rare in American foreign policy, particularly recently, in my time. We did. Our goal, and that of our allies, and that of the Soviet leaders, and their successor Russian leaders, was a Europe whole and free. A Europe whole and free.

Now, there's been a lot of debate as to whether President Gorbachov was promised that there would be no NATO expansion to the East. There was no treaty signed saying that. But as we negotiated an agreement to end the Cold War, first President [George H.W.] Bush, at a Malta meeting in 1989, and then later, in 1990, almost all the Western leaders, told Gorbachov: If you remove your troops from Eastern Europe, if you let Eastern Europe go free, then we will not take advantage of it.

Now, there's no way, by moving an alliance that was originally designed to protect Western Europe from the aggression of the East, you move it to the East—how are you going to keep a Europe whole and free? If you have a Europe whole and free, Russia and all the others have to be part of the system.

So later, not out of design, but simply, I think, largely because of domestic politics, and the East Europeans, who wanted protection against a threat that at that point didn't exist, but it might in the future, we started expanding NATO.

The Russian reaction at first was not that negative, but then other things began to happen. After 9/11, then-President Putin was the first foreign President to call President [George W.] Bush, and offer cooperation and support. And we got it when we invaded Afghanistan. We got their vote in the UN. We got intelligence support and other support, logistics support, in getting there.

What did they get in return?

He [Putin] also removed, without our request, a

base, a listening station, in Cuba, and one in Cam Ranh Bay [Vietnam].

We walk out of the ABM Treaty, which was the *basis* of all of our arms control treaties, and the one in which we could deal with each other as equals. We keep on expanding NATO, and not only expand it, we begin to talk about bases there, about deploying anti-ballistic missiles, for no good reason at all. Supposedly it was to defend the Europeans against the Iranians—the Iranians at that point didn't have missiles that could attack them, nor was it apparent to many of us why the Iranians would ever want to attack the Europeans. What are they going to get out of that?

The Russian reaction was again to be increasingly hostile. And, of course, we had the outburst in Munich, in 2007, by President Putin.

We didn't set out—I'll make this clear—to stick it to Russia. I don't think there was any intent. We had a lot of reasons, mainly domestic political reasons, to follow these courses. *But*, we were simply ignoring the Russian reaction, the *inevitable* Russian reaction.

And so what we began to get was a reaction from what you could say was, at best, inconsiderate American actions, to a Russian over-reaction. And you know, when you set up these vibrations, they can be amplified. Small ones can get bigger and bigger and bigger. Cosmologists tell us, for example, that maybe all of the universe began with a single singularity, and you get these vibrations.

But the process was, that we developed an atmosphere, which, even before this Ukrainian crisis broke upon us, was one of alleged hostility, perceived hostility, I should say, between us. Something that we had, which, at the end of the Cold War, we had ended. And an attitude on both sides that we were facing each other not only as competitors, but adversaries, and that we were in what you call a zero-sum game. Anything that the U.S. wanted, would be to Russia's detriment. Anything that Russia wanted, is to the U.S. detriment.

That was precisely the attitude that we put an end to, to end the Cold War.

## The Reagan Memo

Just a couple of words about how we did it.

I was thinking back, when we got into all of this. Okay, you know, by the mid-80s, we were in one of the most intense confrontations with the Soviet Union. The Europeans at that point were talking about Cold War II;





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*Reagan, Matlock said, understood that, in dealing with Soviets, “you’ve got to deal with them with respect,” and “in a way that you don’t expect them to do something that is not in the true interest of their country.” The two leaders are shown here at the Geneva Summit, Nov. 20, 1985. Matlock is seated at the end of the table.*

the rhetoric was high. And what was the attitude, and the policies, that we followed then, in order to put an end to this?

I pulled out something I had almost forgotten about. It was a memo that President Reagan wrote, in his own handwriting, just before he met Gorbachov the first time. Simple language, but his insights into how you deal with, at that time, what’s our principal adversary. And I don’t have time actually to quote them—I have his words here—but there are four points there that I wanted to quote.

One was, he started out by saying, Gorbachov is going to be a tough negotiator, but I have to remember that he has to justify what he does to the Politburo back home. In other words, he’s not a dictator.

Second, he defined what he considered the three most important areas that we had to deal with. They were: arms control, our conflict in third areas, and the distrust between us. The distrust between us. And he understood that until we worked on that, we weren’t going to solve the others.

Human rights? He said we’re much too upfront on human rights. We will get a lot of cheers from the bleachers by beating up on them on human rights, but it will

not help the people involved. In fact, it could hurt them. And he went on to say, we’ve got to go private. It’s too important to confront them.

And he concluded this memo by saying, whatever we achieve, we must not consider it victory, because that will simply make the next achievement more difficult.

You have, in a nutshell, a description, I would say, of what, in the last 15 years at least, we have been doing the opposite. And I think what Reagan understood—he was not a specialist in a lot of these other things, he had people to work on that—what he understood was human relations. And he also understood, unlike many of

the people on his staff, that the other side are made up also of human beings, with their own politics, their own requirements. And number one, you’ve got to deal with them with respect, and you’ve got to deal with them in a way that you don’t expect them to do something that is not in the true interest of their country.

So, our effort then was simply, that we needed to convince the Soviet leader—and in this case, eventually, Gorbachov—that their past policy was not serving their interests. And it was not!

Now one thing he never did—he called the system an Evil Empire once. People would never let him forget it. He also later said it wasn’t any more. But he *never* denigrated any Soviet leader by name. He would begin every conversation, whether it was a foreign minister, or the President, with, “We hold the peace of the world in our hands. We must cooperate.”

In other words, he met them as human beings, even though he disliked the system for very good reason. He dealt with them with respect.

## How the Russians See It

Now, what do we see has happened? I can give you a lot of details when you ask questions about it, but



obviously, we're in an entirely different mode with Russia. And I would say it's not *just* the President—in fact, the worst offender by far is the U.S. Congress. And what Russia has been reacting to is what they consider insufferable arrogance and humiliation for several years.

Now, they may exaggerate a lot of that, but it has led to the fact that we seem to be operating off two entirely different—and both of them unfounded—narratives. The Russians feel that we intend to create a world empire, if not an empire, at least hegemony, and that our goal is to hem them in, to surround them, and to keep them as simply suppliers of raw materials, and determine not to treat them as, you might say, equals. They know their economy is not up, they know they don't have the military that we do, but is that what we are supposed to respect when we deal with other people? Is there a gradation that the more powerful you are, the more right you are?

Our actions, in many cases, descend to that.

And obviously, this narrative picks up on some things that are half truths, some things that are other, some things that are exaggerated, misunderstandings—but, to them, this is a contest over what is their vital interest.

Now, the American narrative, of course, is quite different. It is that you have the recurrence in Russia of an autocratic system that has taken away the possibility of democracy from Russia, has turned it once again into an autocracy, and has begun to threaten its neighbors. Never mind that these neighbors were part of the country 30 years ago. And never mind that none of them fought for their independence. It was handed them.

But, you get these two narratives, and, of course, we're reading op-eds right now—to save the world system of peace, we must provide arms to Ukraine so that they can defend themselves, etc., etc., etc.

It seems to me that both of these narratives are wrong. Ours is based upon a total misunderstanding of the end of the Cold War! How many have heard *we* won the Cold War? *You* were defeated. How many have heard, the Cold War ended when the Soviet Union broke up? The fact is, we negotiated an end to the Cold War, which was to the benefit of both countries. And the understanding *then* was, that we were creating a Europe whole and free, as I mentioned.

The breakup of the Soviet Union occurred over two

years after the Cold War had ended, and it ended definitively. And it broke up because of *internal* pressures, and that breakup was led by the elected leader of Russia.

Now, you have part of their narrative now. Because of our triumphalism, ah yes, they fooled Gorbachov. In fact, some would say the CIA hired him. He betrayed us, you see. They were after us all the time, they wanted to break up the Soviet Union, they're responsible for breaking it up.

Totally the opposite of the truth. And yet, step after step, these narratives—both of which are wrong—at best exaggerated, but both have elements that are simply the opposite of the truth. And yet, both countries seem to be developing their policies on it.

### Stop the Personalization

Let me add another element now, which I find particularly disturbing, and that is the personalization of the whole relationship. It's hard to read anything in most of our press that doesn't attribute all the Russian actions to one man, and that man is usually characterized in the most unflattering terms, with various names. This is true both of the media, which, of course, can call things as they wish, but also, of our officials. You know, it seems to me that if you really want to settle the situation, you don't set up, in effect, a public duel between your President and another person, particularly when the other President has most of the marbles in the nation at issue.

When President Putin says we're not going to allow the Ukrainian situation to be resolved by military means, he means it. And no amount of shouting about this is going to change that. And for the President of the United States to appear to challenge him to do other things, simply has a negative effect.

Now, I'm one who actually... I thought the President did a fine State of the Union address, as long as he was dealing with domestic issues. I know Congress is not going to approve it, but that's going to be a good platform for whoever runs on the Democratic ticket in 2016. But his comments about President Putin, it seems to me, were totally out of place, and can only have a negative effect.

So, I think that one thing that we need to do, is to get this personal debate at the top of government out. We really have to stop that, because it's got a negative effect! When you say, "I've isolated him, he's losing. Look,

you didn't like what I was doing, but this guy's losing." What's his reaction? "I'll show him if I'm losing!"

So, who wins from that sort of exchange?

## An Autistic Foreign Policy

But the biggest problem really hasn't been the President. He's been much better on many of these issues than Congress. And I would say one of the most outrageous things, that did much to create the atmosphere that we are in, which is one that nobody is going to benefit from, was the Magnitsky Act. Here you have the United States Congress, which, in that year [2012], could not even pass a budget, passing a law about a court case in Moscow, where it was alleged that the lawyer was mistreated, and he died while he was in detention. That was potentially a real scandal in Moscow.

So, what does the U.S. Congress do? They pass legislation requiring the Administration to identify publicly, and take action, to deny visas to specific people who might have been involved. One of the things, when I was ambassador in Moscow, I would talk about a lot, is how we really need to respect the principle of innocent until proven guilty. Here we have a case, in another

jurisdiction—there may have been a scandal there, there may not have been—a law is passed, limited to Russia, by name, and when, I know, one Congressman was asked about it, he said, "Oh, it's not about Russia, it's about human rights."

If it's not about Russia, why did you limit it to Russia? And I would point out, that was at a time when the United States had torturers and was not prosecuting them. Was that any concern to the American Congress? It was a time that, since then, we have learned that were several prisoners on death row who were proved to be innocent. And so on. It would seem to me that the U.S. Congress should pay a little more attention. And I would just say, on the whole human rights issue, I think we Americans have to understand: yes, human rights are important, very important. But you do not protect them by public pressure on another country, particularly when you are unwilling to judge yourself.

The State Department, now for decades, has to report on human rights in every country in the world, but one—want to guess which one that is?

And what sends the Russians up the wall is the language we use, which we don't understand how it's understood outside. When we say, we are an exceptional people, we're capable of doing good things, protecting other people, and so on—they read it as saying that the rules don't apply to us, unless we want them to. And we act that way.

I'll just make one more addition here, and then we can go to questions, and that is, it seems to me when I really looked at what our policies have been—given their reaction, and this is not something the U.S. has created singlehandedly—what we have gotten has been action/reaction, insults followed by insults answered, and so on. I wonder, when I think about how the policy is made, I was wondering, how do you characterize this?

We've heard a lot recently about autism, and whether there's any connection with vaccination and so on. And suddenly, I said, you know, we have an autistic foreign policy! Let me read you—I went back and looked at the actual definition of autism:

"Autism is characterized by impaired social interaction, verbal and non-verbal communication, and restricted and repetitive behavior."

When the Congress of the United States votes over 30 times in a legislation they know is never going to become law, I would say that is restricted and repetitive behavior, and the problem is really an autistic foreign policy.

# GENOCIDE

## RUSSIA AND THE NEW WORLD ORDER

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

—Sergei Glazyev



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**Economist Dr. Sergei Glazyev** was Minister of Foreign Economic Relations in Boris Yeltsin's first cabinet, and was the only member of the government to resign in protest of the abolition of Parliament in 1993. He is now an advisor to President Putin.

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# Greece Chooses National Survival, Not Destruction

by Dean Andromidas

Feb. 14—While most European leaders continue to follow the dictates of the financial oligarchy, Greece's position is clear: There can be no compromise between national survival and self-destruction. Greece cannot pay the illegitimate and onerous debt, nor can it continue with genocidal austerity. Greece is offering Europe the opportunity to convene a European Debt Conference, launch a New Deal, and work with the BRICS countries and their allies for a new economic paradigm.

Following the European summit of EU leaders on Feb. 12, Greek Prime Minister Alexis Tsipras declared, "Greece does not blackmail and will not be blackmailed." As for the "memorandum" of the International Monetary Fund, European Commission, and the European Central Bank (known as the Troika), he said, "Forget the program, it no longer exists. The Troika doesn't exist either."

Tsipras was backed by his coalition partner, Minister of Defense Panos Kammenos, leader of the Independent Greeks, who told Greek TV: "We are done with the memorandum and the Troika. . . . The government will not negotiate as Syriza [Tsipras's party] or Independent Greeks, but as the government of all Greeks, as a justification for this fight by the Greek people and the peoples of Europe."

## 'The Movement of the Squares'

The key problem for the EU is that it is not just facing a popular opposition which it can repress with tear gas and riot police, as it did three years ago. It now

faces a government which, according to the latest polls, 8 in 10 Greeks support. Can Europe launch a brutal "regime change" policy of sanctions and embargoes against Greece, a member of the European Union, in which "solidarity" is claimed to be the paramount ideal?

On Feb. 11, while the Eurogroup of finance ministers met in Brussels and attempted to force Greece to sacrifice the lives of its citizens, tens of thousands, if not hundreds of thousands, of people in Europe and the Americas took to city streets and squares in support of Greece's policies of economic development and protection of national sovereignty. Greek government spokesman Gabriel Sakellaris declared that the Greek people have given birth a new "movement of the squares," and that "hope has driven fear away."

Greece demonstrated once again that it has been revolutionized, as tens of thousands faced freezing weather and filled Syntagma Square, in front of the Greek Parliament in Athens, and more in a dozen other Greek cities. Similar demonstrations were held in Amsterdam, Brussels, London, Edinburgh, Copenhagen, Lausanne, Rome, Lisbon, Berlin, Paris, Vienna, Budapest, Madrid, Helsinki, and other cities as well, in Canada, New York and Washington, and as far away as Brasilia and São Paulo.

The LaRouche movement participated in rallies in Paris, Berlin, and New York; in the last, activists held placards such as "USA & Greece Must Join the BRICS."

With elections in a half a dozen EU countries this



*A LaRouchePAC rally at EU headquarters in New York City, Feb. 11, 2015. Many thousands of people worldwide demonstrated in support of the new Greek government's defiance of the bankers' "Troika."*

year alone, big surprises are expected, as the governments of Portugal and Spain, countries facing the same harsh "Troika" conditions as Greece, are likely to be swept from power.

In **Spain**, where elections are expected in November, Podemos, the sister party of Syriza, is ahead of the ruling People's Party and the opposition Socialist Party, which have dominated politics since the end of the Franco dictatorship in the 1970s.

In **Portugal**, where elections are to be held in October, the opposition Socialist Party is polling ahead of the ruling Social Democratic Party. On Feb. 12, thirty-two Portuguese personalities, including politicians, businesspeople, academics, retired military officers, and trade unionists, addressed a letter to Prime Minister Pedro Passos Coelho, demanding that he drop his opposition to the Greek proposals. The letter read, "The idea that the austerity policies must continue, is non-productive" and "Portugal must not distance itself from a movement of European cooperation and must take active part in a talk of reviewing the economy and social politics of countries that have suffered the worst for the last six years."

Unfortunately, the warning fell on deaf ears, with Coelho reiterating his position that he will not support any proposals of debt cancellation or re-evaluation.

In **Italy, Ireland**, and several other countries where elections are not scheduled this year, the governments

are shaky and could very well be forced to call early elections.

### **Not a 'GREXIT,' but a 'BRICSIT'**

While the media is filled with commentary on a possible "GREXIT"—a Greek forced or voluntary exit from the Eurozone—the option that Greece is calling for is really what one Greek observer described to *EIR* as a "BRICSIT," whereby Greece joins the BRICS (Brazil, Russia, India, China, South Africa). While any country would be better off outside the Eurozone, the idea of an orderly separation for Greece is impossible. If Greece leaves, Italy, Portugal, and even Germany could follow. That is why a European Debt Conference, one of Syriza's demands, should be held. It could provide, as *EIR* has

written (Jan. 23, 2015), the forum where Europe's bankrupt banking system could be dismantled through a Glass-Steagall-style separation of commercial and casino investment banking. This could be followed by settling the European debt and establishing a European Infrastructure Investment Bank, which would cooperate with the Chinese-initiated Asian Infrastructure Investment Bank (AIIB) to build the great transport and development corridors integrating Europe into the World Land-Bridge.

For the Greek government, it is not either the EU or the BRICS: Greece is offering to serve as a bridge between Europe and the BRICS. Prime Minister Tsipras has said this over and over again, as in his recent trip to Cyprus, where he said Cyprus and Greece can serve as a "bridge of peace" between the EU and Russia.

On Feb. 10, Defense Minister Kammenos called for a "Plan B," if the EU rejects Greece's proposals; this would include seeking financial aid from the U.S., Russia, and China. "It could be the United States at best; it could be Russia; it could be China or other countries," he said. This could take the form of concessions for major infrastructure, like ports, in which Moscow has expressed an interest. "What we want is a deal," stressed Kammenos. "But if there is no deal and if we see that Germany remains unbending and wants to blow Europe apart, then we have the obligation to go to Plan B. Plan B is to get funding from another source. I have

a very good relationship with Russia. We talked with the Russians about Plan B. They think about lifting the embargo on Greek products, and to resume imports. We are interested in cooperation on the pipeline with the Russians.”

While Kammenos’s party won close to 5% of the vote in the election on Jan. 25, polls show that his current approval rating is over 65%.

Foreign Minister Nikos Kotzias, at his first EU foreign ministers’ meeting earlier this month, told the press that the EU “needs to be more than sanctions and memorandums,” a reference to the Troika’s policy.

In an interview with the German weekly *Der Spiegel*, Kotzias pointed to the strategic importance of Greece to Europe: “Greece is in the middle of a triangle. Ukraine is at the top, Libya is on the lower left, and on the lower right is the Middle East, at a distance of just 300 kilometers from us. All of these regions are destabilized. What would happen, for instance, if, under immense pressure on economic issues, Greece was destabilized as well? That would create a line from Russia, through Ukraine and the Balkans, to the Middle East and North Africa. A vast arc that could bring millions of migrants to Europe. Then the whole of Europe would be destabilized. What we are saying is, peace and justice in Ukraine are of equal importance with stability in Europe.”

On Feb. 11, Kotzias was in Moscow, where he met his counterpart, Sergei Lavrov, and said that Greece will explain to its European partners that all problems must be solved through negotiations, or a humanitarian crisis will arise. He declared, “Our relationship with Russia is one of honest friendship.” Lavrov in turn suggested the possibility of offering Greece aid if necessary.

After being invited to Russia by President Vladimir Putin to attend Russia’s celebration of the victory over Nazi Germany, in May, Prime Minister Tsipras was reported in the Greek press to have received an invitation to visit China. While this was not confirmed, on Feb. 11, Chinese Prime Minister Li Keqiang telephoned Tsipras to congratulate him on his inauguration as prime minister, and declared, “China values its traditional friendship and consistently expanding pragmatic cooperation with Greece,” as equal partners seeking mutual benefit, and will “take the relationship to a higher ground.” Li pointed to the role of the Chinese state shipping company, COSCO, and its leasing of the container terminal at Piraeus Port. He said China is ready to cooperate with Greece to develop the port as an important hub for the region, a bridge for realizing the



Creative Commons/EPA/Sergei Chirikov

*Greek Foreign Minister Nikos Kotzias (left) with Russian Foreign Minister Sergei Lavrov, in Moscow on Feb. 11. Greece is putting itself forward as a “bridge” between the EU and Russia.*

China-Europe land-sea express passage and boosting Eurasia connectivity.

Tsipras replied that in Greece’s efforts to revive its economy, assistance from China is critical, especially in areas such as maritime affairs and shipping, as well as infrastructure and finance.

Earlier in the week, Li invited Greek Minister of Productive Reconstruction, Environment, and Energy Panagiotis Lafazanis to visit China later this month. Lafazanis has become infamous in the corridors of the European Commission building in Brussels, for his announcement that he will review, and if necessary reverse, all the privatizations of the past government, especially in the energy and transport sector. Those sectors have everything to do with assuring the development of Greece’s connectivity to the BRICS and allied countries. Decisions in the energy sector are directly related to Greece’s cooperation with Russia’s Gazprom, which has expressed interest in building a gas pipeline through Greece. Also crucial is the completion of the rail line from Piraeus north to Thessaloniki and the Balkans, where China is helping the Former Yugoslav Republic of Macedonia (FYRM), Serbia, and Hungary to rebuild and expand their railways.

Greece can always “connect” with the BRICS on its own, but it would be far better for Europe to drop its suicidal economic and political policies and take up Greece’s offer.



# Paris Schiller Institute Hosts Seminar on BRICS' New Paradigm

by Our Paris Bureau

PARIS, Feb. 10—The Schiller Institute in Paris hosted the first in a series of seminars on what Indian Prime Minister Narendra Modi called “the mass movement for development” of the BRICS countries. Among the 40-some attendees were 11 representatives of embassies, one former French ambassador, academics, and representatives of the Pan African League.

Odile Mojon outlined the aims and actions of the Schiller Institute, appealing to all to sign and circulate its [petition](#) calling for the U.S. and Europe to abandon geopolitics and ally with the BRICS dynamic.

Christine Bierre, editor of *Nouvelle Solidarité* newspaper, discussed the realities the world faces today: the push for war by the Anglo-American financial empire and the good news that Greece is breaking with the bankrupt policies of the EU.

A message was read from Indian economist Jayshree Sengupta of the New Delhi-based Observer Research Foundation (see below).

Minister Councillor Leonid Kadyshev, of the Russian Embassy in Paris, spoke next. He was the Russian negotiator at two BRICS summits, and underlined that the BRICS are aiming for peace through mutual development. The New Development Bank is crucial to finance large infrastructure projects, and the Currency Reserve Arrangement will allow countries to resist fluctuations of commodity prices.

Col. Alain Corvez (ret.) then spoke on France’s visionary leader Charles de Gaulle, who, in many ways, preceded the ideas of the BRICS. De Gaulle, in line with the Non-Aligned Movement at that time, opposed the Cold War and refused to side with one of the “two blocs.”

To conclude, Acheikh Ibn-Oumar, the former Foreign Affairs Minister of Chad, gave a poignant speech on Lake Chad, underlining that only great projects could bring security to the region. For Africa, the BRICS are key, he said.

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Jayshree Sengupta

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## Europe Should Choose The BRICs Alternative

*Indian economist Jayshree Sengupta sent this message to the Feb. 10, 2015 Schiller Institute BRICS Conference in Paris. She had addressed the Schiller Institute’s 30th anniversary conference in Frankfurt, Germany, on Oct. 18, 2014. [EIR](#) published her speech in its Oct. 31 issue.*

My greetings from India to all the participants, and I wish you good luck. I hope the discussions will show a way forward for France, which is not only reeling under the recent terrorist attacks, but is also facing a deep economic slowdown. There are a growing number of unemployed people and the economic growth seems to be stagnant. I wish I could join you personally in the seminar, but the distance is too great between India and France!

As an admirer of French civilization and culture, it is very sad for me and others like me to see France in this state of deep malaise. We in India are following closely the problems of the Eurozone countries, with great concern. We wish for a humanitarian solution to the economic problems faced by ordinary citizens. We would like to see that they do not suffer due to the faulty policies of their governments.

In the case of Greece, we are happy that the new government will try to put an end to the austerity measures imposed by the Troika, comprised of the IMF, the ECB, and the European Commission, which has brought unprecedented hardship and misery to the people, especially the young.



EIRNS/Julien Lemaître

Jayshree Sengupta addresses the Schiller Institute's conference in Frankfurt, Germany, Oct. 18, 2014.

Greece has to find a way out of the mess, and so should other members of the Eurozone who are suffering at the hands of the Troika and are having a tough time balancing their budgets, promoting their exports, keeping their welfare programs intact, and creating jobs for youth.

We in India experienced conditionality imposed by the IMF when India had to borrow in order to tide over its balance of payments problem in 1991. There were deep budgetary cuts in agriculture and the social sectors, and a blueprint was drawn up for privatization of state enterprises. Many were sold and are still being sold, and there has been a rise in unemployment.

### **‘Future Potential’ of the BRICS**

Today India proudly belongs to the BRICS—a name coined by an American in 2002 for the emerging market countries. Today BRICS has become a group with a promising future. It is comprised by five giants: Brazil, Russia, India, China, and South Africa. The skeptics are already pointing out that the BRICS are in trouble and would crumble down soon. This is because China's economy has been slowing down and Russia's economy is facing problems due to the drastic reduction in oil prices. The conflict in Ukraine has already set back Russia economically. The sanctions imposed by the West and the anxiety among investors that more sanctions would be coming, have aggravated a slowdown that already started some time ago.

About \$88 billion was pulled out of Russia last year. Standard & Poor's has downgraded Russia's credit rating to junk status (BB+) recently, putting it below investment grade for the first time in a decade. A junk status for a country or company suggests that it is likely to default on its debt. But Russia has \$379 billion in reserves, and in case of real need, China has \$4 trillion in dollar-denominated assets. It could easily lend to Russia. It is, however, true that Russian exports have fallen sharply and imports (due to counter-sanctions by Russia) have also declined, which has already started to have an adverse economic impact on Germany. Russian sanctions are beginning to hurt the Eurozone countries now.

Brazil also is facing problems in its exports, mainly of commodities, because of falling prices. Brazil has iron ore and agricultural commodities like soya, coffee, and sugar, whose prices are falling. It also has a big budget deficit, and there have been allegations of excessive social expenditure.

Only India seems to be poised for better economic growth prospects and a bright economic outlook. India is bound to grow at 6.5% this year. India has also many problems, and there 22% of the population is still below the poverty line, which means around 300 million people are very poor.

South Africa is also facing major problems that could jeopardize its economy. It had only 1.4% growth in 2014, and the unemployment rate was 25%. But given the fact that it has valuable mineral resources and skilled manpower, it may ride out its difficulties.

Whatever may be the problems today, the fact remains that the BRICS will be the economic powerhouse of the future. There is no doubt that the progress achieved by all these five countries cannot be wiped out by temporary market-related turmoil and manipulations that involve falling commodity prices, especially that of oil.

In 2014, the five BRICS represented 3 billion people, which is 40% of the world's population, and a combined nominal GDP of \$4 trillion. The BRICS in 2014 represented 18% of the world economy.

China has had an average growth of 10% for 30 years. It is but natural that it would have to slow down. It is already an economic giant and the factory of the world, and the latest deliberate move by the government has been to move away from export-led growth strategy followed for decades, to a more domestic-demand-driven growth. It seems a reasonable quest, because unless the Chinese people have higher incomes

and are able to demand more goods and services produced by China, higher growth cannot be sustained. China has already had a very high rate of investment, so now is the time to encourage domestic consumption. Also, the global economy's outlook is getting more and more uncertain, with a shrinking growth rate, and export-led growth is clearly not a viable option for China today.

But the BRICS will collectively have a larger GDP than that of the six leading industrial countries combined, by 2030. As India's Prime Minister Narendra Modi said, "For the first time, [the BRICS] brings together a group of nations on the parameter of 'future potential' rather than existing prosperity or shared identities. The very idea of BRICS is thus forward looking." The BRICS is a cause for worry for countries that have long dominated the current economic order.

To be able to reach their potential by 2030, the BRICS, and especially India, have to grow faster. The BRICS will represent a huge part of humanity and global resources. That is why they chose to have their own development and cooperation agenda and have their own bank. It will liberate them from the clutches of the IMF or the ADB [Asian Development Bank], if they want to borrow for development purposes, especially infrastructure, in the future.

The IMF unfortunately does not reflect the growing power of the BRICS, and it has failed to implement reforms in its voting structure and quotas which could have changed the BRICS' low representation. All the BRICS together have 11% of the voting power in the IMF. In 2012, the BRICS nations pledged \$75 billion to boost the lending power of the IMF; but the loan was conditional on IMF voting up reforms—which did not take place. It is high time that the Western powers, or the North, take note of the global South represented by the BRICS and the developing world.

Unlike the Eurozone countries which are under the clutches of the Troika, the BRICS are following their own fiscal and monetary policies. The IMF from Washington and the ECB decide when to bail out a beleaguered country in the Eurozone, and by how much, and they decide what kind of austerity package the country has to follow—and even when there is visible and unprecedented human suffering, they do not seem to relent. Belt-tightening measures have led to a drastic fall in living standards in Greece, Spain, and France. They have led to the youth not having jobs, which can demoralize them for the rest of their lives. The adverse psychological

impact on youth of being jobless is great. As are a result of austerity measures, the Eurozone is facing an economic crisis with a recession. There will be no growth in the Eurozone in the next one or two years, at least.

The BRICS, on the other hand, has to remain a cohesive group. They have to settle their internal differences, like the border issues between India and China. They are today a challenger of the Western powers' clout in the UN, WTO, and the Bretton Woods twins World Bank and the IMF. It must be remembered that all the members are developing countries except Russia. The group intends to expand in the future. They need help in health, education, banking, and infrastructure. France, as a developed industrialized country, can offer support to the BRICS.

The BRICS need to be protected from balance of payments fluctuations. In fact, the New Development Bank has a Contingency Reserve Arrangement (CRA) of \$100 billion, which is aimed at relieving countries faced with problems in their balance of payments. China will be contributing \$41 billion, Russia, Brazil, and India will each contribute \$18 billion, and South Africa will contribute \$5 billion to the CRA.

The New Development Bank's headquarters will be in Shanghai and there will be a democratic approach to the governance, with each member getting equal voting rights. Its primary focus will be lending for infrastructure projects, with authorized lending of up to \$34 billion annually.

South Africa will have the African headquarters of the bank. It will have starting capital of \$50 billion, with capital increased to \$100 billion over time. Brazil, Russia, India, China, and South Africa will initially contribute \$10 billion each, to bring the total to \$50 billion. No member can increase its share of capital without all the other four agreeing. The bank will allow new members to join, but the BRICS' capital share cannot fall below 55%.

One driver for the BRICS Development Bank has been "to promote their interests abroad . . . and highlight the strengthening position of countries whose opinion is frequently ignored by their developed American and European colleagues." Basically the idea is to have a bank for the global South, which was badly needed. Two members of the BRICS, Russia and China, have also undertaken currency swap deals.

In October 2014, Russian and Chinese leaders met in Moscow and signed 40 intergovernmental agreements. Among them is a yuan-ruble currency swap

worth \$24.4 billion, facilitated by the CRA, and a \$400 billion natural gas deal. The swap is among the first concrete steps the BRICS has taken to eliminate the dollar from international trade, and the natural gas deal is the second.

BRICS member countries, however, need to cooperate in food security, water stress, health care, inclusive growth, urbanization, technology transfer, trade, and investment. They are far behind the developed countries in human development. Measured by the Human Development Index, most BRICS members have problems in tackling inequality. The average Gini coefficient [which measures wealth or income inequality] among the BRICS is 0.49, as compared to 0.31 in developed countries. Life expectancy is 68.1 years in the BRICS and 80 years in developed countries. In terms of mean years of schooling, the BRICS average is 8.14 years, and in developed countries it is 13 years. In health care, education, and technology transfer, France's joining the BRICS would be helpful.

The state of infrastructure among the BRICS is also varied. The weighted average of infrastructure investment needed in each BRICS member will be roughly 7% of each member's GDP, which is higher than what

is required in developed countries. India will require 9.6% of its GDP to be infrastructure investment in the next five years.

### How France Can Participate

France's support for the BRICS would be a positive sum game. But given France's focal and important position in the EU, it cannot leave the Eurozone without precipitating a collapse. Still, France has always been a prime mover of change in the international financial system. On Feb. 4, 1965, President Charles de Gaulle denounced the role of the dollar and gold system supporting it. He ordered the Bank of France to begin converting its dollar reserves into gold. The result was a steady drain of America's gold supply, and there was a worse threat that other countries would join France in a gold rush.

America went off gold convertibility and went for an alternative to gold, and Washington proposed that the IMF establish Special Drawing Rights (SDRs) as an international credit account among countries. De Gaulle vetoed the proposal and continued to demand gold for dollars. His move changed the entire international financial system, and in 1971, President Nixon ended the

## The New Silk Road Becomes the World Land-Bridge

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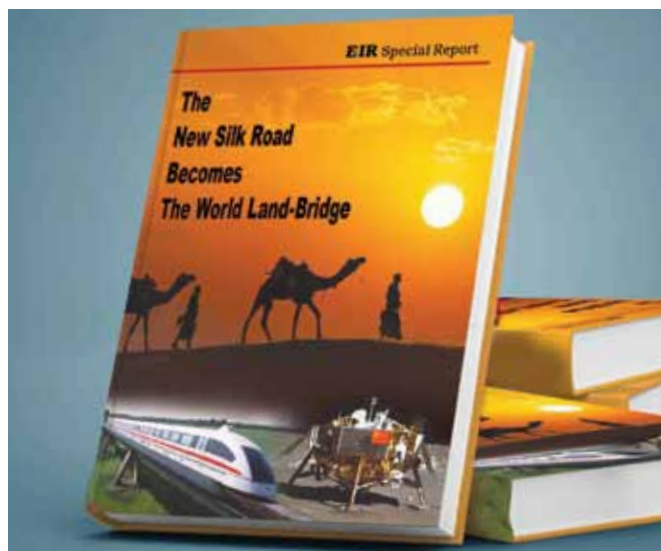
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dollar convertibility to gold. The new economic policy of Nixon marked the beginning of the end of the Bretton Woods international monetary system.

Because of France's leadership in bringing about a change in the global international system, it could intervene today and lend its expertise in many fields to the BRICS; in return, the BRICS would offer the partnership of the most dynamic grouping in the future.

The BRICS would welcome France's help in building institutions, social safety nets for the poor, food security, and enhancing agricultural growth. The BRICS are going to intensify their cooperation in tackling the rise in terrorism, cyber insecurity, and climate change. The BRICS are home to the world's more valuable regions of bio-diversity. They would proactively work to protect these areas and promote sustainable development and preserve the ecological base within each BRICS member.

Lack of full access to financial services and dependence on the dollar as the reserve currency are problems that most BRICS members are facing. The Chinese yuan will gradually emerge as an option for the settlement of global exchanges, especially with growing South-South trade, parallel to the dollar. This will be helped by the fact that China is the largest individual trading partner of Brazil, India, and South Africa.

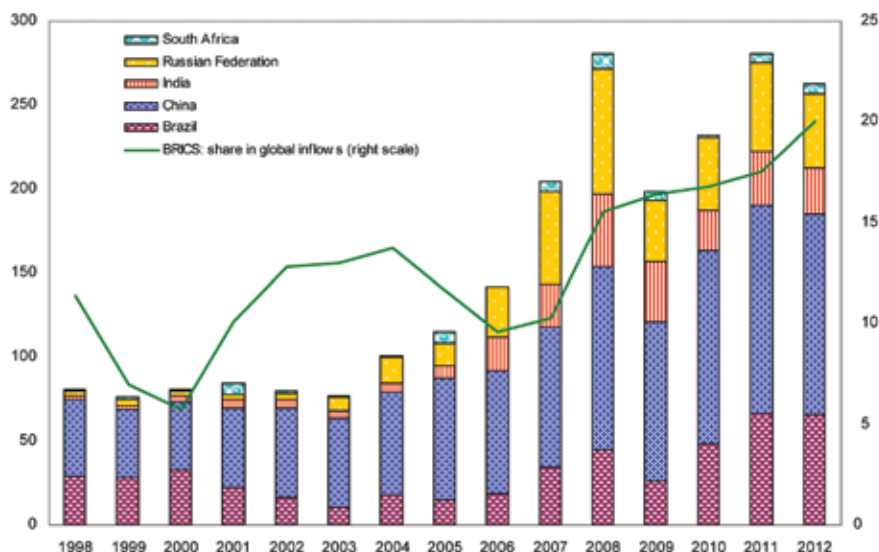
The New Development Bank would welcome solid backing from countries like France. Both the Development Bank and the Contingency Reserve Arrangement will counter the influence of Western-based lending institutions and the dollar.

Thus the BRICS' new and strong emerging identity cannot be ignored by the Eurozone or the IMF. A serious problem faced by BRICS members is financial volatility because of the quantitative easing undertaken by the EU, Japan, and the U.S. This policy allows a central bank to purchase government or other securities from the market, with the goal of lowering interest rates and increasing the money supply, which injects more liquidity into the international financial system. These

FIGURE 1

## BRICS Countries: Foreign Direct Investment (FDI) Inflows and Their Share in Global FDI Inflows, 1998-2012

(\$ Billions and %)



Source: UNCTAD, FDI/TNC database

Note: Data for 2012 are preliminary

funds find their way into the emerging markets of the BRICS and have repercussions on their domestic currencies. Interventions are needed by the central banks of the BRICS countries to stabilize their domestic currencies, in order not to impact their exports adversely.

The volatility of the currency markets has been created by powerful countries to solve their own domestic problems of slow growth and recession. They have been undertaking the monetary easing to rev up their domestic demand. This has been a destabilizing phenomenon in the financial markets today. As soon as there are signs of robust recovery and news of interest rates rising in the U.S., the FIIs [foreign institutional investors] would be returning home. The BRICS want to stabilize the currency markets and have a long-term solution to their foreign investment requirements. They need more FDI [foreign direct investment], and not more FIIs.

People in all the troubled countries today are looking for a different global order and a multipolar world. The global South has to become stronger. The Eurozone meanwhile cannot be dismantled in the near future, and there will be more conservative resolutions to problems through bailouts and harder austerity measures. The option, however, for them is to choose another alternative—the BRICS!



PUTIN IN CAIRO

## Egypt Joins The BRICS Dynamic

by Hussein Askary

Feb. 15—The warm welcome offered to Russian President Vladimir Putin by both the government and people of Egypt, during his Feb. 9-10 visit to Cairo, and the bilateral agreements reached during the visit, show once again Egypt's determination to remain a truly sovereign nation-state with great, legitimate ambitions for progress and for securing its realm.

The Egyptian government under President Abdul-Fattah el-Sisi has taken visible steps towards the nation's physical-economic development, and is beginning to aid in reversing the terrible political and military developments that have devastated large parts of Southwest Asia and North Africa, thanks to geopolitical interventions of the U.S., Britain, NATO, and their allies in the region such as Saudi Arabia, Qatar, and the UAE. Egypt is also pursuing a policy of dialogue for economic development in Africa, especially with Sudan, Ethiopia, and other nations in the Nile Basin.<sup>1</sup>

### Nuclear Power Agreement

The most significant economic agreement reached during the visit, from the standpoint of moving Egypt onto the path of rapid development, was the one on nuclear power.

President Putin announced after signing a compre-

hensive agreement on Feb. 10, that Russia will help build "a whole new nuclear power industry" in Egypt. According to RT, Putin said Russia 'would contribute not only to the construction of a nuclear power plant, but also staff and scientific research.'"

In his press conference with Putin, President el-Sisi said that the two sides had signed a memorandum of understanding to build the first nuclear plant in Al-Dabaa. "We discussed today the possibility of cooperation in nuclear power engineering," Putin said. "If final decisions are made, they will relate not only to the construction of a nuclear power plant, but also to the creation of a whole new nuclear power industry in Egypt."

RT quoted Sergei Kiriyeenko, the head of the Russian nuclear power company Rosatom, as saying that under the new agreement, Rosatom "will build two reactors based on Russian technology." However, the contract signed between the two sides includes the construction of a total of four 1,200 MW units.

The new generation plant, Kiriyeenko said, will comply with "post-Fukushima" safety standards. Negotiations for the actual construction started the week after Putin's visit.

In a healthy nuclear power program, power plants that would offer the nation vast amounts of clean power, should be part of a larger industrial-scientific complex. That complex will be part of the total development of the nation's economy and labor force, as the nuclear

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1. See *EIR*'s four-part series (Sept. 5, Sept. 12, Oct. 10, and Nov. 21, 2014) on Egypt and East Africa's development, by Hussein Askary and Dean Andromidas.

research and development process permeates all aspects of the nation's economy, such as medicine, agriculture, and metallurgy.

In this author's proposal for "an Egyptian [Declaration of Economic Independence](#)," published in *EIR* immediately after the overthrow of the Muslim Brotherhood government in July 2013, it was recommended that Egypt approach Russia to help restart Egypt's nuclear program:

"Egypt has had a problem finding partners in the West to build the reactors. In the current situation, only Russia, China, and probably South Korea, would be willing to discuss these issues with the Egyptian government, and these possibilities should immediately be explored. Relaunching of the nuclear program should be made a key element of the new government's declaration of intention."

The Egyptian daily *Al-Ahram* quoted a Russian diplomat as saying that "energy is clearly an important issue for Egypt and we are committed to help." Egypt suffers from an acute energy shortage. Power cuts were a feature of Summer 2014 and continued well into the Winter. There is a desperate need to upgrade existing gas-fuelled power plants, which are in terrible shape, and to build new ones.

### Trade, Investment, and Tourism

In addition to nuclear cooperation, el-Sisi and Putin signed a memorandum of understanding to facilitate trade and economic cooperation between the two sides. According to *Al-Ahram*, the two sides signed an agreement to establish a free-trade zone with the Russian-led Eurasian Economic Union (EEU), and a Russia industrial zone in the Suez Canal area.

El-Sisi and Putin also concluded an agreement for Russia to export wheat to Egypt, and to import Egyptian fruits and vegetables. A source at the Egyptian Ministry of Supply said that shipments "should be arriving by the Summer."

As reported earlier by *EIR*, Egypt has launched a massive national development project for the Suez



President of Russia

*Presidents Putin and el-Sisi share a meal in the "Tower" in Cairo, Egypt's tallest structure, built in the 1960s by President Nasser. The two leaders reached a number of bilateral agreements, including Russia's help in building "a whole new nuclear power industry" in Egypt.*

Canal region, including a new parallel canal to allow greater movement of ships, and major industrial zones, in which China primarily, and now Russia, are greatly interested. The New Suez Canal will be a key part of the Maritime Silk Route proposed last year by China's President Xi Jinping.

Although the Egyptian government has begun financing these projects through Egyptian institutions and citizens, there is still great need for foreign investment.

"The volume of Russian investment in Egypt has been limited and the trade balance favors Russia. The situation could improve if Russia opened its market to Egyptian agrarian exports," said an Egyptian official, according to *Al-Ahram*. Minister of Trade Mounir Fahkri Abdel-Nour held talks with Russian officials and the business community in a drive to promote Egyptian exports. According to one of his assistants, the talks identified "firm areas for cooperation in the near future."

According to RT, Russia and Egypt will promote a number of investment projects in various sectors, including the transportation, manufacturing, and chemical industries. According to Putin, there are already 400 Russian companies operating in Egypt and the two sides have agreed to expand opportunities for small and

medium-sized businesses in Egypt.

One important item on the agenda was an agreement between the Russian Direct Investment Fund (RDIF) and the Egyptian Ministry of Investment to enhance investment cooperation. RDIF is a \$10 billion fund established by the Russian government to make equity investments, primarily in the Russian economy. It is also a vehicle for Russian-Chinese cooperation. The head of the China Investment Corporation sits on the RDIF's advisory board. Kirill Dmitriyev, head of the RDIF, visited China in 2011, and negotiated the establishment of a US\$4 billion Russian-Chinese fund.

The RDIF will support the establishment of an Egyptian investment fund, according to another agreement signed during Putin's visit. The RDIF will provide wide-ranging advice to the Ministry of Investment, including expertise on setting up the fund, the co-investment model, management structure, and investment strategy. The RDIF will also provide support in attracting international investors to the fund, through its own experience in establishing partnerships with other sovereign funds. Dmitriyev, told *Al-Ahram* weekly that Egypt was a country with major investment potential in a number of sectors and one of Russia's key economic partners in the Middle East.

"The intended fund will attract international investment from countries other than the Gulf Cooperation Council (GCC) to invest in Egypt, as Saudi Arabia, the UAE, and Kuwait already have substantial financial investments in Egypt," he said.

Egypt intends to create its own sovereign investment fund in cooperation with the RDIF, following in the footsteps of other countries that have shown an intention to set up investment funds based on Russian experience, and to employ RDIF's co-investment model. "Through the new Egyptian investment fund, the government will put money in different projects, which will encourage foreign investors to seek partnerships with the government and to invest their money in Egypt," Dmitriyev said.



USAID

*El-Sisi and Putin concluded an agreement for Russian wheat exports to Egypt, in exchange for imports of Egyptian fruits and vegetables. Here, Egyptian farmers exhibit the results of modern horticulture techniques which have increased crop quality and yields.*

Bilateral trade between Egypt and Russia increased by almost half in 2014 over a year earlier, amounting to more than \$4.5 billion.

Dmitriyev said that agriculture would likely see the largest investment in the immediate future.

Russia and China will be two of the largest contributors and participants at the international Egypt Economic Development Conference to be held in Sharm el-Sheikh on March 13-15. At that conference ([www.egyptthefuture.com](http://www.egyptthefuture.com)), the Egyptian government is expected to present multi-billion-dollar transport, energy, industry, water, and agriculture projects to international investors.

One interesting aspect in the new agreements, which will outflank the U.S. and EU financial warfare against Russia and its currency, is the initiation of trade in the two countries' own currencies rather than the dollar or the euro. "The mechanism has already proved its efficiency, so I think it's only a matter of time before Russia and Egypt use the national currencies to settle bilateral trade. Egypt is our key trading partner in the region and the largest importer of Russian wheat. I'm confident that the implementation of the new settlement mechanism will help to intensify bilateral trade," Dmitriyev said.

Both Presidents also noted the importance of the

tourist industry, and expressed their willingness to develop cooperation in this sphere, as a record number of Russian tourists visited Egypt last year. Amer Mohamed, head of the Russian Department at Ain Shams Linguistics Faculty, says the increased number of students seeking to join the Russian Department in recent years is a reflection of the growing importance of Russians in the Egyptian tourist market. In the wake of Putin's visit, and the expansion of Egyptian-Russian relations, Mohamed now expects "even higher demand" for places in his department. Sherif Gad, director of the Russian Cultural Centre in Cairo, also reports higher demand for the Russian-language courses.

The Egyptian Red Sea resorts are a popular vacation destination for many Russians. According to Egyptian media sources, more than 3 million Russian tourists visited Egyptian resorts in 2014, up by 50% over a year earlier. Settling accounts in national currencies will create more favorable conditions for the millions of Russians who spend their holidays in Egypt, as the decline of the value of the ruble has led to reduced purchasing power for many Russians.

### Political and Military Agreements

It is a correct and widely held opinion among sane strategic thinkers, that Egypt is the key factor in stopping and eliminating the threat of so-called Islamic terrorism, and stabilizing Southwest Asia and North Africa, which have become targets of that terrorism since at least the illegal 2003 U.S.-British invasion of Iraq, the invasion of Libya by NATO in 2011, and the foreign attack on the nation and government of Syria since 2011. However, Egypt alone will not be able to deal with that massive problem, especially as world powers such as the U.S., U.K., and their allies in the region are standing in the way of eliminating this threat, as they insist on pursuing regime change against Syria's President Bashar al-Assad, for example.

Before the overthrow of the Muslim Brotherhood government of Mohammed Morsi in June 2013, Egypt had become a host for the conspiracy against Syria. The Arab League, headquartered in Cairo, was run by Qatar and Saudi Arabia. Syria was stripped of its membership in the League, and the Qataris and Saudis placed the five-star-hotel opposition grouping, the Syrian National Coalition, in the seat belonging to Syria.

Without cooperation among Egypt, Assad's Syrian Arab Army, and Iran, there will be no end to the reli-

gious war raging throughout the region. Although it might be difficult to achieve, cooperation between especially Egypt, the largest Sunni Arab nation, and Iran, the largest Shi'a Muslim country, is essential to defuse the Shi'a-Sunni conflict provoked by Anglo-Saudi terrorist groups and religious institutions. It was during a visit by former U.S. Vice President Dick Cheney to the Saudi capital Riyadh in 2006, that the idea was hatched to create a Saudi-Egypt-Jordan "Sunni Triangle" to counter the alleged "Shi'a Crescent" of Iran, Syria, and Hezbollah in Lebanon. Egyptian analysts believe that the only reason the Saudi monarchy has financially and politically supported el-Sisi, is to keep Egypt inside this "Triangle," and to stop any rapprochement with Syria and Iran.

However, the intelligentsia of Egypt are no longer supporting the Saudi strategy, and see Syria's national integrity as important for Egypt's security and position in the region. This was clearly an important item in the discussions between Presidents Putin and el-Sisi.

El-Sisi met Putin in Moscow, first as Minister of Defense, and later as President, in 2013 and 2014. He received Putin's support for assuming the Presidency of Egypt, while the U.S. Administration still called el-Sisi's taking office "a coup." In both visits, el-Sisi discussed military cooperation and combating terrorism.

In Cairo, both el-Sisi and Putin underlined the importance of cooperation in combating terrorism. This, say sources on both sides, essentially means greater intelligence sharing, particularly when it comes to large groups like the Islamic State (IS), according to *Al-Ahram* weekly. As the two heads of state were discussing the war on terror, a series of bombs hit Alexandria, wounding ten civilians. An IS-allied group called Ansar Beit al-Maqdis has been carrying out terrorist attacks on both civilian and military targets inside Egypt.

The two leaders also discussed regional developments, with Syria taking up the lion's share of discussions. In his press statement, Putin said he had briefed his Egyptian host on the Jan. 26-29 Moscow talks between elements of the Syrian opposition and representatives of the Assad regime. El-Sisi, in turn, informed his guest of the outcome of the Jan. 18 Cairo conference, which sought to forge the basis for a political solution to the Syrian crisis.

"We agreed to coordinate our efforts. The problem is that though we work with the intention of somehow accommodating the Assad regime in a final political



deal, we don't go as far as our Russian friends do in trying to rescue al-Assad," said a concerned Egyptian diplomat.

"Egypt considers Russia a strategic asset in its pursuit of balanced foreign relations," el-Sisi said in his Feb. 10 press statement.

Moscow has, for some time, put the Muslim Brotherhood on the list of groups supporting terror, something the Americans are reluctant to do. Since mid-November 2013, tangible steps have been taken by Egyptian and Russian officials to bolster their military cooperation. Moscow has offered to sell sophisticated weapons to Egypt, including helicopters, MIG-29 fighter jets, air-defense systems, and Kornet anti-tank missiles. During his visit to Cairo, Putin symbolized the mutual interest in military cooperation when he gave el-Sisi an AK-47 automatic rifle as a gift.

### A New Era in Relations

While Egyptian and Russian diplomats are not anticipating that relations between the two countries will reach the level of the Soviet-era relations of the 1950s and '60s, this visit is beginning a new era in relations that will affect the whole region. The Soviet Union helped build the Aswan Dam and dozens of industrial projects, such as steel plants and cement factories, that were key to the economic renaissance that was achieved under Egypt's greatest leader in modern times, President Gamal Abdel Nasser. Today, Egyptians see el-Sisi as a kind of reincarnation of Nasser.

Although no details were given about the military protocols signed between the two sides, Egyptian officials were very careful in indicating that the renewed relations with Russia were not meant to withdraw from strategic cooperation with the United States. Egypt wants to diversify its military and security affairs, so that it maintains its independence. However, U.S. policies pursued under President Barack Obama have caused a deep rift between Egypt and the U.S., to the extent that Egyptian politicians are warning that "the U.S. is risking to lose Egypt as a strategic ally."

On Feb. 12, Breitbart News published an interview



*The Soviets helped to build the Aswan Dam, and dozens of industrial projects that were key to the economic renaissance achieved under Egypt's great leader, Gamal Abdel Nasser, shown here observing construction of the dam, ca. 1963-64.*

with the Egyptian politician Moustafa el-Gindy, who played a key role in the uprisings against both President Hosni Mubarak in 2011, and Morsi in 2013. Gindy put the crisis between Obama's U.S. and Egypt in very clear terms: "Under Obama, American foreign policy in the Middle East assumed the Muslim Brotherhood in positions of power. When the Egyptian people threw the Brotherhood out of power, America's strategy was left in tatters. America is losing Egypt. We see how you treat Israel, who, for 50 years, was your closest ally. We see how you treat them and how you are now treating us. Russia and China see it too."

Gindy explained to Breitbart: "Look where Egypt took Putin. They took him to 'the Tower' [where Putin and el-Sisi had dinner together—ed.]. That was aimed at the Americans." Breitbart explained that the Cairo Tower was built in the 1960s by Nasser. The tallest structure in Egypt, it was partially built with \$6 million the U.S. had offered to Nasser as a personal gift to curry favor with him. But Nasser was insulted by the gift, interpreting it as a bribe, and publicly dedicated the funds to erecting the tower.

Gindy said the U.S. lost Egypt when President Obama and other American officials called the country's revolution against the Muslim Brotherhood a "coup." "A 'coup' does not happen with 40 million people in the streets," Gindy noted. "Coups happen at night, not during the day."



“Now, Obama calls our revolution a ‘coup?’,” Gindy asked. “I don’t understand this guy. One minute he’s good, the next minute he is evil.”

Gindy said a reshuffling of power was underway in the Middle East. Russia and China, he said, see the vacuum left by America, and are pouring into the region. “Russia is building Egypt a nuclear power plant,” he said. “They are offering us arms and the [United Arab] Emirates will write the check. Our trade will now be in rubles and Egyptian pounds, not dollars.”

“Sisi has gone to the Egyptian people, and in one week, they gave him \$60 billion to widen the Suez Canal,” Gindy added. “Not the World Bank. Not the IMF. The people have given him the money.” Gindy shrugged, “And you call it a ‘coup.’”

### Meanwhile in Washington

While Egypt is building its economy with one hand, with the support of China and Russia, and fighting terrorism with the other, the U.S. Administration is doing its best to undermine that fight. According to U.S. media, top members of the deposed Muslim Brotherhood, whose organization has been declared a

terrorist group in Egypt and many other countries, are regularly meeting with State Department officials to discuss alleged crimes committed by el-Sisi’s government.

In one recent posting on Facebook by [Waleed Sharaby](#), a judge with intimate ties to the Brotherhood, a photo shows him posed in front of a State Department emblem, and in his picture caption, he writes in Arabic to his supporters in Egypt: “Now in the State Department. Your resilience is amazing!”, while making the four-finger sign, a symbol of the Brotherhood’s protests against el-Sisi’s alleged “coup.”

The Egyptian people and intelligentsia are acutely aware of the dangers threatening their country, and they don’t see the current U.S. Administration and institutions as a friend or ally anymore. However, they look with optimism toward the future, and are fighting hard to combat these dangers and build their country. Russia and China have shown that they are true friends of Egypt in times of distress. It is time for the U.S. and Western Europe to realize the importance of Egypt in the regional and global context. They also have to realize what the BRICS dynamic represents and join it, as Egypt has forcefully done now.

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# South Korea Says No to Obama's War, Yes to BRICS

by Mike Billington

Feb. 8—Although you would never know it by reading the Western press, South Korea has given a resounding “No” to President Obama and the British puppets at the UN who are trying desperately to start a war in Asia, ostensibly over North Korea, although everyone in Asia knows that the target is actually China. Most importantly, the South Koreans know this, and want nothing to do with the U.S. confrontation with either Russia or China. Rather, Seoul is taking dramatic measures to bring peace and reunification to the Korean Peninsula.

In the past weeks, South Korean President Park Geun-hye has:

- publicly rejected Washington's demand that advanced high altitude weapons be deployed in the South, making clear that they are not needed against the North, and would only be intended for use against China or Russia;
- signed yet another major deal with Russia for collaboration on infrastructure projects in the Russian Far East and potentially in North Korea; and
- extended already close relations with China to include a military dynamic.

## THAAD Missiles

On Feb. 4, Chinese Defense Minister Chang Wanquan, after meeting with South Korean Defense Minister Han Min-goo in Seoul, said publicly (for the first time by a Chinese official) that the U.S. intention to place THAAD (Terminal High-Altitude Area Defense) missiles in South Korea was viewed as a direct threat to China—just as the U.S. placement of missile defense systems along the Russian border in Europe is recognized in Moscow as a threat to launch a first strike nuclear attack, despite claims from Washington that they are only intended to defend against Iran's (non-existent) missile threat. Chinese Foreign Ministry spokesman Hong Lei reiterated the concern the next day, saying that “countries should bear in mind the security interest of other countries as well as regional peace and stability in the pursuit of its own security.”



Republic of Korea, Office of the President

*South Korean President Park Geun-hye welcomes Chinese Defense Minister Chang Wanquan on Feb. 4. Relations between the two countries are already close, but they now include a military element.*

South Korea's answer was unequivocal. A Defense official said that the South's position “remained unchanged,” while Foreign Ministry spokesman Noh Kwang-il made clear that the THAAD missiles were not needed to defend against North Korea, whose border is only a few miles away from Seoul, and that “we will build our own Korea Air and Missile Defense (KAMD) suitable for the strategic circumstances of the Korean Peninsula.”

## Reunification

The South Korean government has taken major steps to strengthen relations with both Russia and China, and in both cases the relationship includes the intention to solve the North Korean problem—not by threats and confrontation as from London and Washington, but by providing North Korea with a stake in real, physical, regional infrastructure development.

On Jan. 20, South Korean President Park released a sweeping plan to bring about reunification with the North

in the near term, including opening up the rail connections between North and South within the current year, including connections to Russia and China. This would effectively complete the “Pusan to Rotterdam” Eurasian Land-Bridge,” a plan proposed by Lyndon and Helga LaRouche in the 1990s as the basis for peace in Eurasia. The new reunification proposal was developed jointly by the Ministries of Unification, Foreign Affairs, and Defense. The target date for the rail connections to be completed is Aug. 15, South Korean Liberation Day, the 70th anniversary of the end of World War II, which marked liberation from Japanese colonialism, but also the division of Korea.

President Park called on the government to “create an environment” in which the North can respond to the South’s proposals, and that starting government-to-government talks with the North was her government’s first priority.

It is of great importance that these offers to the North, like the development proposals being discussed among Seoul, Moscow, and Pyongyang (see below), come without any preconditions, like those demanded by Obama (such as shutting down the North’s nuclear weapons and missiles programs) before he will agree to talks with the North. The North even made an offer to Washington that if the U.S. would call off the annual military exercises with South Korea beginning at the end of this month, which they see as preparing for an attack on the North, then Pyongyang would suspend its nuclear weapons tests. The Obama Administration dismissed the offer out of hand.

It must be remembered that North Korea has taken careful note of the fact that both Iraq and Libya shut down their nuclear weapons programs as concessions towards peace with the West, only to be bombed back to the Stone Age by the Bush and Obama administrations. North Korea will absolutely not follow the same path,



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*A test of the American THAAD anti-missile system at White Sands, N.M. The U.S. wanted to install these in South Korea, but Seoul has decided to build its own system instead. This corkscrew maneuver was required because the missile’s range is too large for the test site; the corkscrew trajectory prevents it from building up too much kinetic energy, and the missile falls to earth within the test area. Seoul has pointed out that such a powerful missile is not needed to defend against neighboring North Korea.*

unless actual peaceful relations are established or set into motion, with both South Korea and the United States.

## Russia and China

That is precisely what Seoul is setting in motion in relations with the North, in connection with Russia and China, two leading nations in the new BRICS initiative to forge ahead with great development projects internationally.

In addition to the visit of China’s Defense Minister in February, Vice Premier Wang Yang visited Seoul on Jan. 23, delivering a message from President Xi Jinping calling for a deeper Strategic Partnership, and working together on relations with North Korea, to form a “virtuous circle” involving North Korea’s denuclearization and steps towards unification. South Korea designated 2015 as the “Year of Visiting China.”

Russia has been even more vigorous in establishing “peace through development” policies to bring Russia, North Korea, and South Korea together in development projects. Last year, the three huge South Korean companies Hyundai Marine (shipping), Posco (steel), and Korail (rail) inaugurated a trilateral project with Russia and North Korea, by which Russian coal is shipped by rail to the North Korean port of Rason (over a rail line reconstructed by the Russians); then shipped to the South by Hyundai ships; and then by rail over Korail to a Posco steel mill. The three companies are in negotiations to purchase half of Russia’s share of their consortium with North Korea, giving each nation about a one-third share, for further rail, port, and raw materials projects.

On Feb. 5, the news agency Yonhap reported from Moscow that a memorandum of understanding was signed in Moscow between RusHydro, Russia’s largest hydropower producer, and the government-owned K-Water of South Korea, to work jointly on projects in



the Russian Far East, and eventually also in North Korea.

Russia's Minister for the Development of the Far East, Alexander Galushka, brokered the deal, and said that North Korean officials had agreed with their Russian partners, including RusHydro, on implementing trilateral projects with Seoul.

K-Water CEO Choi Gye-woon said that "through this cooperation, we have built up a consensus for participation in the Eurasian Initiative," referring to President Park's policy for cooperative projects in East Asia, centered on the completion of the Pusan-Rotterdam rail connection through Russia.

### Insanity in Washington and New York

In light of this historic initiative to end the legacy of the Cold War and prevent a new war, consider the insanity of the policies coming from the White House and the U.S.-U.K. dominated "human rights" mafia at the UN.

The direct support from the Obama Administration for the hideous Sony film "The Interview," which portrays a CIA assassination of North Korean leader Kim Jung-un, and the unsubstantiated accusation that North Korea was responsible for hacking Sony's computer system, has been documented in *EIR* as a concocted justification for financial and cyber warfare against North Korea (already implemented), and potentially for military assault (see *EIR*, Jan. 9, 2015).

It is essential to take note of the fact that Obama's new U.S. Secretary of Defense, Ashton Carter, called for a preemptive attack on North Korea in a June 22, 2006 op-ed with William Perry in the *Washington Post*. "The United States should immediately make clear its intention to strike and destroy the North Korean Taepodong missile before it can be launched," they wrote, adding, "This could be accomplished, for example, by a cruise missile launched from a submarine carrying a high-explosive warhead."

In the past week, both Obama and UN Special Rapporteur for Human Rights in North Korea Marzuki Darusman (who has served as a hit man for the imperial regime-change policies of London and Wall Street in several countries) have called for the elimination or murder of Kim Jung-un. The threat itself, let alone the act, could well bring about war in Korea, which could quickly spark a thermonuclear World War III.

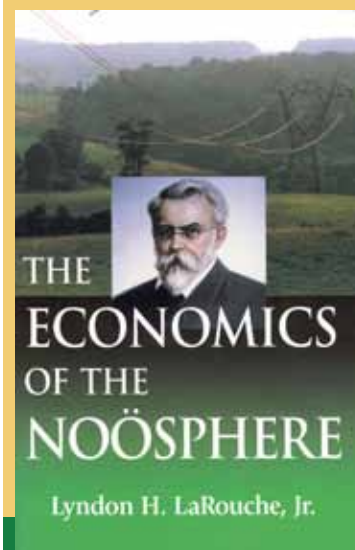
Darusman, on the basis of a UN "study" he headed which was entirely based on interviews of refugees from the North, compared North Korea to Nazi Germany. When his star witness was forced to admit that his testi-

mony was full of wild fabrications, Darusman not only stood by the fabricated report, but told the *New York Times* on Feb. 3 that the only solution to the North Korea issue was that "this cult leadership system be completely dismantled. And the only way to do that is if the Kim family is effectively displaced, is effectively removed from the scene, and a new leadership comes into place."

Obama also called for regime change against Kim, or his assassination, in the tradition of Obama's orchestrated murder of Libya's Qaddafi. In an interview with Youtube executives, Obama said about Kim: "Over time you will see a regime like this collapse. We will keep on ratcheting the pressure.... It is very hard to sustain that kind of brutal authoritarian regime in this modern world" (unless you are backed by the British and Obama, like Saudi Arabia—MOB). He said this is a process for which "we are constantly looking for ways to accelerate."

To hell with peace. To hell with the efforts of our supposed ally, South Korea, to bring conflicting nations together through mutually beneficial development. War is the only item on the agenda, unless the Wall Street-controlled government of Obama is removed from power, by constitutional means, and the United States is returned to its historic mission of global nation building.

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The scientific concepts of biogeochemist Vladimir Vernadsky—the initiator of the idea of the Biosphere—whose concept of the "Noösphere," has been cited and further developed by Lyndon LaRouche.

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ZEPP-LAROUCHE IN MANHATTAN

## Take Personal Responsibility To Prevent World War III

Feb. 16—One hundred and fifty people gathered at the latest Schiller Institute conference in Manhattan on Feb. 14, to discuss how to build a mass movement for development, and avoid the imminent threat of thermo-nuclear confrontation with Russia. The three-and-a-half-hour event, keynoted by Schiller Institute founder Helga Zepp-LaRouche, also featured presentations on subjects ranging from the strategic situation, to the scientific and economic perspective needed to raise mankind to the level required to launch a new creative era.

After a prelude of choral music, short opening greetings were given by former Greek parliamentarian Theodore Katsanevas (see below), a representative of the Indian consulate, and Lyndon LaRouche.

LaRouche's recorded statement starkly posed the issue of war or peace, and the fact that the principles Alexander Hamilton organized in New York City were the solution. He concluded:

"But the issue is now, why are we talking about World War III? Why are we talking about it here? There's no need for World War III. We're going to slam the oligarchy. We're going to take it away from them. How do we do that? We've given the solution, and we've given the solution for the question of World War III.

"It's very simple. We don't have

to bail out Wall Street. We don't have to submit. All we have to do, is instead of complaining about Wall Street is persecuting you, you have to eliminate Wall Street! And you have to eliminate similar institutions, you've got to eliminate the Saudi Kingdom. You've got to eliminate other pestilences—which *are* pestilences! You have to organize institutions which did not previously exist!"

### A New Standard for Mankind

Following a poignant introduction by moderator Dennis Speed, emphasizing the LaRouches' relentless 40-year battle for what has now created the BRICS and



Schiller Institute

*A highlight of the conference were the choral performances by the Schiller Institute Chorus, providing the audience with a glimpse of the Sublime.*



a potential to end the danger of war, a visibly moved Zepp-LaRouche reminded everyone that the last time she spoke publicly in Manhattan, she declared herself—à-la JFK in Berlin—a New Yorker.

But immediately, she assumed a very serious tone, underlining that human civilization remains on the edge of catastrophe, both because of the danger of global thermonuclear war and the blowout of the financial system. We reproduce the full transcript below, but summarize the key points here.

The strategic portrayal had three sections. First, a very precise description of the Minsk agreement scheduled to begin at midnight that night, as crafted by the Normandy Four. She warned that while this diplomacy represented improved cooperation, the agreement was very fragile. She emphasized that her view of the situation was not based on hearsay, but on a two-week intensive, on-the-scene investigation of the situation in Europe. Merkel and Hollande suddenly jumped into action because they recognized that any arming of the Kiev government by the U.S. would be a trigger for a military conflict with Russia, provoking thermonuclear war.

Summarizing various public warnings of this outcome, including a *Spiegel Online* article from that morning, Zepp-LaRouche linked the actual root of the war danger to the two principal lies created to cover for the overthrow of the Kiev government by Washington in February 2014: 1) the coverup of the Nazi source of the Kiev allies of the Obama Administration; and 2) the insanity of the demonization of Putin.

Her discussion of Putin, accompanied by review of the Western violations of the original agreements struck with Gorbachov back in the 1980s, was detailed. Emphasizing the heroism of the Russian people during World War II, Zepp-LaRouche then documented Putin's intervention since the events of 9/11, through to his important address from 2007 in Munich, which illustrated his commitment to find a pathway for increased cooperation with Europe and the U.S., as opposed to war. She ridiculed the characterizations of Putin as a dictator now streaming around the trans-Atlantic region, noting that the Russian population has started buying items from a store chain called Putin Versteher, to defy the attacks on their nation.

The third section of Zepp-LaRouche's strategic report focused on Greece and the criminality of the debt policies of the Western banks, reminding everyone of John Paul II's warnings that the Western financial practices were "structures of sin." Zepp-LaRouche was ruthless in characterizing the neo-conservative Project

for the New American Century movement, and other conduits that have utilized the "good" Nazis—the ones who belong to the West, and have no moral resistance to the evil pouring out of Kiev—as well as the banks.

In conclusion, Zepp-LaRouche drew out what is necessary to defeat this evil, strategically, and through creating a new standard for humanity as exemplified in Germany's Humboldt education system. She developed both the economic prerequisites for the development of humankind, as well as Friedrich Schiller's demonstration of the quality of the Sublime. Only the morally educated person is entirely free, she noted. The experience of the Beautiful, combined with that of the Sublime, elevates us above the power of nature, because the sensuous instincts have no influence upon Reason; only when the Sublime is wedded with the Beautiful and our receptivity for both has been cultivated in equal measure, are we citizens of nature, without being its slaves, and without losing our identities as citizens in the intelligible world.

### Elaborating the Conceptions

Following a musical offering, LaRouche movement leader Phil Rubinstein gave an address on the Hamiltonian conception of economics with its emphasis on productivity of labor, as the core of creativity of a society. This is what LaRouche represents, he stated, and it is the only way the U.S. can deal with the crisis, he argued. He cited Lincoln's policies and those of FDR, and focused on the Hamilton-Lincoln connection—the point that both were sublime figures as Zepp-LaRouche had posed. Their identity was what they were doing for mankind. This kind of identity is the conception behind the establishment of the United States, and what it must become again today.

His presentation concluded with a video montage of Douglas MacArthur, JFK, de Gaulle, LaRouche, and President Reagan, on the theme of the post-World War II branching point (and the 70-year arc of Lyndon LaRouche's work)—thermonuclear war or thermonuclear fusion/SDI—development as the basis for peace.

LaRouche Scientific Team member Ben Deniston was the final speaker. He focused on the Strategic Defense of Earth (SDE) as the continuation of an effort to move beyond thermonuclear confrontation, and to collaboration in pursuit of the common aims of mankind. He emphasized that the thermonuclear age is a natural part of the creative development of mankind—it is the policy of imperial conflict which must be overcome and left behind.

# To Stop War, We Need a Mass Movement for Development

*Helga Zepp-LaRouche is the founder of the Schiller Institute and its president in Germany. She gave this keynote speech to the Presidents' Day conference of the Institute in New York City on Feb. 14, 2015.*

It is a particular pleasure to be in New York, because in my last speech here I concluded by saying I was talking to you as a New Yorker. I used to live here for several years, and naturally, this was a reference to the famous speech by Kennedy in Berlin.

I think we are right now confronted with an unbelievable situation. We are still extremely close to World War III. This danger was alleviated a tiny little bit, three days ago, when you had the intervention by Chancellor Merkel, President Hollande, President Putin, and President Poroshenko, at their meeting in Minsk, and an agreement was reached, the so-called Minsk II agreement.

But I hate to tell you, this is a very, very short and potentially very, very fragile breathing space of maybe hours, maybe days, maybe weeks; the reality is, we are still absolutely on the eve, two minutes, or two seconds, before World War III. That has been generally understood now in Europe, I think, much, much more than in the United States. And we are still also on the verge of a potential complete blowout of the financial system. And that *is* the reason why we are in this war danger.

Because the war danger is not just Ukraine, and the danger that that war could go out of control. The war danger comes from the fact that the Empire—that which has developed since the end of the Soviet Union as a system of globalization—is about to blow out in a much, much bigger way than we had it with Lehman Brothers and AIG in 2008.

Let me quickly go into where we stand strategically.

## The Minsk II Agreement

This agreement, the so-called Minsk II agreement, is a 10-point agreement. It includes a ceasefire, which is

supposed to start tonight at midnight. Then, it's supposed to pull back the artillery and other heavy weapons systems from a minimum 10-kilometer safe zone. It's supposed to re-establish the demarcation line that was established already in the Minsk I agreement in September, and does not include the territorial gains by the rebels in the fighting since. It is supposed to be supervised by an OSCE team. It is supposed to include an amnesty for many—not all, but many—of the prisoners of war, and also a prisoner of war exchange. Kiev, the government, is supposed to restore the wages, pensions, and the banking system in eastern Ukraine, and it will give a special status of autonomy to Donetsk and Luhansk, and basically all foreign fighters are supposed to be pulled out.

It is also expressed by the four leaders—Merkel, Hollande, Putin, and Poroshenko—that the chance that this agreement would last would be greatly enhanced if there were better cooperation among the EU, Ukraine, and Russia.

It is extremely fragile. Why am I saying this? Because it is now that what I used to call the “Ibykus principle,” the nemesis of the evil deed, could haunt the people who tried for this agreement. Because it was the despicable refusal of Merkel, in particular—being the head of the German government, 70 years after the end of World War II, and the end of the 12-year Nazi regime in Germany—to admit that the crisis in Ukraine had been caused by a Nazi coup which brought into the government not just neo-Nazis, but real Nazis, going way back all the way to Stepan Bandera and that organization that had helped the Nazi occupation of Ukraine in the '40s.

These were networks which were kept all the way into the post-war period, by the CIA, by British MI6, and the German Gehlen organization of the BND. They were kept sort of like the Gladio operation of NATO, as a stay-behind group, in case of confrontation with the Soviet Union, during the Cold War.



*Helga Zepp-LaRouche addresses the conference in New York City, Feb. 14, 2015: "The brainwashing which has been done to the American people and to the European people is unbelievable!"*

Now, these were considered "good Nazis" because they were owned by the West; but then, in the evolution of the Maidan in 2014, they made a coup on the 21st of February, and that was recognized by Germany, France, the United States, the British, the EU—they all went along with it, and they all pretended that this Ukrainian government was a legitimate government and that it was okay to work with them.

It happens to be the fact that *immediately* after the Minsk II agreement was announced, Dmytro Yarosh, the head of the Right Sector, and other members of these Nazi groupings (which are in the National Guard, and several independent battalions in the Ukraine militia), announced that they will not endorse the Minsk II agreement, but will keep fighting.

These people have the ability to wreck that fragile Minsk II agreement, because they are Nazis, and they are well-equipped, and they are being better equipped by the United States, right now. Because as the Minsk agreement was being negotiated, Lt. Gen. Ben Hodges, who's the head of the U.S. Army Europe, announced that he will continue arming these people, training them, obviously for the war against the "rebels" in the East, and potentially beyond that.

This is a situation which must stop. Because if this is not ended, if these Nazis are not disarmed, and if those people who are backing them are not blamed and

made to take responsibility, this has the potential of blowing up into World War III.

Victoria Nuland, Assistant Secretary of State for European and Eurasian Affairs, has been all along the backer not only of these Nazi networks, but also of the man she calls "Yats," the so-called Prime Minister of Ukraine. You all remember this famous discussion she had on the phone, which was then taped, with the U.S. Ambassador in Kiev, Geoffrey Pyatt, in which she said these famous words, "F\*\*\* the EU," meaning that they wanted to go ahead and put in their property, Arseniy Yatsenyuk, to the disadvantage of the German project, Vladimir Klitschko. Everybody was shocked and made a spectacle that Nuland had used such vulgar language, while the real scandal was that she was caught red-handed interfering into the internal affairs of a sovereign country by imposing this "Yats," who is backing all these people from the Right Sector, and other Bandera networks.

So, you have something which potentially can become the tragedy of extinction of mankind, if this is not cleaned up.

We have published a big dossier<sup>1</sup> on this, which I want you to read, and really help us to get the Congress to investigate this, because this is right now the Achilles' heel of the further existence of civilization.

## Whirlwind Diplomacy

I just now returned from a two-week trip to Germany, and also Denmark, where I had a series of events, to do essentially what we are doing here: to try to mobilize more people to the reality of the strategic situation. And I can tell you that what I'm saying now is not from some reading of reports or something, but I can tell you firsthand, from many discussions I had with people in Germany, but also other people, Eastern and Western people, and also in Copenhagen, about what caused Merkel and Hollande to all of a sudden develop this hectic diplomacy.

This came practically out of the blue. All of a sudden, Merkel and Hollande went to Kiev, they met with Poroshenko, they met with Yats. Then they went to Moscow. They met for several long hours with Putin. Then Mrs. Merkel came back. She rushed to Washing-

1. "EIR Fact Sheet: Who Is Behind the Drive To Dismember Russia?", [EIR](#), Dec. 19, 2014.



*It is dawning on the European press that the danger of nuclear war is greater than it has ever been before.*

ton, talking with Obama. Running back to Germany, attending some European Union functions, and then attending on Wednesday [Feb. 11] this Minsk meeting in Belarus.

Now I can assure you that what caused this sudden eruption of diplomacy—also from the best I can tell you, not coordinated with Washington—was the clear perception that the world was about to blow up.

Because at that time, the news came that the Americans were about to send “lethal defensive weapons,” whatever that is supposed to mean, into Ukraine, and there was a perception that that would lead to an immediate provocation of Russia. Because by arming these unholy elements in Ukraine, with heavy American weapons, meant de facto a NATO-U.S. intervention into Ukraine, and given the extreme tenseness of the situation, the heavy, brutal war-fighting going on in eastern Ukraine, meant that the Europeans thought, if this happens, then the Russians will react, and then you go into a big war over Ukraine, and there will be a big war, not only in Ukraine, but in all of Europe. And by the very nature of it, it will a global thermonuclear war.

And that’s why they developed this extremely hectic activity.

### ‘The Nuclear Specter Returns’

Some of you know, because you have been following what we have been saying and doing—we have been warning that the policies of NATO expansion to

the East, the policy of Global Prompt Strike, the first strike doctrine, the global U.S. missile defense system, all of that meant that we were extremely close to World War III. But nobody would talk about it. This is one of the absolute scandals: that you are about to go extinct, and the politicians, because they are too cowardly, are not talking about it.

But suddenly, you had a whole eruption of articles. *Spiegel Online* had an article in the same days that Merkel was running around, saying that the “nuclear specter is back.” It showed a picture of two warheads which were directed at whoever looked at the picture, so the idea that this is about to happen was clearly communicated. They quoted the American analyst Theodore Postol, who had warned that the present first-strike doctrine of the United States is a miscalculation, because it assumes that you can win a pre-emptive first nuclear strike. And it referenced many other such things.

Now, the politicians up to that point were, as we say in German, “playing the ball very flat,” which means being low key, not exposing yourself too much, just trying to get ahead. But this is now changing.

Just today, there was another *Spiegel Online* article, and this is a complete change in profile, under the headline “The War Next Door: Can Merkel’s Diplomacy Save Europe, or Will It Lead to an Out-of-Control War, and Even a Nuclear War?” I can assure you, this is unheard of, but still, as compared to the immediacy of that danger, that we are on the verge, maybe minutes, maybe hours, maybe days away, from the extinction of civilization.

We’re not talking about “some war.” We’re talking about, if it comes to a nuclear war, using the entire arsenal of all the nuclear powers in the world, because it’s the logic of nuclear war that that will happen. Then nobody will be left. Mankind will be extinct. And the fact that that is not being discussed is something we have to absolutely change.

Behind closed doors, a lot of people admit that the situation right now is much more dangerous than during the height of the Cold War, and that includes the Cuban Missile Crisis. Because even when the Cuban Missile Crisis was at its height, you had a private, secret communication between Khrushchov and Kennedy. This

has now been recently published, that they communicated, and it has been acknowledged in the recent period by several analysts and experts, that that kind of code of behavior does not exist between Obama and Putin. They do not communicate. There are some telephones between the military, the Russian and the American military, but, as some of these people who are very much involved in this told me personally, they do not know that what the military are talking about is backed up by the political leadership.

And that creates extreme worry.

But in France, in Germany, in Italy, and other countries, there is right now a behind-the-scenes discussion which only comes out a little bit: Should Europe assert its own interests, or go up in a nuclear war? And that is a new phenomenon. It's like the entire foundation of the post-war, trans-Atlantic alliance is crumbling. And when Vice President Biden, on a recent occasion—I think it was the Munich Security Conference—almost magically repeated that there is no split in the Alliance, Merkel and I are on the same line, that was a very meager attempt to cover up this situation.

The former Chief of General Staff of the Bundeswehr, the Germany Army, Gen. Harald Kujat, just two days ago, appeared on a very prominent talk show, the first channel German TV, and said that the Ukraine breathing space which has been gained since Wednesday, can only be successful if the United States changes its profile. That only if Obama would sit at the same table with Putin and they would agree on both the Ukraine solution and the general change in the strategy, could there be a calming down of the situation. Ukraine has to agree because of the strong dependence of Ukraine on the United States, because this Kiev government is a U.S.-sponsored government, and Russia, because only Russia, and Putin in particular, has the feeling that they are not being recognized as a co-equal world power with the United States, but are, in a disrespectful way, called a “regional power,” like Obama recently did; which Kujat said is ridiculous. Any country that has nuclear warheads on ICBMs is not a “regional power.”

He said also, in order to set the record straight, that Russia never wanted to directly intervene in Ukraine militarily; if they would have chosen to do so, the conflict would have been over in 48 hours. If they had



USAF/Staff Sgt. D. Myles Cullen

*Gen. Harald Kujat (ret.) is warning that there is no military solution to the Ukraine crisis, and treating Russia like a “regional power” is highly dangerous. Here, he is being awarded the Legion of Merit by USAF Gen. Richard B. Myers, April 2005.*

wanted to, they could have occupied Kiev in a matter of days. And he also pointed to the fact that despite the strong elements of Nazi components in the militias and the National Guard in Ukraine, that the Ukrainian Army is in a completely desolate state and it would take years to get them to be an effective fighting force.

As I said, right now, despite the Minsk agreement, Lt. Gen. Ben Hodges said he will not slow down the proactive deployment of the U.S. military in Ukraine, and the NATO forward basing of headquarters in Poland, in Szczecin, and that the transfer of a battalion of 600 paratroopers from Vicenza in Italy, from the 173rd Airborne Brigade, to train the Ukrainians there, is also going forward. To repeat, they intend to train the National Guard, the Right Sector, these Nazi groupings, groupings which openly display swastikas and other Nazi symbols.

So that is what we are dealing with. And I think we have to cause in the United States a real discussion that this is what the war danger constitutes, and if it's supposed to be stopped, then that has to be stopped. And these Nazis have to be disarmed—I don't care how—they have to be disarmed by the U.S. troops, by the OSCE, by the UN, I don't care how, but they have to be neutralized! And there will be no solution to the Ukrainian potential trigger of World War III until that is done.



## War and Globalization

As I said, the real reason for the war danger, is on the one side, the fact that trans-Atlantic financial system, or what you call “globalization”—the combination of Wall Street, the City of London, and associated institutions—are about to blow in a complete way; when one too-big-to-fail bank goes, the whole system will come down. And that is why it is absolutely true that when Putin said, that if [the West] had not found Ukraine as a point of conflict, they would have found some other pretext for the confrontation. Russian Foreign Minister Lavrov said the same thing: Ukraine is merely a pretext for

a larger geopolitical goal. And that has also been just stated by nobody else but the former ambassador of the Reagan Administration in the Soviet Union, Jack Matlock [see *Feature*], who just gave a very, very important press conference in Washington, where he said that he shares the assessment of Lavrov.

Now, you have a situation where we are hovering on the point of a collapse: Wall Street, because of the oil shale and gas investments, because of the collapse of the oil price, because of a complete bankruptcy of that system where all these banks are 40% larger than in 2008, and are up to 85% more exposed to derivatives than at that time. So this is about to blow. And you heard from Professor Katsanevas [see accompanying article] that the European banking situation is not one iota better, and there we are now in an equally dramatic situation.

There is a huge change in Europe. Europe is no longer the same as it was a couple of weeks ago, exactly because of the election victory of Syriza and the Independent Greeks, because of what these two parties made their election campaign with: They promised they would end the brutal austerity policy of the Troika, a policy which in the last several years had cut Greek industry by one-third, increased the death rate, the suicide rate, and collapsed the birth rate, and led to youth unemployment rate of 65%! So you can imagine the mood in a country where two-thirds of the young people are unemployed. So on that program, that he would end the policy of the Troika and cancel the Troika’s Memorandum, Alexis Tsipras won an overwhelming victory, not



*Greek Prime Minister Alexis Tsipras (center), at the first meeting of his Cabinet, Jan. 28, 2015. He surprised the pundits by announcing that his government will stick to its election promises and uphold national sovereignty.*

a total majority but almost, but together with the Independent Greeks, they now have a government which, according to the latest polls, enjoys 70% support of the people.

So, the unheard thing happened: They got elected, and after the election, they said, “We’re sticking to our election promise!” That has never happened in recent history in any country of the West! For example, there was the famous instance of the Social Democratic politician in Germany, Walter Muntefering, who said on some occasion, “It is so unfair to be reminded of the election promises you made a couple of months ago”! But these people said, we stick to it, we’ll cancel the Memorandum, and not only that, we are not only talking for Greece, but we are planning to use that situation to change the entire failed policy of the euro for all of Europe.

That is why they are so completely freaked out, and that is why right now, [German Finance Minister Wolfgang] Schäuble, Merkel, even Hollande on that point, despite other lip service, [Prime Minister Matteo] Renzi from Italy, the ECB, they are all on a hard line, and they say, “We insist that the pound of flesh has to be paid, the Greeks must stick to the Memorandum; there is no softening of the situation.”

This is headed for a clash also. Today, there was a meeting of the so-called “technical” people who are supposed to work out some discussion of how to do this, but Tsipras just said, let these technical people talk, that doesn’t mean that Greece will be blackmailed; we are not blackmailing anybody, but we do not allow our-

selves to be blackmailed either. And we will stick to our guns, we will not capitulate.

Now, I remember that in 1989, when shortly before the G.D.R. came down, everybody knew already that East Germany was completely bankrupt. They were really collapsing, they'd lost all authority, the people wanted to travel abroad, they had these large Monday demonstrations. And then, on Oct. 7, there was the 40th anniversary of the G.D.R. and they had this huge military parade with tanks, with rockets, and what-not, and [party leader Erich Honecker said, "Socialism in its course, will not be interrupted by the ox or donkey"] [*"Den Sozialismus in seinem Lauf hält weder Ochs noch Esel auf"*] It means socialism will be here for 1,000 years. Twelve days later, Honecker was out; three weeks later the Berlin Wall had come down, and at that point, the people who were sticking to the line until the last moment were called the "Concrete-heads,"

[blockheads, *Betonköpfe*]; while those people who quickly changed their views were called the *Wendehälse*, the turncoats, wrynecks, because they could turn their necks around so many times. Anyway, now we have these same concrete-heads, Merkel and Schäuble, and they will probably have a similar fate.

## The Euro Is Finished

Why is the euro finished? Because if the ECB makes a compromise and softens the conditions for Greece, then that will be a signal for all the other countries which suffer from similar austerity policies: Italy, Spain, Portugal, Ireland, and even France, where people really hate the German austerity policy; it would be a signal for them that they will also not allow the austerity. If, on the other hand, they push Greece out of the euro, which could happen very quickly, then, naturally, and you heard Professor Katsanevas talking, then Greece may become by force the first country to join with the BRICS, to go for other sources of financing; they already have asked for that, with Russia; Russia already said they would help them. [Panos] Kamme-



Bundesarchiv/Wikimedia Commons/Klaus Franke

*East German communist leader Erich Honecker, Soviet President Mikhail Gorbachov, and other dignitaries hail the 40th anniversary of the German Democratic Republic (G.D.R.), Oct. 7, 1989, just weeks before Honecker was forced to resign.*

nos, the defense minister, is right now in Moscow. Foreign Minister [Nikos] Kotzias was a professor in Athens for the BRICS; the BRICS is his specialty, and he even taught courses in Chinese. The Chinese have also bought into the Port of Piraeus.

The reason they are so freaked out, is not only that they are sadists—even though in the case of some of these politicians I'm not sure if that's not an element—but because of the money Greece has to pay back in terms of debt, for only 10% of all the so-called bailout package was ever spent in Greece! Ninety percent went back to the banks! To the German banks, the French, the Italian, the Spanish banks, and that's why this new government says, why should we pay money which Greece never got and don't want to pay? The reason they're so freaked out is because of the derivatives bubble: because nobody knows exactly how big the derivatives exposure is of those banks, and if they would cancel this regime, it would not only touch the European banks, it would probably bring down the American banks as well, because in this bailout procedure, you had a swap agreement between the Federal Reserve

and the European banks, and when all of this quantitative easing was going on and all this money printing, a very large percentage of that money, maybe half, went in reality to the European banks. These banks are completely entangled and that is why they are so freaked out.

And for the so-called *Rettungspackete*, the bailout packages, which, in the case of Greece, was in the last five years EU246 billion, only about EU24 billion of that stayed in Greece, and that's not so much at all.

The reality is that the trans-Atlantic banking system is completely bankrupt. They all have a derivatives exposure of somewhere in the range of \$2 quadrillion, and that is money that cannot be paid. And these people are instead willing to go for war, and say, "We want to maintain our system and especially when we see that Asia is rising, China is rising, we'd rather bring down Russia as a part of the BRICS and destroy this Asian combination, than to admit that our policies have failed."

Well, go back to the period when the Soviet Union and the Warsaw Pact collapsed, to go into the question of how did we get to this point. Pope John Paul II at that point said that the world should not conclude from the fact that the Soviet Union had collapsed, that the free market was a superior system. He said, if anybody wants to know why I'm saying that, look at the condition of the Third World, and then you know why this present system is governed by the "structures of sin." And Pope Francis repeated the same idea in a different way, by saying that this is an economic system to which the Fifth Commandment must be applied, a system that kills, and therefore it is a highly problematic proposition.

In that period, from 1989 to 1990, we had this idea of an alternative, and I was making many, many speeches, saying that if one would now make the mistake of superimposing on the bankrupt communist economy, the equally bankrupt free-market economy, that it might be possible for a couple of years to extract huge amounts of profits and wealth by the method of "primitive accumulation," by just looting the economies of the former Comecon countries, but it would come then to an even bigger collapse, sometime soon in the future. And I think that point is here.

Unfortunately, people didn't listen to John Paul II, because at that point, you had in the United States the neo-cons, who were convinced that they had "won" the Cold War, that the Soviet Union had been defeated, that

they did it, and that their system was the superior system. In their arrogance, they created something called the Project for a New American Century doctrine, which was invented in '97, and which was then the basis for the idea of spreading a world empire, spreading globalization up to the point where no country that would oppose this system was allowed to stay in place.

At that point, the historic chance which existed at the point of the collapse of the Soviet Union—to create a new peace order, because the enemy was no longer there, communism had vanished—that chance was missed, and it also failed to include Russia in any new agreement.

### Broken Promises

The contrary happened: All the promises which were given in the period of the collapse of the Soviet Union, in the negotiations between [George H.W.] Bush and Gorbachov, and were given to [the German government of Chancellor Helmut] Kohl and [Foreign Minister Hans-Dietrich] Genscher, that if Russia would let Eastern Europe go free, not react with tanks or with violence, then there was the promise that NATO would not expand to the borders of Russia. That promise has obviously been broken many times, again and again.

And at that point in Russia, you had a turbulent situation, you had Yeltsin. But Russia was not hostile to the idea of an independent Ukraine, and still in 1994, the Budapest Memorandum was giving security assurances, and this so-called "Budapest Memorandum" was signed by the Presidents of Ukraine, the Russian Federation, the United States, and Great Britain, on Dec. 5, 1994. It included the idea that Ukraine, which, in the Warsaw Pact, had been heavily nuclear-armed [as part of the Soviet Union—ed.], would give up all ICBMs and totally dismantle its nuclear weapons, and receive guarantees in return for its political independence, and that none of these weapons would ever be used against Ukraine, except in the case of self-defense, and that the West would also refrain from economic coercion.

Victoria Nuland, who presently is one of the people who should be removed from power in the United States, if World War III is to be avoided, bragged publicly that the State Department spent \$5 billion on NGOs in Ukraine, leading up the color revolution. And that led, as we know, not only to the Orange Revolution in 2004, but also to the recent developments.



It was part of this idea to expand NATO to the borders of Russia, to change regimes in Eastern Europe that would not be willing to submit; but also, one had to change the “narrative.” This is a very important concept, and I already see people a little bit worried about what I’m saying, and I know this is not what you read in the *Washington Post* and in the *New York Times*. But the brainwashing which has been done to the American people and to the European people is unbelievable! Putin was demonized and all of a sudden we had the “narrative,” that Putin is a dictator, Putin wants to recreate the Soviet Union, Putin is this and that—now just think: 85% of the Russian people support Putin—for a dictator, that’s a pretty broad consensus. Since the rule by consensus is sort of the opposite of dictatorship, it should pose in your mind the first question.

If you look at the historical record, then-NATO Secretary General [Manfred] Wörner, on 17th of May 1990 in Brussels at a NATO meeting, said that the fact that we are ready to not station NATO forces beyond the borders of the unified Federal Republic of Germany, is providing security guarantees to the Soviet Union. He was as much the NATO Secretary General then as was [Anders Fogh] Rasmussen, until recently, and as is [Jens] Stoltenberg now. He was no less a NATO General Secretary than these people. But now, either NATO Secretary Generals lie all the time, or only half of the time, I don’t know which.

The same thing was also admitted by Horst Teltschik who was, together with Kohl, in these negotiations around German reunification, and he was the former head of the Munich Security Conference. The same thing was just, again, reiterated by former U.S. Ambassador Jack Matlock, who spoke for an organization called the Committee for the Republic, which is an American patriotic organization, fighting to defend and protect the American Constitution. He gave a press conference just three days ago, on Feb. 11 at the National Press Club in Washington, D.C. He was instrumental in ending the Cold War at the time, and he blasted the present administration and the Congress, saying that they have an “autistic” foreign policy, that in the negotiations, he was involved in with [President George H.W.] Bush and Gorbachov in ’89 and ’90, definite promises were made to Gorbachov. There was no written treaty, because it was assumed that what the word was, was valid, so nobody thought it was even necessary to write a formal treaty about it. And that was broken.



Russian Presidential Press and Information Service

*Russian President Vladimir Putin's historic address to the German Bundestag, speaking in German, on Sept. 25, 2001. He emphasized the Russian people's support for the peaceful reunification of Germany.*

## Russian Offers of Cooperation

Now, the narrative is, that Russia, since that time, has refused all offers for cooperation. The truth is 100% the other way around. Russia has made, again and again, proposals for cooperation: For example, as Matlock was saying, Putin, immediately after the attack on Sept. 11, offered help to the United States and eliminated so-called listening posts in Cuba, to cool down the situation; he removed vessels from Cam Ranh Bay [Vietnam], and tried to cooperate. That same year, 2001, Putin made the first speech by a Russian President in front of the German parliament, in German! And he said that he took the courage to speak in the language of Goethe, Schiller, and Kant, and he emphasized role of the Russian people in making it possible for the Soviet leadership to decide on a policy which

made the peaceful reunification of Germany possible after the fall of the Berlin Wall, without bloodshed and quite easily.

And one has to note, I want it to be remembered, that it was Russia which fought the Great Patriotic War against the Nazi regime, and they suffered tremendously. And for them to be so generous as to say, we allow German reunification because the Russian people have a deep feeling of friendship with the German people, meant that they had the very laudable ability to distinguish between Germans and Nazis. And that is not self-evident for everybody, and especially not for Hollywood. Because the first culture shock I experienced when I came for the first time to the United States, in 1973, was when I watched some of the movies about World War II, where I thought, “What country are they talking about?”

Anyway, so he pointed to this fact, and therefore, one has to understand that not only Putin, but all the Russians are extremely disappointed about all of these broken promises. You know, the Soviet Union could have disintegrated violently! It could have led to a total catastrophe; they could have not allowed German unification. So, then came a couple of years later, the famous [speech by Putin](#) at the Munich Security Conference, which used to be a prestigious conference to discuss security matters; now it’s not prestigious anymore, because at the recent conference they invited George Soros and the head of Greenpeace for a panel discussion!

But Putin made a speech at this conference [in 2007], and that should have been a wake-up call for people in the West, because Putin expressed a very deep disappointment, about the United States in particular, and its effort to create a unipolar world. And he pointed to the fact that this was another word for going for an empire, and to the fact that the numbers of wars and local conflicts has increased as a result of that effort. He didn’t go into it, but he could have said: Iraq, Libya, Afghanistan, Syria, and so forth and so on.



*The demonizing of Putin has overwhelmed the “mainstream” American press.*

The increase in the use of violence in international affairs, ever more conflicts, the lack of power to settle even one of them, the international law which has been violated again and again, and that more and more countries feel insecure and as a result acquire weapons of mass destruction, which has created extreme dangers to the world. So Putin, at that point in 2007, said: Let’s rethink together a global security architecture. And he already then pointed to the fact that China, India, Brazil, Russia, South Africa, are all countries growing in importance, and therefore a multipolar world would be much more reasonable. And he made several proposals, for example, to create multinational cooperation for uranium enrichment which would be under strict international control, thereby eliminating the danger that countries would try to acquire peaceful nuclear energy, and then, on the side, also have weapons-grade enriched uranium, and that way you would solve the problem of nonproliferation. He also demanded a more just system of international cooperation, which would give a chance for the development of all countries, something which in the meantime has evolved to become the BRICS.

In Germany, today, if you challenge somebody who has the narrative that Putin is a demon, he is denounced immediately as a *Putin-versteher*, a “Putin understander,” somebody who understands Putin, and that is supposed to be the killer argument, that if you are accused of being a “Putin understander,” you’re out, you’re not talked about any more, because the official



narrative is that Putin is the demon. And the person has to be silenced instantly.

And in Russia, on the other side, in the spirit of patriotic support for Putin, they have now opened a souvenir shop which says “Putin Verstehen” and they’re selling T-shirts which have beautiful different pictures of Putin—Putin with a dog, Putin in some other gear—and then they have quotes. They also sell rings with a picture of Putin and these are selling tremendously. So I already thought, maybe, as a polemic against these “narratives,” we should open up an international chain of such souvenir shops, just to—I hate it when people act stupid, so this should help.

### Sophistry of the ‘Narrative’

But we have to look at this notion of the “narrative,” and we should throw it into the garbage can, because it is sophistry of the worst kind. A “narrative,” or the notion of “narrative,” has been developed by such people as Cass Sunstein, one of the advisors of Obama, and the author of the book *Nudge*. And to nudge means the method by which you convince, let’s say, a group of people to believe the opposite of what they believed before, by “nudging” them, by manipulating them until you have them where you want them to be. And that is also not just in terms of manipulation of words, it’s also policy. For example, have you heard that the sanctions against Russia are there so that Russia will change its policy? Sanctions in that theory are a policy of nudging.

But in reality, sanctions are a policy of war; that has not only been stated by Lavrov and Putin, but just now, by former Malaysian Prime Minister Mahathir, that sanctions which have the aim to change the regime of another country are a form of war. So basically, it’s the policy toward Russia, until they capitulate to the unipolar world.

So this is where we are. I think it is very clear that if we don’t go away from that kind of axiomatic behavior and thinking, we *will* have World War III. And we have to urgently put an alternative to the war on the agenda, because war would be the end of mankind in any worthwhile form, and maybe altogether.



*“The Adoration of the Golden Calf,” by Nicolas Poussin, c. 1634. In today’s world, says Zepp-LaRouche, the Golden Calf “is the monster which must be kept happy, even if it means the sacrifice of millions and billions of human beings.”*

There is no legitimate reason why we should put civilization at such a risk, because where this danger comes from is Wall Street, the City of London, and similar institutions, and the people who are playing with that danger. I know that in America, the military-industrial complex, the violence, everything which goes along with this mindset, has become all-dominant. But if they risk the existence of civilization, how should you call that? Insane? Criminal? I don’t think these words are enough. I think we have to invent a new category for the types of people who are putting at risk civilization’s existence.

Lyn was referring to it earlier, that after the bombing of Hiroshima and Nagasaki, Gen. Douglas MacArthur said that from here on, every war will lead to extinction. And now, 70 years later, we are exactly at that point.

### Where Is the Solution?

Where is the solution to this? The answer lies in the fact that mankind is the only creative species, at least known so far. I know there are some scientists right now sending signals out to find some message; others are opposing it, because they don’t know whom we would encounter. But so far we are the only creative species, unlike the animal kingdom, and we can see the future. At least, we can have an idea what the future will

be like, if you continue in a certain direction or in another one.

Now, most people think in terms of deduction—that is, they cannot think of the future, because they extrapolate from their experience of the past, and remain practically within the system of the present, established parameters. The problem we have now, is that these parameters are all breaking apart, because we are at a point of the international crisis where either we all end up dead in a thermonuclear war or, as a minimum, die in an uncontrolled collapse into a Dark Age, which will then lead to an uncontrolled use of nuclear weapons, in a lawless state. That world is controlled by the financial oligarchy, and everything is focussed on the dance around the Golden Calf. The Golden Calf is the monster which must be kept happy, even if it means the sacrifice of millions and billions of human beings.

## Dealing with the Debt

The immediate and only solution to that is to draw the conclusion that the trans-Atlantic system is finished, and that a new system is already in the making. It could be resolved fairly easily. The new Greek government is pushing the idea of a European debt conference in the tradition of the London Debt Conference of 1953, where the German debt from the time between the two World Wars and also the credits of the Marshall Plan were cut by about 60%; the total debt was cut from \$38.8 billion to \$14.5 billion, and the cutting of that debt was what made the German economic miracle possible.

When Alexis Tsipras says he does not only want that just for Greece, but for all Europe, it makes total sense. Because Portugal, Spain, Italy, France, Ireland—they're all in essentially a similar situation. And, such an idea, to have a European debt conference, is being supported by a growing number of economists, who say that the German insistence and the ECB insistence—on behalf of the British, naturally, and the City of London—to have this absolutely brutal austerity, does not make any sense, and that therefore what needs to be done is the opposite. The aim must be to increase the living standards—unlike the Troika which just almost cut them in half—to link the debt payment to 5% of export surplus; if there is a deficit, then the debt payment must be interrupted until the growth comes back; there must be encouragement to replace imports through domestic production, which is forbidden right now with the global free-trade system; and there should be no condi-

tionalities attached, like budget cuts and similar things.

If there would be such a European debt conference, which may happen, either peacefully or in a turbulent way, then the first step must be a separation of the banks according to the Glass-Steagall law, and then commercial banks, savings up to a certain upper limit, state bonds, obligations stemming from the real economy, where if you did not respect them it would cause severe damage—all of that must be put under the protection of the state. But the investment banks have to sort out what is legitimate and what not in terms of their debt, and then, if they cannot solve the problem, because they no longer get bailout packages or have access to the accounts of the commercial banks, they have to declare insolvency.

The second, immediate problem which has to be solved then, is the problem of the state debt. Because these states have not incurred large debts because they paid for these bailout packages which went to the banks, and therefore that has to be sorted out and differentiated, what is legitimate and what not.

## A Credit System

But much more important than that, is new credit for the modernization of infrastructure in Europe—and by the way, also in the United States, because when you run along these highways, I mean, it's almost a human rights violation, because you bump up and down like crazy!

But everywhere in the trans-Atlantic sector, there has been negative investment in infrastructure in the last decade, and roads and bridges are collapsing. Just two days ago, the major bridge between Wiesbaden and Mainz collapsed! It just collapsed! And there is for 50 km, no other bridge where you can cross the Rhine to the other side. And they say they need five years to rebuild it—I mean, we'll have to get the Chinese to help!

What needs to be done, then, is a credit system in the tradition of Alexander Hamilton. One can use some of the unpayable debt as capital for a European Infrastructure Investment Bank, which could be called the EIIB, and that EIIB could perfectly work together with the Chinese-initiated AIIB, the Asian Infrastructure Investment Bank, and then you could start producing again! There is no reason that that should lead to any kind of interruption of the economy. Because already in 2012, when it was clear that these Troika policies would ruin Southern Europe, we wrote a [program](#) which we called “The Program for the Economic Miracle of Southern

Europe, the Mediterranean, and Africa,” which was consciously an extension of the Eurasian Land-Bridge and which has heavily influenced the Greek election campaign, among other things, because people have spread this massively in many languages, including in Greece.

So, the big question now is, will the euro survive this? Probably not. But this euro is an artificial currency, where it would have been better if it had never been invented. Because it was the outgrowth of the same Project of the New American Century ideology which led to the NATO expansion and encirclement of Russia; and at that time, it was for Germany to give up the very stable deutschmark for the euro, as a price for unification, and to put Germany into the straitjacket of the EU’s Maastricht Treaty, which was what imposed this austerity regime. And the Eurozone, as we said before the euro came into being and before there was any discussion of that, we said that Europe is not an optimal currency zone, because you cannot put countries which are completely agrarian, like Greece and Portugal and some others, into a currency union with highly industrialized countries like Germany, France, and some of the Nordic countries.

For a certain number of years, this led to a boom in Greece, in Spain, in Italy, but this boom was a bubble, and now we have around Madrid alone, 1 million empty condominiums and tourist places which are completely empty now. In Germany, it led to stagnation of the domestic market. The euro was not to the benefit of Germany, even if that is said *ad nauseam*: German wages were absolutely stagnant. So if these countries would regain control over their sovereign currencies, then there is no reason they cannot join the BRICS and the World Land-Bridge.

As you see, we have published this report,<sup>2</sup> which goes even beyond the enormous number of projects which the BRICS countries have concluded since the summit of the BRICS countries in Fortaleza, Brazil, last year, which is enormous. We have talked about it in the past, but these countries—between the BRICS, Latin America, the ASEAN countries—are involved in an enormous amount of projects, which people here have *no* idea about, because the mass media are not reporting about it.

What we have done with this World Land-Bridge

report, is sort of the extension of our 25-year-old work, because this is what we proposed when the Soviet Union collapsed. We proposed the connection of European and Asian industrial and population centers, through development corridors, and that is what the BRICS countries are now doing. And what we are proposing is to really develop a worldwide global infrastructure connection, so that in a few years, you can travel on a maglev train from the south of Chile, all the way up the Bering Strait, down to Mumbai, India; or if you like it better, to the Cape of Good Hope in South Africa, and that will be faster than if you were to go by ship.

That is on the horizon, and that will be not only an economic basis, it will be also the basis for a new peace order.

## A New Paradigm

What we have to do is shift to a new paradigm. We have to leave the area of geopolitics, because it is geopolitics which has led the world two times to a world war in the last century, and we have to go to an idea of “win-win” cooperation among all nations, as President Xi Jinping has said it many times.

For the Americans, it’s also an easy concept, because what China does today is what was the foreign policy concept of John Quincy Adams, who had the idea, not that the United States should be a superpower and a world-dominating imperium, but that it should be a republic in an alliance of perfectly sovereign and equal republics in the world.

In order to get that, we need to have a mass movement for development, and that mass movement is spreading. On Feb. 11, you had in several dozen German and European cities, support demonstrations for Greece; they have called for new worldwide demonstrations for tomorrow, on the 15th, so I would ask all of you to join that and spread the word.

Let’s just think, what do we have as a choice before us? The negative one, extinction, which I think nobody in their right mind wants. But just imagine where we could be in the world in a very short period from now, if we go in the direction of the World Land-Bridge. In a few months hunger could be eliminated; in a few further months, you could have safe drinking water for everybody on this planet. You could declare a war against the desert, because with the help of desalination of huge amounts of ocean water, you could turn all the deserts, from the Atlantic coasts of Africa, the Sahara, the Sahel

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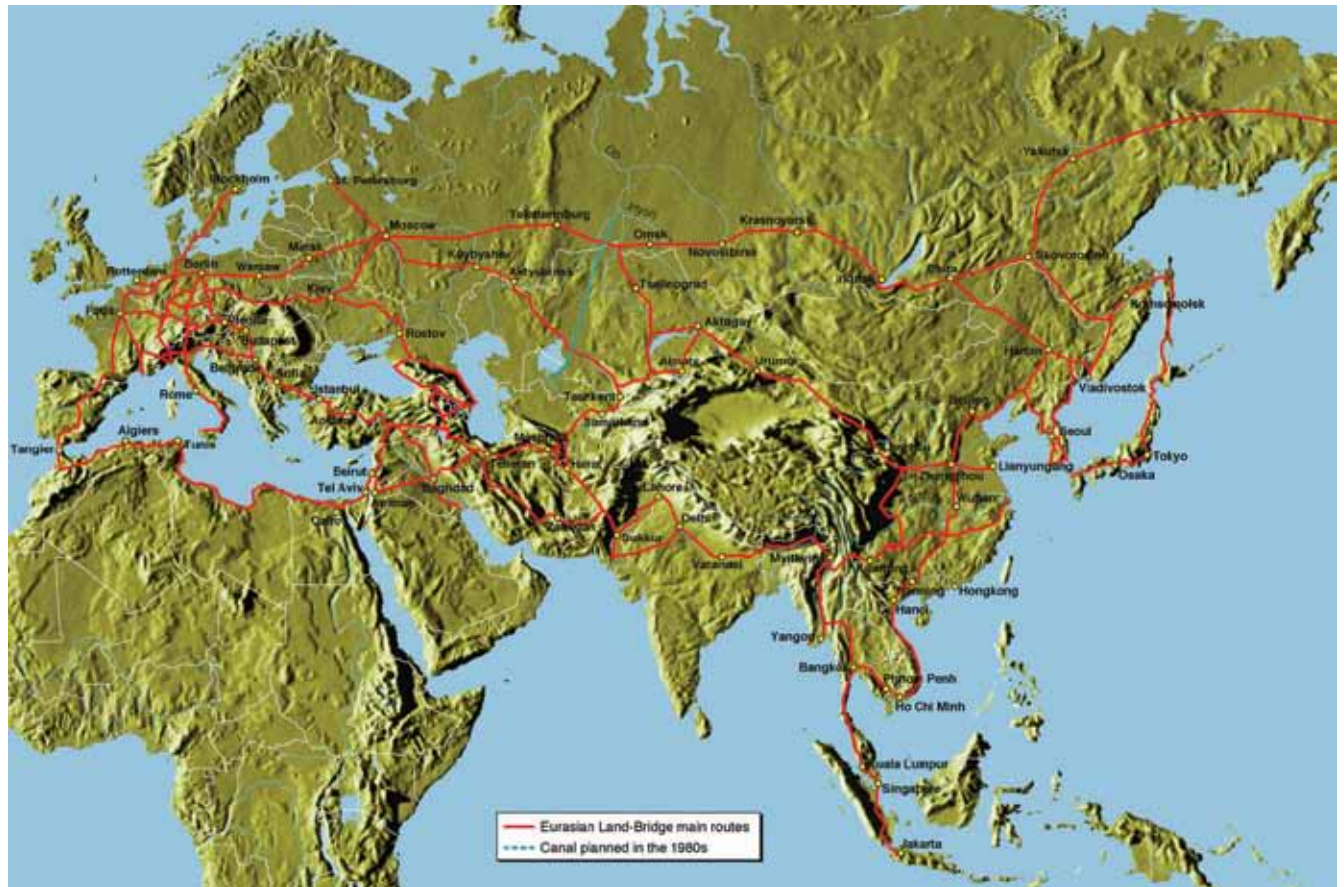
2. EIR’s Special Report *The New Silk Road Has Become the World Land-Bridge*, November 2014, <http://worldlandbridge.com>.



FIGURE 1

## The Eurasian Land-Bridge Proposal

(From EIR's January 1997 Special Report)



EIRNS/John Sigerson

zone, the Arabian Peninsula, the Middle East, Iran—all the way to China, where you have a gigantic strip of desert, that could become lush farmland, gardens, woods.

In a few years, poverty could be completely eliminated and every child could have access to universal education, and that would be not just “some education,” but it would go back to the principle of [Germany’s] Humboldt education system, which also determined the education system in the United States in the 19th Century, where the goal is not to make money when you are finished, but the goal is to have a beautiful character. And [Wilhelm von] Humboldt defined how to accomplish that: He said there are certain categories of knowledge which are better suited to achieve that goal than others. One is the command of your own language in the most beautiful expression, like the great poets have; then universal history, so that you locate your identity

by being thankful for the contribution of the generations before, and enriched, to give it to the future generations. It means, naturally, music, science; it means geography. It just means the development of all of your talents in the most harmonious way.

### The Aesthetical Education of Man

If the joy of discovery would be in this way encouraged in children, then you would not have people who stop thinking when they leave school, or even earlier, but you would have, soon, a common, accepted goal that the aim of education is the beautiful character, or, as Schiller calls it, the “beautiful soul.”

The present popular culture of ugliness, the glorification of violence, would be replaced by a love for beauty, a love for Classical music. Every child around the globe would learn the *bel canto* method of singing, or Classical instruments; children would replicate all

the great inventions and original discoveries of the past. They would not only know their own culture, in depth, but they would also start to know and love high points of other cultures, of the Chinese culture, the Indian, the Russian, the Arabic, the Persian, the Greek, the Egyptian. And out of the knowledge of these cultures would develop love for the other cultures and nations.

The silly lust for the pleasure in the here and now, would be replaced by a genuine desire for creativity, the joy of scientific breakthroughs, the discovery of new principles, of new, beautiful compositions in Classical music. People would love to write poems, write new, great dramas, and make also movies with intelligent plots! Something which has not happened for a long time!

They would produce documentaries which would make it possible for every child on the globe to have access to all universal knowledge, and that would change human relations. People would no longer relate to each other like in a soap opera, trying to cheat and stab each other in the back, but they would have human relations like those between Schiller, Goethe, Wilhelm von Humboldt, Körner, Einstein, Planck. And if you read the letters among these people, you see how richly people can relate to each other by discussing universal laws in science and in art.

But most importantly, this cultural Renaissance would go along with an aesthetical education of man, and that would accompany scientific and technological progress. There would be the recognition that only the morally educated man is entirely free, because only such a mind carries within itself an inner fullness of life that cannot be lost. The feeling for the Beautiful must be then combined with the feeling for the Sublime, because the Sublime is that which sets man truly free, because if you connect your identity to those values which transcend your own limited mortal life, then you become maybe not physically secure, but you become morally secure and nothing can defeat you.

This is what elevates us above the power of nature.



*The Schiller Institute's brochure on its history and mission is available in PDF at its [website](#).*

Because the sensuous instincts have no influence on reason, and our mind is only governed by our own laws of creativity. This beautiful character will be as common for that future society as you have the petty selfish man, today. And he or she will find pleasure in justice, in beneficence, in the fulfillment of all duties which will become like playing, because people will do passionately what is necessary, and they will have a philanthropic heart, an empathy for all of mankind, in which all of the talents of all human beings are developed in a harmonious way.

“The ability to feel the Sublime is therefore one of the most glorious predispositions in the nature of man, which, both because of its origin from the independent capacity of thinking and of the will, deserves our attention, and also because of its influence upon moral man, deserves the most perfect development.” That is from Schiller’s *On the Sublime*.

The Sublime must be added to the beautiful in order to make the aesthetical education a complete whole, and only if the Sublime is wedded with the beautiful, and our receptivity for both has been cultivated in equal measure, are we perfectly citizens of nature without being its slaves and without frittering away our rights as citizens in the intelligible world.

I want you to think about that, because the present condition of mankind is not worthy of man. We have sunk into such a deep, dark age, and I think we have to go back to the high point of high points of Classical culture as it was expressed during the time of the American Revolution, by Benjamin Franklin, by Lincoln, and such people, but also high points of other cultures, to get back to who mankind is. If we want to conquer this, and find the identity of man in the future, in space development, in becoming the truly immortal species, it has to be accompanied with these ideas of beauty and the Sublime, because only with aesthetical education, can we make this necessary shift. And for that, we need a true mass movement for development, and also for the development of the soul.



## Will U.S. Help Greece End Years of Misery?

*The following message from Theodore Katsanevas, founder of the Greek Drachma Five party and former Member of Parliament (1989-2004), recorded Feb. 8, for delivery to the Schiller Institute conference in New York City Feb. 14.*

I am Theodore Katsanevas, professor at the University of Piraeus in Greece. I think you in the LaRouche movement and the Schiller Institute know me. I was happy to be with you several times, and now I have the pleasure to discuss with you the current situation here in the country, which, again, once more attracts international attention.

It appears that it's our fate, to attract this attention, in this period of time.

In any case, at this very moment, we are in the middle of very tough negotiations between the newly elected government of Syriza, of Alexis Tsipras, whom we support, and with our European so-called partners, headed by the Berlin government, Mrs. [Chancellor Angela] Merkel and Mr. [Finance Minister Wolfgang] Schäuble. As it appears now, after many meetings that Alexis Tsipras and the Minister of Economics, Mr. [Yanis] Varoufakis, had in European capitals, according to my view, things appear to be very tough.

In the beginning it appears that the Americans are playing the good cop. You know how they say here in Greece, that there's the good and the bad cop. The Americans play the good cop, and the Germans play the bad cop. So, the Americans in the beginning, and Obama also, sent a very warm message to the Greek government; and we all said here that we have the Americans behind us, to support us.

But at the end of the day, it appears that Mrs. Merkel decided to intervene, and everything appears that the



EIRNS/Christopher Lewis

*Theodore Katsanevas*

whole negotiation follows in a very, very, very very tough line.

So, Mrs. Merkel is asking from the Greek government to abolish all claims against the so-called Memorandum, this policy that led us to Hell, all these years. For six years now. Six years of poverty, misery, unemployment we're having in Greece. But Merkel insists on the same line.

Alexis Tsipras says that I am not going to accept what Mrs. Merkel and the European partners want me to do. We want to go out of the Memorandum, of the so-called Memorial, and we don't want the Troika here in Greece.

Of course, both parties say good words, diplomatic nice

words, but up to now, it seems that things are very bad.

Also, the European Central Bank [head] Mr. [Mario] Draghi recently announced that the European Central Bank is not going to buy Greek bonds, which means that very soon the Greek banks will lose the possibility of having money. So, we might have a very, very, very tough situation very soon, and under these conditions, the Greek government must decide what to do.

### Who Will Do a 'Kolotumba'?

There are two ways: Either to take back all its claims, all what they promised to the Greek people, and for which they have been elected. We have in Greek a word which has been used internationally; it is called *kolotumba*, which means that we turn all the way around. If Alexis Tsipras follows the *kolotumba*, the so-called *kolotumba*, then the Greek people are going to get rid of him. He's going to be finished.

On the other hand, we see, and we are realistic, if Mrs. Merkel does a *kolotumba*, and accepts what Tsipras and the Syriza government propose, then they are in a very bad situation, because unfortunately, at present, in

the south of Europe, the governments of Spain, Portugal, Italy—they would not like to see something to change the basic German policy of austerity. If this happens, for example, the Podemos movement in Spain is going to smash Mr. [Mariano] Rajoy in the same country.

The same will happen in all of Europe, and in the end, Greece will come up to Berlin, and even now, as you know, Mrs. Merkel and Mr. Schäuble, they have a stronger position for many parts of Europe, and even within Germany.

So, there is a very, very tough bargaining condition, and indeed we don't know what is going to happen. What we propose is that, in case the negotiations will not come to a compromise, which is most possible to happen; we propose to have a referendum here in Greece, with the simple question: Yes or no to the Eurozone.

We believe that, provided that the mass media—which, you know, belongs to the oligarchs, and they support the euro, they support the rich, they support what you know they support—if they keep equal lines between the two positions, we believe that the Grexit [Greek exit from the euro—ed.] will win.

In any case, Grexit is on the way, and even a temporary Grexit. As a professor of economy, the famous German economist Hans-Werner Sinn, has proposed recently, this might be a good, clever compromise, not to smash Merkel's policy, and at the same time, to see what the Greek people really want. If the Greek people decide to get us out of the Eurozone, then we have all the future in front of us to govern our country. Of course, learn from our mistakes—because it is true that we have made a lot of mistakes in the past, the Greek governments made a lot of mistakes—and, create an antagonistic economy by the devaluation of the national currency, the drachma, against the foreign currencies.

But, on the other hand, if the Greek people decide that the Eurozone is best for them, then the Berlin government can ask anything—it's all the same direction of poverty, unemployment, and so on, that goes on in Greece.

*But* one problem is—and I left it to the end, to stress it, and I'm sure that you're interested here: One problem is that the Berlin government and the United States took this confrontation, of course, a confrontation between the West—Germany and the United States—towards small Greece. What a confrontation is this! Small Greece cannot fight, and cannot win in such a confrontation. Unless there's something behind it. And this is the threat of Russia.

If Greece will be left to fall under the umbrella of Russia, which, for them, is something that they want very, very deeply, this is something that the United States, the Americans and the Germans—but basically, Americans—will have to think very, very carefully about.

What I want to say, what I'm trying to say, is that if the West—this includes Germany and the United States—pushes Greece to the end, then nobody knows what is going to happen, including the possibility that Greece will be the first country to go with the BRICS, with Russia.

### **Will America Back Its Good Ally?**

I don't know. I hope the best for our country, the best for all the world. I hope that this will not create, or will not lead us to difficult conditions, and even a war. Who knows? I'm not the one who can advise the American people, but according to my opinion, I would like to remind them that Greece has always been a very good ally with the American people and the government of America, through the centuries. We fought against the Germans in the past, and we are still here.

And I think that we could demand the support of the American people, and of the American government, and towards the hope of creating this country to be developed in a better way. Let us stop the poverty, the unemployment, the misery, that we've had all these years. And the Americans can do something about it. And I have to remind them, that after the Second World War, they created the Marshall Plan. They helped countries like Greece to stand on their feet.

Also, I have to remind them that the Germans never paid us for all the things they did during the Second World War. They still haven't paid us back for our loans that we gave to Germany during these years. And I have to remind the American people, that in the year of 1953, most of the German debts were ended, under a new development of that era.

I think that, if you take into consideration the fact that the problem of Greek debt, and the debt of other countries, is not only due to our mis-government, but it also comes out of the national capitalism. Of course, the Glass-Steagall problem, [eliminating] Glass-Steagall, has something to do with it.

So, I gather that the American people and the American government have to intervene and stop this misery, and stop this confrontation.

I wish I would be with you, but I send you my greetings, and the hopes, hopes for a better tomorrow.

# To Fight ISIS Terror, Release the 28 Pages

by Nancy Spannaus

Feb. 17—If President Obama is serious about winning a war against ISIS, his first step is clear: Declassify the 28 pages of the 9/11 Congressional Inquiry which deals with the funding of the 2001 attacks on the United States.

There is an increasing clamor for the President to take this step, motivated in no small part by the fact that the world is threatened with a new wave of assaults by jihadi extremists of the same sort which carried out the 9/11 attacks. Even without the release, evidence abounds that these groups, like ISIS, are the ideological, bought-and-paid-for offspring of the Saudi Arabian regime. Yet, President Obama, like his predecessor, chooses to ally with, and cover up for, the Saudi sponsors of these attacks.

Spokesmen for the 9/11 victims' families, as well as former Sen. Bob Graham, co-chair of the Congressional Inquiry, and the leading sponsors of a House resolution to urging release of the pages—Reps. Walter Jones (R-N.C.) and Stephen Lynch (D-Mass.)—have all pointed to the urgency of declassification, as a matter of the *current national security* of the United States. For unless funding for the creation of terrorist groups such as ISIS and al-Qaeda is cut off, there is no way in which the threat can be contained.

Nonetheless, President Obama continues to stone-wall on demands for the 28 pages' release.

## H. Res. 14

On Jan. 6, Rep. Walter Jones introduced House Resolution 14, which urges President Obama to use his authority to release the 28 pages to the public in order to provide “a full public understanding of the events and circumstances surrounding the September 11, 2001, attacks upon the United States”; to provide “access to information about the involvement of certain foreign governments in the terrorist attacks of September 2001”; and to give the people of the United States and

the families of the victims of the September 11, 2001, terrorist attacks . . . full and public disclosure of the results of the Joint Inquiry.”

Support in Congress has grown relatively rapidly. There are now 13 co-sponsors, almost evenly distributed between the political parties.

Congressmen Jones and lead co-sponsor Lynch are actively and publicly campaigning to up the pressure, both on their colleagues and the White House. On Feb. 10 Rep. Jones gave a three-minute address on the House floor, urging other members to contact the House Intelligence Committee, view the 28 pages, and sign on as sponsors. He noted that all the principals involved in writing the 9/11 Congressional Joint Inquiry Report are on record calling for the release of the 28 pages, and emphasized that Obama must keep his promise to the 9/11 families, to declassify this section of the report.

Then, on Feb. 12, Rep. Lynch went on the House floor, to read an op-ed he had had published in the *Boston Globe*, in which he called for the declassification. Citing the recent coverage of testimony by convicted 9/11 terrorist Zacarias Moussaoui on the issue, Lynch noted that “as a nation, we have not yet fully accounted for the sources of funding and logistical support that enabled al Qaeda to undertake these terrorist attacks.”

One of the major foci of the efforts of Jones and Lynch is to gain a sponsor for a parallel resolution in the U.S. Senate.

One prospect for doing so is Sen. Rand Paul (R-Ky.), who, during an address to Republicans in Iowa on Feb. 7, raised the issue of the 28 pages. “Do you know that the missing pages of the 9/11 report that are not allowed to be made public—I can tell you what I think is in them, because I haven’t read them. They’re still top secret. There are links of the attackers on 9/11 to high people in the Saudi Arabian government and wealthy people in Saudi Arabian society. They’ve been financing radical Islam for 30, 40, 50 years,” Sen. Paul told the crowd. “If they’re an ally, they need to be told ‘no more.’”

A Senate resolution is essential, in order to intensify the pressure on the President, and get results. Releasing the 28 pages should be the first order of business before any new Authorization for Use of Military Force Against Terrorists (AUMF), if terrorism is to be fought effectively.

### *The Fascist Coup of Feb. 20, 2014*

Avoiding the threat of World War III demands telling the truth about the events in Kiev, Ukraine, one year ago, when, under the threat of Nazi-led mobs, the elected President of Ukraine was driven from the country, and a government dominated by those mobs took over.

You say that statement is just “Russian propaganda?” You are either fooling yourself, or you’re a liar.

The fascist nature of those who dominated the so-called Maidan Revolution should have been obvious from the start. In fact, the uprising had been pre-planned by a group of fascists, including direct heirs of the Banderite Nazi movement of the 1930s. As events unfolded, the Nazi-like behavior of a crucial minority of the demonstrators—including throwing Molotov cocktails at the police, and attacking in military formation—should have shaken anyone’s naive belief that this was a peaceful protest by the people.

Taking leadership in the Maidan were known fascists from the Svoboda party, for example, a party condemned by the European parliament in 2012 as “racist, anti-Semitic, and xenophobic.” True, the up-front faces of the “Euromaidan,” such as Arseni Yatsenyuk and Andriy Parubiy, were not literally from Svoboda. But these individuals were intimately involved in movements which comprised it, and collaborated closely with Svoboda members.

Indeed, the government chosen by U.S. State Department official Victoria Nuland, to take over after President Yanukovich was deposed, proceeded to appoint three Svoboda members to cabinet posts; Parubiy, head of the National Security and Defense Council, was also the Commandant of the “Maidan Self-Defense”—the chief of the military wing of that movement.

By mid-February, Parubiy was clear that the

objective was not peaceful reforms, but the “elimination” of the elected government. On Feb. 18, 2014, his forces led a march to the parliament, which attacked the police. On Feb. 19-20, despite the negotiation of an ostensible truce, an all-day gun battle broke out, which resulted in the deaths of 70 people.

This massacre, blamed by the coup-makers on the Yanukovich regime, was, by all accounts, touched off by sniper fire, which hit both police and demonstrators. *Despite evidence—including some recently published by BBC—that this sniper fire came from the Maidan militias, there has never been a competent investigation of the event.*

On Feb. 20-21, the foreign ministers of Germany, France, and Poland brokered a truce, which was signed by the nominal leaders of the Maidan movement and Yanukovich. But within hours, the Self-Defense forces rejected it, and threatened all-out attack. Under threat of death, President Yanukovich left Kiev in the middle of the night.

The coup by the Nazi forces had achieved its first objective.

This was followed by a wave of actions in line with the Nazi program, including attacks on the rights of the large Russian-speaking Ukrainian population, hooligan terror against those in favor of alliance with Russia, and atrocities such as that in Odessa on May 2.

Yet the United States and Western European nations, are supporting this government, which presses its anti-Russian campaign. Is it any wonder the Russians react with alarm, and the war danger grows?

*This fascist coup must be reversed!*

Kicking out Nuland is the first step, and it must be done now. On this anniversary of Hitler’s defeat, let’s finally be serious about “Never Again!”



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