

a frequent confederate, in these outrages, of David Horowitz, who runs a right-wing campus witchhunt on behalf of Bush-Cheney policies. His British website, Center for Social Cohesion,” mimicks Horowitz’s Muslim-baiting in the U.S., and reportedly wants to halt all immigration of Muslims into Europe.

Bilski, for his part, sponsors and translates anti-Muslim blasphemies by the Iranian émigré Afshin Ellian. His specialty at the University of Leiden, where he teaches, is “Social Cohesion and the Role of the Right.”

Both young military-strategic gurus are completely innocent of any military or strategic experience. They are also obviously very well-acquainted with each other: sort of the “Cohn and Shine” of the McCarthy era.

### Call for Pre-Emptive Nuclear Strikes

Under the misused names of these top generals, Bilski and Murray call on NATO to be prepared to launch pre-emptive nuclear attacks to prevent use of weapons of mass destruction by its enemies. They call first-strike use of nuclear weapons an “indispensable instrument” as part of an overall “grand strategy” to deal with the current dangerous world. Key to that “grand strategy” is inducing uncertainty in the mind of the enemy, so that he has no idea what to expect. “Nuclear escalation is the ultimate step in responding asymmetrically, and at the same time the most powerful way of inducing uncertainty in an opponent’s mind.” Then in language reminiscent of Richard Nixon’s “madman theory,” they declare that “unpredictability is an important element of any strategy that aims at conflict prevention and termination. Opponents must never know which step could be the next one, and must never have a chance to rule out any of the options in their opponent’s arsenal.”

The duo writes that the “risk of further proliferation is imminent and, with it, the danger that nuclear war fighting, albeit limited in scope, might become possible. The first use of nuclear weapons must remain in the quiver of escalation as the ultimate instrument to prevent the use of weapons of mass destruction.” Due to the spread of nuclear technology, there is “simply no realistic prospect of a nuclear-free world.” They call for allowing the use of force without UN Security Council authorization when “immediate action is needed to protect large numbers of human beings.”

They want a large-scale reform of NATO and a new pact among NATO, the U.S., and the EU to sanction such action.

According to British press reports, this hoax has been presented at the Pentagon and to NATO Secretary General Jaap de Hoop Scheffer. They even claim it will likely be on the agenda of the NATO summit in Bucharest in April.

In addition to the usual neocon drivel about “Islamist terrorism,” the two also include a huge freakout about China in Africa. They complain that China’s willingness to invest in and give aid to African countries is “detrimental” to “good governance.”

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## ‘Rogue Trader’ Triggers Collapse

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# Lie-Masters Invent New Fairy-Tale

by Helga Zepp-LaRouche

*The author is chairwoman of the Civil Rights Solidarity Movement (BüSo) in Germany. This article was translated from German.*

Now we can all breathe a sigh of relief! The world financial system isn’t in the throes of a systemic crisis after all! Monday’s worldwide stock market crash was caused by a lone perpetrator, who swindled the French bank Société Générale out of EU4.9 billion over the course of the past year, and who was able to avoid triggering the control mechanisms which normally kick in at sums in the EU100-200 million range and higher. And the poor fellow didn’t even do it for his own enrichment: He gambled away EU5 billion because he had been traumatized by the death of his dad!

This outrageously tall tale was served up by this week’s British press—and also, in slightly modified form, by the German *Spiegel* online—while French commentators preferred to point instead to its timing, coming just before Société Générale is to release its latest annual report. The fact that the crash began in Asia and not in Paris, gives the theory a small blemish, though—one which many would rather simply conceal underneath one of those tidy little band-aids.

But these were not the only places that are coming to resemble scenes from the theater of the absurd as staged in Charenton. Already on “Black Monday,” we were regaled with a flood of pictures of teary-eyed stock traders tearing their hair. And by Tuesday, the panic suddenly turned to euphoria, as the European Central Bank came in with a new financial injection, and the U.S. Federal Reserve lowered its rate by 0.75%. But as the U.S. economy slides ever more deeply into depression, threatening to bring the rest of the world economy down with it, only a few scattered idiots still harbor the illusion that yet another long-lasting orgy of profits might be set into motion after the announcement of Bush’s “stimulus package” with its tax and interest cuts. As U.S. economist Lyndon LaRouche stressed, a stimulus program within the current collapsed world financial system, will simply bring on hyperinflation all the more quickly, and is therefore the stupidest thing one could possibly do. Unless there is some drastic re-thinking, this dynamic can easily spread over the entire planet, plunging the world into

a new dark age, comparable only to the dark age of the 14th Century.

Meanwhile, Professor Schwab's lucrative mega-party at Davos is once again highlighting the astounding incompetence of most top corporate executives, Nobel Prize holders, and politicians, who are taking out just enough time from their *après-ski* and photo ops, to demonstrate how utterly confounded they are about how to get out of the crisis. But of course, they can still cast electronic votes on which risks they consider to be the most dangerous.

## Irresponsible Homeowners

Anyone who follows how the media are reporting on the financial crisis nowadays, can't help but conclude that all these journalists and financial experts, like German TV stock exchange analyst Anja (Ver)Kohl,<sup>1</sup> must have taken courses with Baron Münchhausen.<sup>2</sup> *Bild*, for example, runs a box on its front page nominating a ZDF reporter as a "loser," simply because this gentleman was honest enough to advise small investors to sell their shares. In other newspapers, the collapse of the U.S. subprime mortgage market is blamed on "irresponsible" homeowners—and not on Alan Greenspan, the man whose low-interest policy in fact created the mortgage bubble which the financial system had so urgently needed, following the collapse of the "new market."

And naturally, it was the homeowners' fault for having taken on mortgages with variable interest rates just when the rates were practically zero, after which the rates had nowhere to go but up. The fact that the victims don't see it that way, is demonstrated by a growing flood of fraud lawsuits against the financial institutions which had only vaguely hinted at the risks facing their clueless customers. And now we have belated advice from William Poole, head of the Federal Reserve in St. Louis, who told MarketWatch.com: Trust neither what the Federal Reserve says, nor its competence. This is a lesson that cannot be repeated often enough.

It must have become quite evident, that the principle that "profit is for the few, and losses are unloaded upon the many," has deeply shaken people's trust in politics and financial system. Incredible but true: Wall Street mogul and wannabe Presidential candidate Michael Bloomberg stood up before the press, along with Schwarzenegger, and claimed the contrary: It's the private investors who carry the risk, and the state reaps the benefit! And this crisis in confidence is made even worse by the behavior of diverse "economic experts." The head of the IFO Institute, for example, Professor (Un-)Sinn,<sup>3</sup> argues against substantial

wage increases, since these would be poisonous, considering the U.S. crisis that is threatening the world economy. Germany's economy, he says, has remained competitive in recent years thanks to wage restraint, and this success shouldn't be frittered away.

The only truth in his argument, is that real wages in Germany have in fact declined over the past ten years. What Professor Unsinn doesn't tell us, though, is that wage-earners have the introduction of the euro currency to thank for this. Because ever since German institutions relinquished their power to regulate via interest rates, their only remaining tool for setting economic standards, was to decrease wages—and that is the underlying cause of the weakness in Germany's domestic economy.

## Golden Parachutes

And if the workers and their trade unions—who with each new day are surprised by multimillion-dollar golden parachutes for failed top executives, and whose jobs are disappearing because companies like Nokia, even after it made billions in profits, still wants to send its production abroad in order to make still more profits—are now demanding compensation for inflation and a small raise above that: then they have every right to do so. But the head of the DIW [German Institute for Economic Research], Klaus Zimmerman, says that demands for an 8-10% wage increase "aren't in keeping with the times." Hagen Lesch of the Cologne Institute of the German Economy (DIW) says they don't fit "in the landscape." And so, they resurrect the old cliché that it's the workers' excessive demands which are to blame for inflation and for the world economic crisis. They display a post-modern, but unfortunately, not relativistic understanding of space-time.

The brutal reality lurking behind all these contortions and Münchhausen-style tall tales, is that the international financial oligarchy and its acolytes aim at nothing less, than to "solve" the international financial crisis by enforcing a drastic reduction in the population's living standard.

And just as we can be certain that the short-term blindness of the greedy will soon be followed by the next panic attack, so also can we be certain that there is only one alternative to the policy of austerity in the tradition of Hjalmar Schacht, as is being advocated by "experts" such as Professor Unsinn. That alternative is the policy in the tradition of Franklin D. Roosevelt, as proposed by Lyndon LaRouche, of a New Deal, and of a new financial architecture, a new Bretton Woods system. And if we are to prevent the complete disappearance of popular confidence amid the peaking of the world economic and financial crisis—a crisis which is as certain to come as "amen" in the church—and if we are to prevent a repetition of Weimar conditions, then these ideas need to be put at the top of the agenda.

1. *Verkohl* is the German word for "hoax."

2. Baron Münchhausen was a famous teller of tall tales.

3. *Unsinn* is the German word for "nonsense."