

# EIR

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London Is Pushing a Hundred Years War  
Sykes-Picot: America vs. the British Imperialists  
Failed Bailout Ploys Go into Desperate New Phase

**LaRouche's Historic Webcast:  
President Obama's Options**



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# EIR

## From the Managing Editor

Lyndon LaRouche's Jan. 16 webcast is a gripping and concisely organized call to President-Elect Obama and those in the broader institution of the Presidency, to immediately put the world financial system into bankruptcy reorganization. Without this measure—which so far almost no “experts” have been willing to contemplate—no other reforms stand a chance. We feature LaRouche's opening remarks and a bit of the discussion in this issue; I strongly urge our readers to watch the entire program at [www.larouchepac.com](http://www.larouchepac.com), since its full power cannot be captured on the printed page.

We're going to put the world through bankruptcy reorganization, LaRouche said, and create a Westphalian system of cooperation among nation-states, ending all vestiges of imperialism. We shall use the model of the U.S. credit system, the Hamiltonian conception, to do this. “If you don't like that, I'm sorry. You either do it, or you're not going to survive.”

Complementing the webcast, our *World News* section documents the utter bankruptcy of the system and the failure of the bailout-after-bailout “strategy.” Ramtanu Maitra's analysis of India's nuclear energy program and the need for a policy change there, expands upon points made by LaRouche in his speech.

Our *Feature* is “must” reading for anyone concerned about the searing news from Gaza and the seemingly endless wars in the Mideast. It is the never-before-published story by *EIR* specialists on the fight between the United States and Britain over the secret 1916 Sykes-Picot agreements that divided up the moribund Ottoman Empire. Two U.S. delegations were sent to the region, over British opposition, to seek out the views of the people who lived there as to how they should be governed (!), and to block Sykes-Picot. Those delegations were led by American patriots who grasped the treachery of British imperialism much better than their counterparts do today. See [www.larouchepac.com](http://www.larouchepac.com) for earlier articles by Steven Meyer that bear on this history: “Jabotinsky Wrecked Zionists' Hope for ‘Water for Peace’ in Mideast,” May 24, 2002; and “Netanyahu's Fascist Record: All Roads Lead to Shultz,” Feb. 24, 2006.

LaRouche's Jan. 22 webcast will be featured in our next issue, and can be viewed at 1 p.m. Eastern Time at [www.larouchepac.com](http://www.larouchepac.com).



## Cover This Week

*President-Elect Barack Obama in the final countdown to Inauguration Day.*



[www.change.gov](http://www.change.gov)

### **4 LaRouche's Historic Webcast: President Obama's Options**

In his Jan. 16 pre-inauguration webcast, Lyndon LaRouche addressed what President Obama must consider as he makes his decisions on the international monetary-financial crisis. LaRouche said that when he forecast, on July 25, 2007, the imminent collapse of the international financial system, he was talking about the \$1.4 quadrillion international financial derivatives bubble, which is still growing. Most of these financial claims are going to have to be wiped from the books in a bankruptcy reorganization, shutting down the derivatives market while the physical economy is put under protection, if the nations of the world are to survive. He said that the world banking system, in its present form, can not be saved. But we can save the physical economy, and then develop a credit system, as best understood by Alexander Hamilton. The responsibility of carrying this out for mankind, is what is confronting Obama now.

## Feature

### **16 Lessons of History: London Is Pushing a Hundred Years War**

There have been 100 years of conflict in Southwest Asia since the advent of the imperial Sykes-Picot treaty. The London-based imperial financial empire is announcing that it intends to keep these conflicts going for another 100 years.

### **18 When America Fought the British Empire and Its Treacherous Sykes-Picot Treaty**

By Dean Andromidas. The cause of the wars in Southwest Asia is the Anglo-French Sykes-Picot agreement of 1916, not anything internal to the region today. Forces in the United States understood the danger of that imperial system, and particularly, of British manipulations to grab the remnants of the dead Ottoman Empire, at the close of World War I. These patriotic Americans tried to block it—a story hitherto suppressed.

### **32 It Is Time To Bury the Brutish Empire!: British Deception Responsible for Palestinian Bloodshed Today**

Hussein Askary relates how the British Empire, while fostering Zionist territorial aspirations, simultaneously promoted Islamic fanaticism in order to play the two, both against each other, and against other legitimate nationalist and anti-imperialist forces. The story of T.E. Lawrence "of Arabia" and his pawns.

### **36 Netanyahu's Godfather: How British Imperialists Created the Fascist Jabotinsky**

By Steven P. Meyer. The armed conflict in Israel today is the continuation of almost a century of British-staged armed conflict between Arab and Jew that dates back to the Nebi Musa riots of 1920, just months after the close of World War I, as the British settled in to occupy Palestine. It was the top British imperial circles who sponsored the fascist Vladimir Ze'ev Jabotinsky, as a means of implementing the strategic goals of the British Empire.

### **52 Parvus, Jabotinsky, and London's Young Turks**

How the British/Venetian-spawned Young Turk movement instigated London's Balkan Wars and the overthrow of the Ottoman Empire—without which, the entire Anglo-French Sykes-Picot colonial scheme would not have been possible.

## **World News**

### **54 Failed Bailout Ploy Heading into Desperate New Phase**

The bailout process is akin to the actions of a junkie, who knows in the deep recesses of his mind that he must quit, but hasn't the courage to do so. "One more fix," he says. We are now at the point where the money junkies are unable to control themselves. It is time to intervene, and put their system through bankruptcy. Before it kills us, as well as them.

### **56 Banks and Real Economy in Free Fall: Will Obama Become the New Roosevelt?**

By Helga Zepp-LaRouche.

### **59 India Nuclear Program at a Crossroads**

Will India seriously take up the challenge of developing its vast thorium resources for production of nuclear power, to implement the three-stage plan envisaged by the late Prime Minister Jawaharlal Nehru and nuclear scientist Dr. Homi Bhabha?

### **63 Fusion Energy: 'Yes We Can'**

Nuclear scientist Dr. John Nuckolls makes a powerful proposal to be funded by Obama's stimulus package.

## **Editorial**

### **64 America vs. Britain: Republic vs. Empire**

## LaRouche's Historic Webcast: President Obama's Options

*Lyndon LaRouche addressed an international Webcast Jan. 16, just days before the historic inauguration of President Barack Obama. Here are his opening remarks, followed by an excerpt from the discussion which followed. The event was moderated by LaRouche's spokeswoman Debra Freeman. The full transcript and video of the presentation and discussion are available at [www.larouchepac.com](http://www.larouchepac.com)*

**Debra Freeman:** Good afternoon. My name is Debra Freeman, and on behalf of LaRouche PAC, I'd like to welcome all of you to today's historic presentation. As I think most of our listeners know, Mr. LaRouche will be giving a live broadcast from Washington, D.C., just two days after Barack Obama takes the Oath of Office. That broadcast on Jan. 22, at 1 p.m. Eastern Time, will be before a live audience.

But, the demand for Mr. LaRouche to address the nation and to address the world, *prior* to President Obama's inauguration, in the midst of what is unarguably the worst crisis that our nation has ever faced, was overwhelming. And in meeting that demand, we scheduled today's Webcast.

We have questions that have already come in, from our nation's capital, from Moscow, and indeed, from all over the world. We will continue to field questions as today's historic broadcast proceeds.

Without any further introduction, Ladies and Gentle-

men, I'd like to present to you, Mr. Lyndon LaRouche.

**Lyndon LaRouche:** To begin with, before getting into the questions and my response to them, I would remark that I'm focussed, at this point, in my direct remarks here, on the situation posed by the appearance of Paul Volcker, in the committee, the 30 Group, which recently met [see "Failed Bailout Ploy Heading Into Desperate New Phase," in *Economics*—ed.].

Now, the significance of that is this: No one knows exactly what President Obama is going to conclude on the issue of the international monetary-financial crisis. I haven't talked with him; and he has, of course, restrained himself on a number of matters, pending the time that he is the actual President, as opposed to speaking as a President-elect. So my concern is to try to clarify exactly what President Obama *must* consider, in making crucial decisions which bear upon international relations, particularly those affecting the world economy.

Now, the problem here is, that as most of you know, the President has not spoken on the actual, crucial issues of world economy. Nor has anyone else, really. A few people, hither and yon in the world, have talked about it; but before the public, there has been no competent discussion, of the most crucial issues which threaten and face the world today. And I'm certain, from the performance of the people in the U.S. Congress, that virtually none of them is competent in any degree, to deal with this.

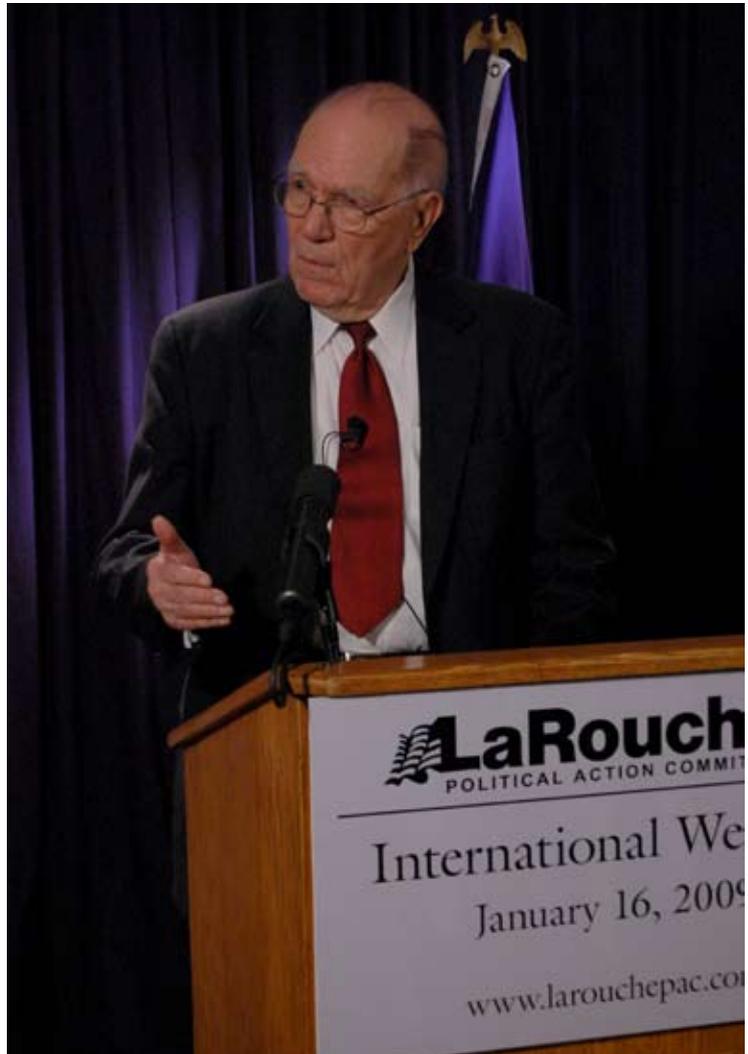
## LaRouche's July 2007 Forecast

You will recall, that on the 25th of July in 2007, I forecast the imminent collapse, the breakdown of the international monetary-financial system, as an oncoming process. Three days after that, the breakdown occurred. Idiots and liars, variously, referred to that as a “special kind” of subprime mortgage crisis. It was not. What happened in particular, which bears exactly on what I have to say to you right now today, is that what I was forecasting was *not* a mortgage crisis, but something quite different: I was calling attention to the fact that the world has been destroyed, in terms of world economy, by a growth of what are called financial derivatives. This plague of financial derivatives took off, shortly after Mr. Volcker's leaving office, under the direction of his successor, Alan Greenspan. And Alan Greenspan did something which no decent man should ever have done, which was to create the financial derivatives bubble which dominates the world today.

Now, what I was forecasting, on the 25th of July, was a breakdown of the *international financial derivatives bubble*, a bubble which is on the order of magnitude, equivalent to, nominally, about *\$1.4 quadrillion dollars*. And this bubble is still growing, implicitly, until we put it to sleep, and get rid of it.

Now, what we have to do, we are *never* going to bail out *\$1.4 quadrillion* worth of inflating claims against the world economy. We are going to have to *wipe out most of the financial claims from the books!* We are going to put the world, which we have to save—a physical world—we're going to put the world into protection. And we're going to put it into protection, *by eliminating the greatest part of the nominal financial claims*, held by financial institutions of the world today. *If you don't do that*—which is what most people are afraid to even talk about—*if you don't do that*, if you don't wipe most of the things that have been subject to bailout, from the books, you can not save the world *physical economy* from a general breakdown, which would mean that the world's population would probably sink from about 6.5 billion today, to about 1 billion or less, within a matter of a generation or two.

So therefore, if you have any care for humanity, you're going to wipe financial derivatives off the books!



EIRNS/Stuart Lewis

*The planet, said LaRouche, will no longer tolerate the usury-ridden Anglo-Dutch Saudi imperial system. The United States can, through our Constitution, put the system into bankruptcy reorganization. This will allow us to survive.*

What I warned about, on July 25 of 2007, is that the rate of increase, of self-increase, of hyperinflationary increase, of these financial derivatives, was growing at such a rate, relative to a physically collapsing economy, that the thing was going to break at the weakest point in the system.

Now, what happened, because, again, because of Alan Greenspan's playing with Fannie Mae (and you should never play with your fanny!), but because of that, we'd reached the point, where the subprime mortgage factor had become the reflection, the leading reflection, of the breakdown of the international financial/financial derivatives system!



UN Photo/Eskinder Debebe

*The plague of financial derivatives, created by Fed chairman Alan Greenspan (above), shortly after Paul Volcker (right) left office, was the cause of the global financial crisis, of which the subprime mortgage crisis was a symptom.*



House Financial Services Committee website

So, what I was forecasting was not a spinoff from a breakdown of one sector of the mortgage sector, into the world economy, but the *world economy's collapse* causing, symptomatically, a breakdown of the subprime mortgage sector, which was the most corrupt and weakest part of the whole mortgage system; which Alan Greenspan had used as one of his drivers, for his role, together with the City of London, in creating this hyperinflationary crisis. What is happening is that the rate of self-growth of the financial derivatives bubble, had reached the point, relative to a collapsing physical level of productivity per capita and per square kilometer, which was toppling the whole system.

### **A Breakdown of the Industrial Powerhouses**

The secondary factor in this, was the fact that the United States economy, actually since 1968, the U.S. physical economy had been collapsing, in physical terms—per capita and per square kilometer—especially since 1989; the European economy has also been collapsing, as the former Soviet Union's economy was collapsing.

So what we have, is a process of a *collapse*, of the physically productive economies, of the United States, in particular, of Europe in particular, and the former Soviet Union, at the same time, that we have been ex-

porting production to cheap labor markets, in places such as China and elsewhere. China is a particularly crucial case, because China has become dependent upon, largely, doing the production for the United States, and in part, Europe. China is the most extreme case. India, for example, has a lower ratio of its total economy that depends upon exports. China has a great part of its present economy that depends upon this export market.

So therefore, as this market collapses, financial market collapses, then inevitably, China collapses.

Russia is collapsing, for similar, related reasons. The

economies of Western and Central Europe are collapsing. The economies of Eastern Europe, formerly part of the extended Soviet system, actually have been living under worse *physical* conditions—maybe politically they've somewhat improved—but worse physical conditions than they were under the Soviet system. Poland, for example, is worse off today, than it was under Soviet domination of the Comecon.

So what you have is a breakdown, of what was formerly the agro-industrial powerhouses of the world, including the United States, which have become more and more *post-industrial* societies, falling to lower and lower levels of technology per capita. While on the other hand, we have been going into *cheap* labor markets, but we *underpay* the actual costs of production, as in China and elsewhere, which is in this so-called, “globalized world.”

So therefore, we have been operating under an *insane* trend, since 1967-68, which is the last time that the United States was operating *physically*, at a net rate of growth. And since that time, as typified by the breakdown in the U.S. basic economic infrastructure, the United States economy *has been disintegrating!* The level of productivity, the level of scientific progress, have all been collapsing in terms of production. Europe, since 1989, since 1990, in particular, Europe has been

collapsing. We have been expanding the markets for production, for a while, in China and elsewhere, in so-called Third World or related kinds of economies. *Now*, the whole shebang, which was based on hyperinflationary investment and speculation, has now come into a chain-reaction collapse. *There's nothing you can do, in terms of reforming the present system, to prevent the entire planet from going into Dark Age.*

You can get out of this mess, very simply: Go back to our Constitution, and go back to the thinking of Franklin Roosevelt, as of 1944. We go to that kind of thinking, and put the world through bankruptcy reorganization, and change away from this monetary system we have, which you can not save! *You can not save the world monetary system, you can not save the world banking system in its present form: It's impossible!* What you can do, is you can save the physical economy, and return to the principles of the U.S. Constitution, as best understood in the early days by Alexander Hamilton, and go to a credit system, based on the U.S. principle of a credit system, rather than an international monetary system.

### The Anglo-Dutch-Saudi Empire

Now, to do this, will require another step: The basic problem of the world today, is what some people call the British Empire. But the British Empire is sometimes a misleading term. Because it is certainly not, if you look at the faces of Britons, it is certainly not the empire of the mind of the British people. What you're looking at is an international, speculative, banker control of the international monetary-financial system.

Now, this empire, through globalization, extends all over the world, and it is a world empire! You can call it an Anglo-Dutch-Saudi Empire, especially since 1973, when that great oil swindle was pulled off, and we've been living under it ever since. But this is the empire! It's like all great empires in European history: They have not been, really, national empires, or empires of nations. They've been empires of *financial interests*—usurious financial interests. And what's running the world today, is a usury-ridden, financier system, which



EIRNS/Rachel Douglas

*The economies of Western and Central Europe are collapsing. The economies of Eastern Europe have been living under worse physical conditions—maybe politically they've somewhat improved—but worse physical conditions than they were under the Soviet system. Here, a woman rummages through goods at an outdoor Russian market.*

is now breaking down. The world, the planet, will no longer tolerate this system. And if we try to support the system, the world will no longer *tolerate us*. That's the problem.

So therefore, the United States must, because only the United States can do this, through our Constitution and our tradition, *we can do it! We put the world monetary-financial system into bankruptcy reorganization!* Which means that some things that are essential will continue to be paid, or ordered. Our investment in these things will expand. Other things, which people have been using as substitutes for production, in this kind of crazy market, are going to be frozen, just as you do, in any attempt to salvage a business, which is financially bankrupt.

So we're putting the entire *world system* through bankruptcy reorganization. Doing that, will, in effect, eliminate the present world empire: the Anglo-Dutch-Saudi empire, that is, the banker, the financier empire.

What is required, therefore, is that the United States, under this next President, *has no sane choice—none!* It's not a matter of what you like or what you don't like: Do you like to survive? Do you wish the United States to continue to survive? Do you wish European civilization to come back? Do you wish to save China from chaos and possible breakup? Do you wish to stabilize



barackobama.com

*Is President Obama prepared to step forward, to make the unprecedented decision, to put the most powerful financial interests in the world into receivership, in bankruptcy reorganization? That's what's required, if we are to survive, LaRouche said.*

and protect India? Do you wish to save Russia, and what it represents in its key role in the world? Do you want a partnership among these forces, who in their *common interest*, as separately sovereign states, agree to unite, *against* the forces of empire, and say: Bankers who have swindled, financiers who have swindled, or have engaged in wild speculation, who've now driven the world *physical economy* to the point of breakdown, these people are going to *eat it!*

We're going to put the world through bankruptcy reorganization, and take the viable part of the world, and bring great nations together, together with relatively weaker nations, and bring a world system of the type envisaged by Franklin Roosevelt in 1944, and we're going to create that system of cooperation among nation-states, end all traces of imperialism, end all globalization, and go back to the sovereign nation-state and its people. And do it on the basis of the famous principle of 1648, the Westphalian Principle: a group of nations, each of which is dedicated primarily to the interests of the group of nations as a whole. And we're going to build the kind of world that Franklin Roosevelt had intended, in 1944, at Bretton Woods. We use the model of the U.S. credit system, the Hamiltonian conception of the credit system, an introduction of national banking, as a policy, as Hamilton had prescribed this; and

use this in cooperation with other nations, to create a sufficient combination of power, to force through the needed bankruptcy reorganization of the world.

### **Do You Wish To Survive?**

If you don't like that, I'm sorry. You either do it, or you're not going to survive.

This is not one of those cases where it's a matter of your choice, your tastes, your prejudices, your traditions, in the ordinary sense: *Do you wish this nation to survive? Do you wish this planet to survive?* Are you willing to step forward, as in the case of incoming President Obama? Is he prepared to

step forward, to make an *unprecedented decision*, putting the entire world into bankruptcy reorganization, putting the most powerful financial interests in the world *into receivership*, in bankruptcy reorganization? Shut down the whole derivatives market; freeze it! Save everything that is essential, in terms of infrastructure development, in terms of production, in terms of physical standard of living; and bring together a coalition of nations, which, as a combined power of sovereign states, have the power to take the British Empire, or similar empires, and tell 'em, "You guys are in receivership. You can live, but you're going to live in receivership." And break this present monetary system, which has dominated us, especially since about 1968.

We've got to do that, *if we wish to survive.*

Now, there are many problems involved in this. What I've just said, is true: There is no sane alternative, existing on this planet, to what I have just said. I don't care what your degrees are, what your opinions are—this is reality! This is not choice, this is reality! This is like the position of a person in command in warfare; and the President of the United States, the incoming President, faces the challenge that the greatest military commanders and leaders of nations have faced in general warfare: this kind of responsibility *to act for mankind, with everything that's in you, to act that way.*

We do it, or we don't survive! And the President of the United States has to be presented with that fact: *We do it this way, or we don't survive!* Don't talk about other people's suggestions. They have failed! The leading institutions, of education, and professions, relative to this problem, *have all failed: They have failed for over 40 years!* And actually much longer. Either we change our ways, reject those traditions of 40 years, and go back to the United States as conceived by the Founders, and as affirmed by President Franklin Roosevelt, *or we are not going to survive!*

*Do you wish to survive? That's the question!* Not, "is your opinion going to be honored?" But, "is your opinion *worth honoring?*" Does it correspond to the requirement of survival?

We are now at that point: We're at the point where the inauguration of the next President of the United States, this coming Tuesday, will largely answer the question: *Is this nation going to survive? Is civilization, globally, going to survive?* Do we have a President with the backing needed, to make the kind of decisions from the United States, which will enable this planet to survive, and outlive the greatest financial collapse ever imagined, globally.

### Physical, versus Money Economy

Well, that involves some other questions: Because what this signifies is that our culture's been wrong! Our educational systems have failed! Our popular opinion has been a tragic mistake. Most things that people have taken for granted and assumed, were wrong! Because, if they had not been wrong, we wouldn't be in this mess! When the *Titanic* is sinking, don't negotiate for a better stateroom—that's not your job. Get off the ship! And this is the challenge we face today.

Now, what are the problems?

First of all, we have failed to understand completely, the basic principle of physical economy. Don't talk about money economy! Yes, money is significant: managing money, organizing it, this is very important. But what's your principle of economy? I mean, *physical* economy. I'm talking about per square kilometer of territory; I'm talking about per capita; I'm talking about longevity of members of households. These kinds of things. How do we produce?

For example, let's take the case of India. India's an interesting country; about 63% of the population is extremely poor. They mostly have an agricultural base, and their base is shrinking.



Antônio Milena/ABr.

*India does not have, presently, a secure supply of potable water, for agriculture and human life. We're going to have to go to large-scale desalination, to produce clean water, in necessary quantities: Which means a global, nuclear, physical economy. Shown: Women washing clothes in a ditch, in Mumbai, India.*

For example, water crisis: India does not have, presently, a secure supply of potable water, for agriculture, and human life. Because we've been drawing down there, as in many other parts of the world, we've been drawing down on fossil water resources, and we've been draining them. Now we're going to have to go to large-scale desalination, to produce clean water, in necessary quantities: Which means, we're going to a global, nuclear, physical economy, especially nuclear power. This will mean, uranium fission; it will mean also thorium fission. Now, in both cases, you use a thing called plutonium to charge a uranium reactor, or to charge a thorium reactor. You have to do that. This means that we take this plutonium, which we have, which has been tanked up as a military resource, and we make it available for its function in charging nuclear reactors, using not only uranium, but the thorium cycle.

India's a perfect example: India's a nation which has, like Australia, a fairly large portion of the world's available thorium resources. Therefore, if we wish to save the population along the coasts of southern India, from this kind of threat there, we have to charge up thorium reactors—and the Indians are prepared to produce these reactors—charge them up, and use these as a way of *increasing* the potential productivity of a population, which does not have, inherently, present skills needed by the population of that nation, for the 63% of the lower-income brackets of that nation.

So it has a right—that nation has a right, other nations have a right, to have the thorium cycle, as well as the uranium cycle, fully utilized, like fourth-generation nuclear reactors, utilized to ensure that we're able to deal with such a simple thing as the fresh water resources which humanity requires.

So, we have to junk all this anti-nuclear nonsense. We have to go to higher-technology. There are some people who think you can count energy in calories—you're an idiot! You don't measure energy, you measure power! And it's the energy flux-density cross-section of the power source, which determines the potential productivity of that application of energy to production. Therefore, we have to go to *high-density nuclear power sources*, if we're going to develop the kind of sources required to take a population, now, of over six and a half billion people, rising towards seven, and even to provide the freshwater and other elements required to sustain these populations of the world.

If you're not willing to take on the world, you're creating a situation of warfare and conflict: Therefore, you have to act in the *common interest of mankind*, but through assembling the independent *sovereign nations* of mankind, in their common interest, in the same sense that the 1648 Peace of Westphalia got Europe out of over a century of religious warfare. We have to come to an understanding.

Therefore, for example, in this case alone, we have to take Russia, which is a Eurasian nation; that is, it has



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*Get the British out of Africa, LaRouche demanded. We must assist the nations of Africa to develop infrastructure, to vastly improve the condition of life for their people. Shown: The Katse Dam in Lesotho.*

a combination of European history, and an Asian cultural component, which is largely dominant in the northern part of the Eurasian continent. We take China, with 1.4 billion people, estimated, as its current population, which is now threatened with a crisis beyond your imagination, unless we fix it. We take India, which is 1.1 billion people.

### **Get the British Out of Africa!**

We take the other, relatively smaller, but largely populated nations of Asia. Then you look at Africa: We get the British out of Africa! The British are perpetrating *genocide* in Africa!—they and their accomplices. *Get them out of Africa!* Give Africa back to the Africans. Repeal decisions made by the United States in the middle of the 1970s. Restore Africa to its right, as a collection of sovereign states. Which means we must assist them, assist them in developing the infrastructure which is needed, to take a population in Africa, which is largely unskilled, in a modern sense, and to utilize infrastructure and other features, to increase the productive powers of labor effectively, per capita and per square kilometer.

Africa has a great agriculture potential; but disease and other factors destroy that. The lack of infrastructure

means that the utilization of improvements needed to realize that, are not there. Africa has large sources of natural resources: Enable Africa to use its territory, its agriculture potential, and its related resources, to become a positive factor in world economy. The world needs it!

Africa is one of the major sources of raw materials required for humanity; as is South America; as is Asia, particularly in northern Russia. These resources must be mobilized, through high technology, to, in many cases, take populations which are poor, poor in skills, but committed to productivity, and by use of infrastructural features, such as mass transportation systems, especially magnetic levitation, by high-density power sources, by large-scale water management, and so forth, and use these as factors to increase the effective productivity of people, who in their present conditions, are not too productive. And that's the way we can solve the problem.

This means, again, as was often said, during the earlier times, earlier decades: We speak of the "common aims of mankind." We think as Roosevelt did, Franklin Roosevelt, about building a world *free* of empire, a world of sovereign nation-states, which are united in common cause, by the Westphalian principle. And build a world of *no empires*, but a world of sovereign nation-states. And bring forth our greatest resources: And those resources are cultural resources, the resources of people who came from Europe, into North America, to create a nation free of the worst political diseases and social diseases of Europe!

And we succeeded to a large degree. We were corrupted by European influences, but at the same time, we represented the kind of nation-state which does not exist in any other part of the world. We've betrayed that in large degree; we must return to that.

And as I say, specifically, we must, beginning on Monday-Tuesday, we must hope that the President of the United States will emerge as committed to the kind of perspective I've indicated here, and will reach out to nations, in particular, such as Russia, China, and India;



FDR Library

*President Franklin Roosevelt intended to build a world free of empire; a world dedicated to the "common aims of mankind." Here, FDR, campaigning for the Presidency in 1932, meets a miner in West Virginia.*

China and Russia have immediate crisis problems. India has a longer-term crisis problem, of one kind, but also threats of instability, coming out of Southwest Asia today.

We must bring these nations together, representing a great part of the world population, and use that unity of cooperation—of *Westphalian* cooperation—among these four powers, and others, *to break the power of empire, which we must destroy*, if we're going to finish off this financial system which is killing us, now.

We have to change our ways in that sense. We have to have a President who has the courage, and that President must be defended, and supported, as if he were Franklin Roosevelt. We have to go back to what Roosevelt had intended, before he died: We have to rip up the corruption, which Harry Truman and others introduced—to betray us, and to betray our great mission!—which we had going into World War II, and get back to fulfilling that obligation, now.

## **We Have To Change Our Ways**

That means, we've got to change the way we talk about economics: We've got to stop talking about money, as such, and realize that money is merely a means of exchange. We must regulate it; we must regulate banking. We must go back to the kind of banking we had under Glass-Steagall. We must get back to that! We must separate the banking, in which *you* put your money, if you have it, for deposit, which the local com-



Creative Commons/Jill Robidoux

The area around Washington, D.C., like every urban area, is choked with auto and truck traffic; commuting takes hours out of normal life, each day. It's time to turn to efficient mass transit. Shown left: The Washington, D.C. metro; right: traffic gridlock outside the city.

munity depends upon for its lending practice and so forth: We must put this section of banking back into business! As *chartered banking*, under the kinds of protectionism which Roosevelt, for example, exemplified. We must take the other part of banking, the high-risk part, *separate it*, look at the garbage, and put the garbage through cancellation. Financial derivatives don't contribute anything to a world economy! It's gambling debts, and the policy of the U.S. government is, "We don't pay gambling debts. If you lost, you lost. You gambled, and you lost."

But we must protect those banks, those state and local banks, which are chartered banks, which are banks of deposit, which are the reference point for investment. We must provide the credit, generated by a *Federal credit system*, to ensure that those banks which are now mostly bankrupt as a result of recent policies—especially the policies of the U.S. Congress!—under George W. Bush, since the Summer of 2007: Those banks have been bankrupted. But we must save the *chartered bank element* within those banks! Restore it! We must *freeze* claims of other kinds, and probably cancel them, because they're simply gambling debts, and we are not

obliged, as a nation, to pay other people's gambling debts. Let them go bankrupt.

We then, in turn, having cancelled these claims against the economy, must create a new flow of credit, *under our Constitution*. And that flow of credit must ensure that the local chartered bank, and the local national bank, are able to perform their traditional function, in cooperation with government, for creating a system of long-term credit, to generate the rebuilding of our economy: agriculture, industry, infrastructure.

We have a population which has largely lost skills. People who have not worked at skilled labor, over the past 40 years nearly, certainly are not very productive. They know how to push a pencil, they know how to play with a computer, and play with other things: But they don't know how to produce, in the way we used to produce. Therefore, we have a largely unskilled population, with a shrunken section of the machine-tool-sector skills, and we have to amplify the productivity of an *unskilled* population—which is what most of our

population is, in terms production—we have to amplify their productivity by increasing the infrastructure which affects productivity. We must *increase*, we must concentrate on *high-energy-flux-density power sources*, which means nuclear power largely!

We must go to mass transportation—forget the automobile as a mass transit unit! Automobiles are for local transportation. High-speed rail and similar kinds of transport are the way to go. We overuse air travel, for relatively short-term travel. Air travel is strictly for long-term. We can produce, now, we can produce systems of over 300 miles an hour. Efficient systems for mass transportation. We're using too much aircraft travel. We're using too many cars on the street. Too many cars on the highway. We should have efficient mass-transit systems of various kinds, where people can be transported.

For example, I've spoken of this before: You have, outside of Washington, you have an area around Washington, D.C.—it's a market area. You look at it as a market area, it's an area from which people come as far as two and a half to three hours each way commuting, into the Washington area, or that approach. Now, just think of what that means: Suppose we're talking about three hours; that's six hours a day, five days a week. Now what does that mean? If you're taking a person who's working eight hours a day, and not being paid for lunch-time and things like that, and now has five to six hours a day spent on commuting time, what kind of a family life do they have? What kind of a society do you have?

*We need efficient, high-speed mass-transit systems.* We need to go back to much more distribution of production away from a few large centers of mass industry, into regional development; smaller industries, more emphasis on closely held corporations, on smaller, high-tech corporations in industries. We need to rebuild the idea of a community, where you can walk to work in a quarter-hour or half an hour each way, at most, each day, which is what we used to have, years ago. That's the way we were organized. And leave these extra hours we're now wasting, sitting in a useless car, smelling up the gas fumes from the other guy's pipe, and getting sick, and having no family life, and leaving children, if you have any, at home, without much cultural backing and development. We're crazy!

### **A Mission Orientation**

So, we have to go now, to a shift toward long-term investment, in high-technology, mass-transit systems,

power systems, water systems—remember the time you could safely take a drink of water from a faucet? In an average home? In an average community? Can you do that now?

We have to reverse those trends which have led us to that effect. We have to go into long-term investment; we're talking about 25-year investment for industries; we're talking about, for power systems and things like that, you're talking about 50-year investments. For larger systems, you're talking about 100-year investments. We in the United States, and other nations must cooperate with our credit systems, to assure that the technology is mobilized, and that the credit is created, low-cost credit is created to fund these changes, for the better—back, for the case of the United States, to what we used to think, back while Kennedy was still alive, President Kennedy; and back to those standards which most of us accepted in this country, then. And that's all we have to do, is go back to the kind of mentality which built the space program. Which we can't do any more! When did we last put a man on the Moon? We lost the capability to do that.

We have to invest again, with a mission-orientation, which is multi-generational: 25, 50, 100 years. And we have to mobilize the credit, at low interest rate, and commit to improvements in technology, to do that. We have to enter into cooperation, with nations such as China, Russia, and India, and other nations, as a bloc, to create the kind of world that Franklin Roosevelt envisaged before he died: To rebuild a world, free of imperialism, and he meant British imperialism—free of imperialism, which is what our destiny was, and commitment was, among many of us, going into what became known as World War II. We have to think that way. And we have to have leaders who will think that way, and will talk that way. We need above all, a President, who will think that way.

Thank you.

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## **Dialogue**

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**Freeman:** This is a question from the [Obama] Transition on the question of jobs and infrastructure, and this one is likely to cause some excitement. The questioner says: "Mr. LaRouche, one of the biggest problems you're going to face as you try to rescue this economy, will be finding enough job-creation projects that can be started quickly. Traditional WPA-type pro-

grams, spending on roads, government buildings like schools, ports, and other kinds of hard infrastructure are without question our most effective tool for creating employment and for creating wealth. But, America probably has less than \$150 billion worth of such projects that are ‘shovel ready’ right now. And what I mean by that, is projects that we could actually start in six months or less.

“So, one of the things we are faced with is, we have to be creative. We have to find lots of other ways to push funds into this economy. Yes, as much as possible, we want to spend on things of lasting value, things like roads and bridges; they make us a richer and a better nation. But there are other things that we are looking at: upgrading the infrastructure behind the Internet; upgrading the electrical grid from the standpoint of computerization; improving information technology in the health-care sector, which is a crucial part of any health-care reform; as well as providing aid to state and local governments to prevent them from cutting investment spending at precisely the wrong moment.

“It seems to us that as we do this, all of this spending will do double duty. It serves the future, but it also helps the present by providing jobs and income to offset the slump. Obviously, some of the jobs that we’re referring to, are in areas that are not traditionally defined as hard infrastructure, but they are, nevertheless, necessary and beneficial. In the past, you seem to have been very skeptical about the benefit of job creation in this area. Would you please comment on this?”

### **Get Serious: We Need Nuclear Power!**

**LaRouche:** The problem is, when you start talking about these concerns in monetary terms, rather than physical scientific terms, you come up with mistakes, serious mistakes. The kind of jobs I have deprecated in the past are worthless jobs. They create nothing, no net benefit to the economy in terms of growth. Now, if you want to get serious, then get serious. How many fourth-generation nuclear power plants are you willing to commit yourself to build? Now, you’re going to do that by obvious methods of the type we used for production in World War II. Fourth-generation nuclear is it. If you’re going to use a lower energy-flux-density source of power, cut it out; you’re wasting your time, you’re babbling. The so-called “green” sources of power—crap! Solar energy as power—crap! You want to benefit from solar energy? Give it to the plants!

I mean, how idiotic people are, who accept this “green revolution” nonsense. Take chlorophyll: Now, to describe it in simplistic terms, what does chlorophyll do? Chlorophyll is a molecule, which looks like a polliwog. It has a long tail, which is really a kind of antenna, and it has a head with a magnesium atom in the center of this head. Now what this thing does is, it takes sunlight—solar radiation—which is captured by tuning by this tail, and it’s not actually an individual molecule, but it’s a plaque of a whole group of these things, working together. It’s not sexual, but they work together. And what happens is, this power comes in at a low energy flux-density, because when the sunlight hits the surface of the Earth is it’s poor crap. You get a sunburn out of it, you can get sick, you can destroy the environment and create deserts, but it’s lousy.

If you want anything good out of sunlight, *grow a green plant*. If you want to have a good effect, it’s good to have grown grasses, it’s good to have bushes—not George Bushes, but real bushes. It’s very good to have advanced forms of tree life, because what happens is, when the green of the chlorophyll transforms the solar power, which is captured by the antenna and transforms it to an increase in energy flux-density; the equivalent of a higher temperature. It is this increase in energy flux-density which results in the normal process of cooling the environment, providing the conditions of life for growing vegetables and animal life, and so forth.

So, therefore, your measure of performance is not calories! Calories are things you wear, especially when you’ve gotten very fat. What you want is, you want higher energy flux-density. You want to go to a higher order of organization of living things. With solar energy, you produce deserts. With green, with trees, through chlorophyll, which transforms sunlight from a low energy flux-density, to a higher energy flux-density, the whole life cycle of the planet is generated.

Now, the problem is, that most of this so-called stuff that I have deprecated, I’ve deprecated for that reason. Do you want a desert? Then create a nation covered with solar reflectors. You will produce a desert. You will starve people to death. Stop this solar collector nonsense; it’s insane! *There are no green alternatives to nuclear power*. None! If you don’t want nuclear power, then get out and commit suicide now. Get it over with! You want to kill your neighbor? Kill nuclear power. It’s the best way to do it; you don’t even have to get your hands dirty. That’s all it takes.



NRC

*“If you don’t want nuclear power, then get out and commit suicide now,” said LaRouche. “Get it over with! You want to kill your neighbor? Kill nuclear power. It’s the best way to do it; you don’t even have to get your hands dirty.” Shown: The Callaway Nuclear Power Plant in Missouri.*

## The Science of Creativity

So the point is, is, it’s the issue of creativity. And the problem with most economists and most economic institutions, they don’t know what creativity is. They’ve never understood the science of creativity, from a physical science standpoint. And therefore, the secret of power, is called energy flux-density. The equivalent of higher temperatures. And you’re talking about thousands of times greater power in nuclear power than in any other form of power, such as petroleum or natural gas, and so forth. And that’s what you need.

Now, if you are increasing the productive powers of labor in this way, that’s the way to go. And if you want to get this effect, give me the auto industry. Let me reorganize it. Let’s produce a national rail maglev system. Get people off the highways and move them more efficiently. Cut out these short-haul flights, which are a waste of time, and dangerous. Build nuclear power plants, lots of them! And see how soon you’ve made a capital investment which will transform this economy. Think of ways of increasing green, and we have knowledge of how to do that. Improve the environment, improve water systems—desalination—improve water systems. Take the Western Desert, these large projects,

take the American Desert in the West, and save it; as in northern Mexico, too. You’re going to change the environment, you’re going to increase the productive powers of labor, the output per capita.

And it’s *creativity* which is specific to human beings, as opposed to monkeys. How do you think a human being, who looks like a gorilla, or looks like a chimpanzee, and sometimes acts like one—how do you get a population in a few million individuals, in the case of these higher anthropoids, and how do you get a human population of six and a half billion people? Through *creativity*. The creative powers of the human mind—which most economists don’t admit to exist—these applied to development of society, increase the power of man per capita, per square kilometer, as expressed in growing things and these other things. All of this involves scientific and related

progress, and it’s capital intensity, in terms of science intensity, which is the secret of productivity.

If you want to get people occupied, and assume that they do some good, because you employed them, that’s nonsense. You have to think in terms of creativity. And you’re going to find all these civilizations in the world, which were against technological and scientific progress, and look at them: We call them the undeveloped people, undeveloped nations, undeveloped territories. The advantage of European civilization, and particularly in its development since Westphalia, has been that, when we didn’t have wars caused by the British Empire and similar things, human civilization—the power and quality of life of the human individual—has increased more greatly than ever before in all human existence. And every problem we’ve had has been something that distracted from that objective, or suppressing it.

And there’s nothing more deadly, anything to humanity than this green anti-nuclear, etc. technology. This is the most inhuman thing currently existing on the planet. Because it’s the thing that stands in the way of the kind of investments we need and we could make, which would save humanity from the terrible crisis it faces today.

## Lessons of History: London Is Pushing A Hundred Years War

by Jeffrey Steinberg

The cover of the Jan. 10-16, 2009 issue of the City of London's flagship *The Economist* magazine really tells it all, with its photograph of Israeli jets bombing Gaza City, and a headline that announces "The hundred years' war."

The editorial policy statement accompanying the cover, glibly begins: "With luck, the destructive two-week battle between Israel and Hamas may soon draw to an end. But how long before the century-long war between Arabs and Jews in Palestine follows suit? It is hard to believe that this will happen any time soon.... Gaza, remember, is only one item in a mighty catalogue of misery, whose entries are inscribed in tears. The Jews and Arabs of Palestine have been fighting off and on for 100 years.... The slaughter this week in Gaza ... will pour fresh poison into the brimming well of hate."

*The Economist* promo for another 100 years of bloodshed in the Holy Land continues: "A conflict that has lasted 100 years is not susceptible to easy solutions or glib judgments. Those who choose to reduce it to the 'terrorism' of one side or the 'colonialism' of the other are just stroking their own prejudices. At heart, this is a struggle of two peoples for the same patch of land. It is not the sort of dispute in which enemies push back and forth over a line until they grow tired. It is much less tractable than that, because it is also about the periodic claim of each side that the other is not a people at all—at least not a people deserving sovereign statehood in the Middle East. That is one reason why this conflict grinds on remorselessly from decade to decade."

## Sykes-Picot Legacy

*The Economist* was not merely offering commentary. As their editors know, it has been British policy, for more than 100 years, to actively promote precisely the kind of perpetual warfare that we see today in the Israeli onslaught against Gaza. The fact that this clearly documented history has been largely suppressed and forgotten, does not in any way undermine the truth. Indeed, the failure of leading American policymakers to appreciate that the long reach of the British empire is still driving events in Southwest Asia, is one of the primary reasons that the conflict remains so apparently intractable, to this day.

To address this dilemma, and to provide the newly inaugurated Obama Administration with the needed historical understanding, the staff of *EIR* presents the following account of the political war that raged for decades, between the republican, anti-colonialist United States of America, and the European colonial powers, over the future of Southwest Asia.

In the midst of World War I, Britain and France conspired to impose Anglo-French colonial rule over the territory of the former Ottoman Empire, under the secret Sykes-Picot agreements of 1916. The United States attempted to offer an alternative policy. Two American missions to the region—the Military Mission to Armenia, and the King-Crane Commission—directly countered the European colonial schemes. The emergence of Turkey as a unique sovereign state under Mustafa Kemal Atatürk was the only concrete accomplishment of the American effort, but the fault-lines between the American republican outlook and the European imperial outlook were well known throughout the region.



UN/Shawn Baldwin

*Would you buy a used car from this man? Tony Blair, now the Mideast "peace" emissary for the Quartet, at Sharm el-Sheikh, Egypt, on Nov. 9, 2008. The real British geopolitical gameplan is illustrated in *The Economist's* cover.*



### Still, Today ...

Some reading this introduction will react: The history aside, Britain is no longer an imperial power with global reach. If anything, the United States has replaced Britain as the world's would-be imperial giant. Again, this is simply wrong.

Just follow the path of the leading war ally of the Bush-Cheney team, Britain's former Prime Minister Tony Blair. It was Blair who made clear, in an April 1999 speech in Chicago on the 50th anniversary of NATO, that the world is now in a post-Westphalian, i.e., post-nation state, imperial epoch. And it is Blair, in his supposed capacity as the peace emissary of the Quartet (the United States, Russia, the United Nations, and the European Union), who is promoting the idea that the next Hundred Years War in the Mideast shall be between "moderates" (Israel, Egypt, Jordan, Saudi Arabia) and "extremists" (Iran, Hamas, Hezbollah, and, perhaps, Syria).

Read the following historic accounts as if your life depended on it.

# When America Fought the British Empire And Its Treacherous Sykes-Picot Treaty

by Dean Andromidas

Jan. 13—When will justice descend upon the nations of Southwest Asia? As these words are being written, more than 265 children have been slaughtered in Israel's invasion of the Gaza Strip. The world wrings its hands, yet does nothing. Since the end of World War II, not one decade has passed without a war robbing each generation, Arab and Jew, of the happiness of peace; not one family has been free of grievous loss due to war.

Count these wars:

The first Arab-Israeli war of **1948**, followed by the **1956** unprovoked war against Egypt by the tripartite alliance of Britain, France, and Israel in what is the euphemistically called the "Suez crisis." Then in the next decade, the **1967** Arab-Israeli war, misnamed the "Six-Day War" and hatching the myth of a great Israeli victory; in reality, this war has never ended. It was soon followed by the "war of attrition" and Israel's strategic defeat in the **1973** October war. The promising Israeli-Egyptian peace of 1979, hammered out through the intervention of the United States, was soon followed by Israel's disastrous invasion of Lebanon in **1982**, and the second round, which proved just as disastrous, in **2006**. The current Israeli massacres in Gaza are only the latest engagement of Ariel Sharon's war of attrition launched against the Palestinians in **2000**, when he marched his troops onto the al-Haram al-Sharif (the Dome of the Rock in Jerusalem, Islam's third-holiest shrine, where the Prophet Muhammed is believed to have ascended into Heaven).

Israel will lose this war as well. The only question is whether it will lose its claim to being a civilized nation, before it admits defeat and seeks a lasting peace.

In **1980**, farther to the east, the British orchestrated the Iraq-Iran War, followed by Margaret Thatcher's and George H.W. Bush's **1991** Gulf War, and the second round launched by Tony Blair and Bush Junior in **2003**.

Arab-Israeli hatred is not the "cause" of this perpetual war, nor are oil resources, nor anything internal to the region. The cause is a system whose very purpose is the breeding of new wars. It is the Sykes-Picot system, imposed on the region by the British Empire at the end of the First World War. For almost a century, it has kept in thrall a region whose geo-strategic position affects the peace and economic development of Europe, Africa, and the entire Eurasian land mass.

The only power great enough to liberate and bring justice to this region is the United States. Not with its armies, but with a principle far more powerful than imperialism: the principle by which the United States was "conceived in Liberty and dedicated to the proposition that all men are created equal." A nation whose foundation is the security of "life, liberty, and the pursuit of happiness."

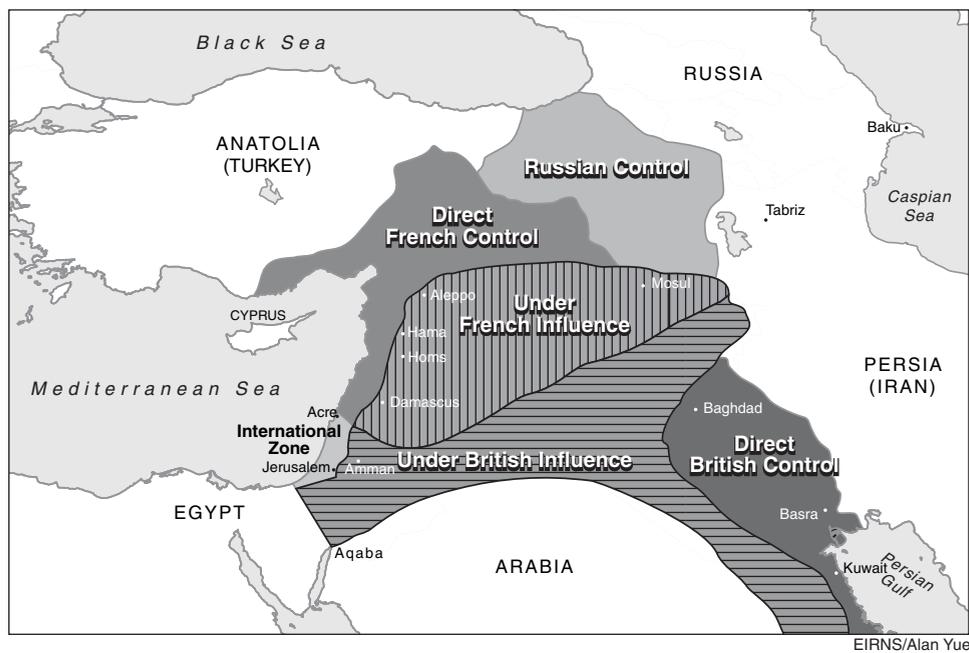
No one understands this better than the Anglo-Dutch Liberal empire.

This report will demonstrate that forces in the United States fully understood the danger of the Sykes-Picot system when the British planned to erect it after World War I. They understood that the injustice of the system had its foundations in the principle of imperialism which had grown to dominate the planet. They understood that in order to avoid new wars, it had to be replaced by a principle of justice, only attainable by creating nation-states, dedicated to securing the rights and economic development of each and every citizen.

These facts are documented by two official American commissions, which conducted investigative tours of the region, and whose reports have been ignored by today's historians or are relegated to footnotes. These two commissions were the King-Crane Commission and the Military Mission to Armenia. If their recommendations had been acted on, the world would look much different than it does now.

FIGURE 1

**Imperial Partition of the Mideast: The Sykes-Picot Agreement of 1916**



Aegean, as well as yet-to-be-defined swaths of territory in parts of the Ottoman Empire, which now form Turkey. In another secret treaty, between Italy and Britain in 1917, British Prime Minister David Lloyd George, always willing to promise the same land to two or three different parties, promised to give the Italians Smyrna and parts of Anatolia that had already been promised to the French, the Russians, and the Greeks.

Demonstrating that France can be just as duplicitous as Britain, in March 1916 France and Russia signed the secret Sazanof-Paleologue Treaty, which would give Russia the land between

**1. Secret Treaties, Public Wars**

Orchestrated by the British, World War I was a war among Empires: the British Empire, the French Empire, and the Russian Empire, against the empires of Germany and Austro-Hungary. The plan to carve up the Ottoman Empire served as the glue that held together the European alliance that went to war against Germany. Sykes-Picot was only one of several secret treaties which defined an overall system.

First, in March 1915, through a series of three notes exchanged among Russia, Great Britain, and France, Constantinople was promised to Russia, while France and Britain were to be given other amputations from the Ottoman Empire. Russia was to allow Britain to take control of the so-called “neutral zone” that the two empires had established to separate their respective spheres of influence in Persia, carved out prior to the war: the Russian sphere in the north and the British in the south.

The Treaty of London was signed in April 1915, bringing Italy into the war with the promise of territory carved out of the Austro-Hungarian Empire and Albania. This would have made the Adriatic an Italian lake. Italy was also to be given “compensations” in North Africa and was promised the Dodecanese Islands in the

Persia and the Black Sea, and would extend France’s land grab in Asia Minor and Syria, to the Tigris River.

Then, in May 1916, the Sykes-Picot Treaty gave Britain and France exclusive rights to divide up the Arabic-speaking regions of the Ottoman Empire. Roughly what is now Syria and Lebanon was to go to France, while Britain claimed what became the Palestinian mandate and Iraq. At the same time, Britain was promising Emir Faisal Hussein (the son of the Hashemite Sharif Hussein of Saudi Arabia, and later the British-allied king of Iraq) an Arab State in the same area, in return for his rebelling against the Ottoman overlords.

When the United States entered the war on the side of the Entente, it declared war only against the German and Austro-Hungarian empires, but not the Ottoman Empire. *The United States did not recognize any of these secret treaties, nor did it sign any of the post-war treaties among the Ottoman Empire and Britain, France, and Italy.*

These were the plans on paper; the reality was more along the lines laid out by H.G. Wells in his *A World Set Free*, the world’s first novel about a nuclear war, with radium bombs. Published in 1914, three months before World War I broke out, Wells’ “fictional” war unfolded exactly as the real war unfolded three months later.

Wells' war was to last 50 years, and to end only after the king of England succeeded in organizing a world government. Such a world government would not, according to Wells, have been possible, without 50 years of war. When World War I came to an end in Europe in November 1918, the British unleashed wars, civil wars, and revolutions throughout Eurasia and Southwest Asia. Almost a hundred years have passed, and the belief structures they put into place still fuel wars to this day.

It is useful to demonstrate, that despite the fact that the U.S. was sitting on the same side of the peace table as Britain, it had a strategic concern that *Great Britain would be our principal future enemy.*

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## 2. The U.S. Did Not Agree

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On Sept. 9, 1919, Navy Lt. Cdr. Holloway H. Frost delivered the first of a series of lectures to the General Staff College on strategy in the Atlantic. Frost was, at that time, assigned to the Planning Division of the Office of the Chief of Naval Operations.

In his lecture, he referred to England's exhaustion as a result of the war, and social and industrial unrest in many of the Empire's dominions. "But while these conditions apparently render a war with Great Britain an impossibility," he continued, "they may even be the direct cause of such a war. A revolution is today a possibility in any country; and once this is accomplished, it is impossible to predict what course the revolutionists may take; possibly they may, like the Russians, engage in war against their former allies. But even assuming the impossibility of the success of a revolution in Great Britain, may not the desperate conditions, which exist, drive her into a war, if it becomes demonstrated that they can be improved in no other way? It is evident that no nation, which bases its prosperity on trade, can exist with an adverse trade balance of four billions annually, a figure which the British estimate will increase in the near future, rather than decrease. The United States is the direct cause of this adverse trade balance. If it develops that we can successfully compete with England on the seas, this adverse balance will be maintained. A nation doomed to commercial defeat will usually demand a military decision before this commercial defeat is complete. Therefore, there is always the possibility that the British, however friendly they may wish to be, may be forced into a war to maintain their com-

mercial supremacy of the seas, which is essential to the existence of the British Empire."

Was Frost just voicing his own opinion? Opening up the 1919 volume of Foreign Relations of the United States, the official Department of State documents, in the Chapter concerning Great Britain, one comes upon a section entitled "Oil Concession in Palestine and Mesopotamia."

The first document is a letter addressed to the Acting Secretary of State from H.C. Cole of Standard Oil Company of New York, dated March 15, 1919. The letter is a request for action against the British government. The letter relates how British military officers in Palestine forced Standard Oil's Arab partners to allow them entry into the company's offices in Jerusalem, and then rifled through the files and "borrowed" maps and other data related to oil concessions that the company had purchased in 1914 from the Ottomans.

The complaint further stated that the company had been forbidden to reclaim its concessions by the British authorities, quoting a report by one of the company's advisors who had gone to Palestine to investigate: "There is one thing I can very plainly say, that is, by every means possible British will prevent any American Petroleum Company from operating or producing in any territory which they may retain after the war. They did everything possible to find our claims in Palestine and finally when they were unsuccessful, they forced Ismiel Bey to produce all the plans of the various claims, which they proceeded to copy."

Despite a testy exchanges of diplomatic notes between the U.S. Secretary of State and British Foreign Secretary Lord Curzon over the next ten months, American companies were unable to independently exploit oil in territory under British mandate until after World War II.

Thus Frost's assessment was not that of a single officer, but the analysis that *shaped U.S. military planning for the next 15 years*, as the British Empire was considered the number one threat facing the United States.

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## 3. Two Missions Which Tried To Define U.S. Policy

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When the Bolsheviks seized power in Russia, Leon Trotsky, rifling through the files of the Tsar's Foreign Ministry, found the secret treaties and released them to



Library of Congress

*President Wilson's pro-British advisor Col. Edward House did his best to promote London's policy, but was opposed by influential groupings in the U.S. military and political institutions.*

the world's press. Soviet Russia repudiated the treaties and declared, "No annexations and no indemnities," as the principle upon which Russian war aims would rest.

Although historians claim that the United States knew nothing of the treaties, Col. Edward House, the Anglophile advisor to President Woodrow Wilson, knew of their existence as of, at least, April 28, 1917, when he noted in his diary a meeting with Lord Balfour, His Majesty's Foreign Secretary, who was on his first trip to Washington after the U.S. entered the war. House writes that while poring over a map of the world, they were discussing how the "English-speaking peoples" were going to put the world back together again after the war. Prussia will be giving up territory for the State of Poland; the Austro-Hungarian Empire will be divided into three states; and choice morsels will be offered to Italy for her "sacrifices." They finally came to

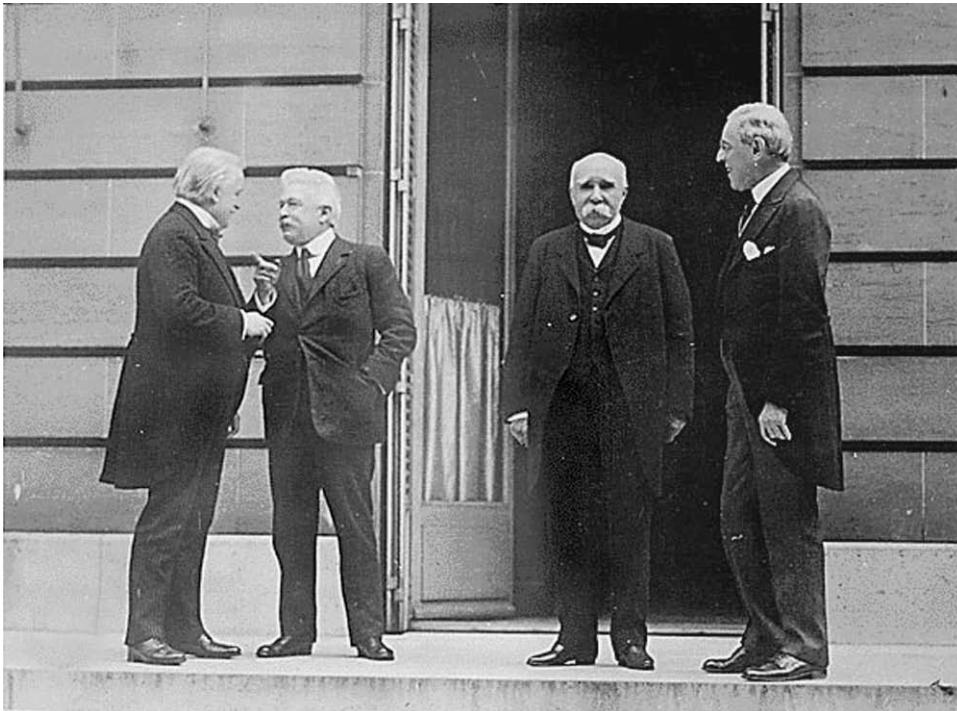
the Ottoman Empire and the secret treaties. House wrote in his diary: "Crossing the Bosphorus we came to Anatolia. It is here that the secret treaties between the Allies come in most prominently. They have agreed to give Russia a sphere of influence in Armenia and the northern part. The British take in Mesopotamia [and the region], which is contiguous with Egypt. France and Italy each have their spheres embracing the balance of Anatolia up to the Straits. It is all bad and I told Balfour so. They are making it a breeding place for future war. . . ."<sup>1</sup>

The war ended in November 1918, and by the beginning of 1919, the Allies convened the Paris Peace Conference, to settle the terms of the post-war settlement, which entailed not only carving up the Ottoman Empire, but Austro-Hungary and Germany as well. The resulting mess was, theoretically, to be tidied up through the formation of the League of Nations. While there is evidence that there were Americans who hoped the League of Nations and mandate system could be created in the spirit of fostering the development of nations, rather than imperial designs, what the British wanted was one world government that would legitimize their colonies.

Wilson was maneuvered, whether willingly or not, into a corner, where he endorsed the League of Nations, with its deep compromises and insane reparations against Germany. The Senate, for good reasons, failed to approve the treaty. When the U.S. found that neither France nor Britain allowed for an "open door" economic policy in their mandates, Lord Curzon simply told Washington that since it was not a member of the League, it had no right to object.

The existence of the secret treaties made a travesty of the supposed allied war aims—not that Britain, France, or Italy cared, but the United States, being the only non-empire at the talks, did. At one of the many meetings the four victorious powers held in Lloyd George's suite in Paris, Lloyd George magnanimously offered Wilson the Russian pieces of the Ottoman pie. French Prime Minister Georges Clemenceau reminded Lloyd George that once Great Britain realized that the

1. *The Intimate Papers of Colonel House: Arranged as a Narrative by Charles Seymour* (Boston, New York: Houghton Mifflin, 1926-28).



National Archives

*The Council of Four at the Versailles Peace Conference, left to right: British Prime Minister David Lloyd George; Italian Prime Minister Vittorio Orlando; French Prime Minister Georges Clemenceau; and U.S. President Woodrow Wilson, May 27, 1919. At one of the Big Four meetings, Lloyd George was kind enough to offer Wilson the Russian pieces of the Ottoman pie. Wilson declined, and said the U.S. would not recognize any of the secret treaties.*

oil of the Middle East lay under Mosul, in what is today Iraq, it had unilaterally redrawn the map of the Sykes-Picot Treaty and taken it from France. Lloyd George replied that it was Britain that had made the most “sacrifices” in the Near East during the war, and so France should be satisfied with “compensations” cut out of other parts of the carcass of the Ottoman Empire. Not to be left out, the Italians reminded everyone that their “sacrifices” also required “compensations.”

Wilson replied that the U.S. would not recognize any of the secret treaties, and he called for the entire issue to be reopened. This turned the conference upside down, and on March 25, 1919, Wilson suggested that the Inter-Allied Commission on Mandates in Turkey send a commission to the region to reassess the question and find out the desires of the peoples involved. After initial agreement, France and Britain, both committed to achieving what they had agreed in secret, refused to participate. The United States decided to go ahead alone. Thus was born the King-Crane Commission. The heads of the commission were Charles Crane and Dr. Henry Churchill King.

and a noted author on education, philosophy, and religion.

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## 4. The King-Crane Report

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The commission arrived in the region in June 1919 and finished its report on Aug. 28, 1919. It toured throughout “Syria,” which at the time comprised what is now Syria, Lebanon, Palestine, and Israel. It held meetings and interviews with local leaders and representatives of diverse organizations, and received no fewer than 1,800 petitions from various political organizations. Its aim was to ascertain the wishes of the population on the questions of independence and mandatory power.

The group found that everyone wanted independence, while the majority of the people, as evidenced by 60% of the petitions, wanted the United States as the mandatory power (Britain and France garnered no more than 15%). Only among Catholics and Lebanese Christians could there be found strong support for France as

Crane, a major financial supporter of the Democratic Party, had a keen interest in foreign affairs. He had been a member of Wilson’s Special Diplomatic Commission to Russia in 1917, after the resignation of the Tsar and the U.S. entry into World War I. He was also a member of the American section of the Inter-Allied Commission on Mandates in Turkey. He would later become ambassador to China (1920-21).

Crane was highly critical of the Zionists. This and problematic aspects of his background and political views have been used to try to discredit him. In terms of the King-Crane report, all this should be ignored. The report was written under the direction of King, along with a group of experts. King was president of Oberlin College



*Dr. Henry Churchill King (left) and Charles Crane headed the American commission that was sent to the area of the former Ottoman Empire in 1919, to ascertain the wishes of the people of the region, respecting independence and mandatory power. The British and French had refused to back the mission.*

a mandatory power.

This was clearly not what the British and French wanted to hear.

It was pointed out in a confidential annex to the report, that support for Britain was primarily gained through the work of Faisal Hussein, since “The British government has been advancing money to his government for a long time, and at present allows it 750,000 dollars per month. Out of this Faisal draws about 200,000 per month for his personal expenses, staff, propaganda agents, etc. . . .”

Because of the Balfour Declaration of 1917, promising a homeland for the Jews in Palestine, the Zionists—most notably Chaim Weizmann, who lived the life of a British lord—strongly supported a British mandatory power.

The King-Crane commissioners wrote that their findings “showed that the people knew the grounds upon which they registered their choice for America. They declared that their choice was due to knowledge of America’s record, the unselfish aims with which she had come into the war, the faith in her felt by multitudes of Syrians who had been in America; the spirit revealed in American educational institutions in Syria, especially the College in Beirut, with its well known and constant

encouragement of Syrian national sentiment, their belief that America had no territorial or colonial ambitions, and would willingly withdraw when the Syrian state was well established, as her treatment both of Cuba and the Philippines seemed to them to illustrate; her genuinely democratic spirit, and her ample resources. From the point of view of the desires of the ‘people concerned,’ the Mandate should clearly go to America.

“The commissioners, therefore, recommend, as involved in the logic of the facts, that the United States of America be asked to undertake a single Mandate for all of Syria.”<sup>2</sup>

While the report suggested that Britain become the mandatory power if the U.S. did not accept the job, since Britain was the second choice of most of the petitioners, it added:

“We should hardly be doing justice however, to our sense of responsibility to the Syrian people, if we did not frankly add some at least of the reasons and misgivings, variously expressed and implied in our conferences, which led to the preference for an American mandate over a British mandate. The people repeatedly showed honest fear that in British hands the mandatory power would become simply a colonizing power of the old kind; that Great Britain would find it difficult to give up the colonial theory, especially in case of a people thought inferior; that she would favor a civil service and pension budget too expensive for a poor people; that the interests of Syria would be subordinated to the supposed needs of the Empire; that there would be, after all, too much exploitation of the country for Britain’s benefit; that she would never be ready to withdraw and give the country real independence; that she did not really believe in universal education, and would not provide adequately for it, and that she already had more territory in her possession—in spite of her fine colonial record—than was good either for herself or for the world.”

The failure of France to garner support was for much the same reasons. The report noted that the specter of

2. The King-Crane Commission Report, “I. The Report upon Syria,” and “III Recommendations.”

France's colonization of Algeria, with a mass immigration of Frenchman at the expense of the local population, did not endear it to an Arab population.

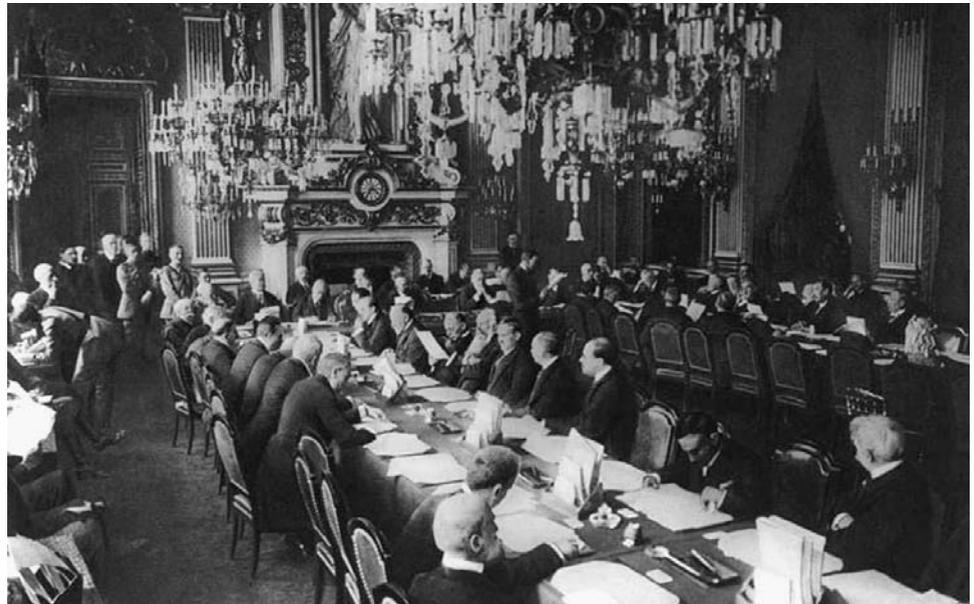
The report was critical of the attempt to establish a Zionist state in Palestine, because of the overwhelming opposition expressed by the Arabs. The commission in fact called for putting limits on immigration.

The British refused to allow the commission to visit Mesopotamia (today's Iraq), a fact clearly stated in the report: "It was impossible for the Commission to visit Mesopotamia at this time.

Earnest requests to make such a visit were presented at Damascus and Aleppo, accompanied by complaints that the British occupying forces are restricting freedom of speech, movement, and political action, and that they show signs of an intention to allow extensive immigration from India, to the great detriment of the rights and interests of the inhabitants of the region. A committee at Aleppo presented a program for Mesopotamia."

To the undoubted consternation of the British, the report continued: "The Mesopotamian Program expresses its choice of America as Mandatory, and with no second choice. Undoubtedly there has been a good deal of feeling in Mesopotamia against Great Britain, and the petitions specifically charge the British authorities in Mesopotamia with considerable interference with freedom of opinion, of expression, and of travel,—much of which might be justified in time of military occupation. But feeling so stirred might naturally breed unwillingness to express desire for Great Britain as Mandatory."

While the commissioners supported a British mandate if the United States refused, they specified that, "from the point of view of world-interests, in the prevention of jealousy, suspicion, and fear of domination by a single Power, it were better for both Britain and the world that no further territory anywhere be added to the British Empire. In a country so rich as Mesopotamia in



*The U.S.-sponsored King-Crane Commission tells the Versailles Peace Conference of Arab desires for independence. The report was suppressed, and the League of Nations in effect agreed to the terms of the Sykes-Picot Treaty, dividing up the Ottoman Empire among the imperial powers.*

agricultural possibilities, in oil, and in other resources, with the best intentions there will inevitably be danger of exploitation and monopolistic control by the Mandatory Power, through making British interests supreme, and especially through large Indian immigration. This danger will need increasingly and most honestly to be guarded against. The Mesopotamians feel very strongly the menace particularly of Indian immigration, even though that immigration should be confined to Moslems. They dread the admixture of another people of entirely different race and customs, as threatening their Arabic civilization."

The mission did not carry out serious investigations in the non-Arab regions of the Ottoman Empire, but it did make recommendations which will not be detailed here, because they were superseded by the U.S. Military Mission to Armenia, which toured what is now Turkey, as detailed below.

In general, the King-Crane report welcomed the dismantling of the Ottoman Empire along its natural divide between Arabs and Turkic non-Arabs, but cautioned: "If the Entente powers are sincere in their declarations not further to harass the Muslim world and so give excuse for a pan-Islamic movement, they should also at once definitely and publicly renounce all further political encroachments on that world, and outline a clear policy of uplifting the Muslim, already subject to their

control, by enlarged opportunities both in education and in public service.”

In conclusion, the report issued a serious warning of the implications of the continuing imperialist designs:

“[T]he drift toward selfish exploitation of the Turkish Empire has come about, there should be no mistake about the fact or its dangers. It needs to be said and heeded that Constantinople is once again the nest of selfish, suspicious, hateful intrigue reaching out over the whole Empire, if not the world. What will it mean if this policy is allowed to prevail? . . . The allies should bear clearly in mind that their fidelity to their announced aims in the war is here peculiarly to be tested, and that in the proportion in which the division of the Turkish Empire by the allies is made a division of spoils by victors, and is primarily determined by the selfish national and corporate interests of the Allies, in just that proportion will grave dangers arise.”

The report showed the effects of the betrayal of these ideals on the U.S. veteran of World War I: “For example, no thoughtful man who had the opportunity of watching in France the stream of American officers and soldiers and of able men enlisted for various forms of service to the soldiers, as they came and went, could fail to see among those men, as the armistice went on, the spread, like a contagion, of depression and disillusionment as to the significance of the war aims, because of the selfish wrangling of nations. . . . The fact should be squarely faced that thousands of Americans who served in the war have gone home disillusioned, greatly fearing, if not convinced, that the Allies had not been true to their asserted war aims, and have been consequently driven to an almost cynical view of the entire conflict, cynicism that made them feel like withdrawing all further American help and henceforth washing their hands of the whole European imbroglio. This attitude has been reflected in many other American citizens who had been devoted supporters of the Allied cause. Now that is not a good result for America, for the Allied Powers or for the world.”

Shortly after the report was delivered to President Wilson, he suffered his first collapse, believed to have been a stroke, which would leave him almost fully incapacitated. Whether he would have acted on it is not known; but what is known is that the Anglophile Colonel House, despite his earlier reservations, was the man running U.S. foreign policy. The report was suppressed, only to be made public in 1922, under the extraordinary circumstances detailed below.

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## 5. U.S. Military Backs Turkey Against Sykes-Picot

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Shortly after the King-Crane mission was completed, another U.S. mission was sent to the region, this time to tour the non-Arab region of the Ottoman Empire, that which comprises modern Turkey. Entitled, “American Military Mission to Armenia,” it was dispatched under the authority of the President and not the Allied Commission. It was to “Proceed without delay on a Government vessel to Constantinople, Batum, and such other places in Armenia, Russian Transcaucasia, and Syria, as will enable you to carry out instructions already discussed with you. It is desired that you investigate and report on political, military, geographical, administrative, economic, and other considerations involved in possible American interests and responsibilities in that region.”

This was a very different group, comprised of almost all career military officers. The result was a hard-nosed report by men who understood military and strategic affairs as did few other Americans. The mission was led by Maj. Gen. James G. Harbord, chief of staff to Gen. John Pershing, commander of the American Expeditionary Forces in Europe. Harbord played a role in developing U.S. military policy during the war, the cornerstone of which was for all efforts to be concentrated against Germany. In this conception, the U.S. Army would fight in France and only in France, where it would deploy on its own section of the front, fully under U.S. command, end the war as quickly as possible, and gain for the United States a strong position at the peace table. Pershing and his staff fought hard against French and British schemes to deploy U.S. troops in other theaters, to fight for British and French imperial interests. So Harbord had an excellent understanding of the British problem. He would later serve as Chief of Staff of the U.S. Army, where he oversaw the development of War Plan Red, the code name for war with Britain.

This commission came to conclusions surprisingly similar to those of the King-Crane Commission, but with a much sharper strategic insight. Although the report does not specifically state it, in a sense the report served to define the modern state of Turkey, and identify Turkey, under the leadership of Mustafa Kemal Pasha (Atatürk) as a potential ally, that could serve as a flank against Sykes-Picot—a conception that was acted upon by a certain section of the U.S. military. This was



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*Gen. James G. Harbord led the American Military Mission to Armenia in 1919. The mission's report advised that the United States—not Britain and France—should take a mandate over all of what had been the Ottoman Empire, while preparing the way for the creation of modern Turkey as an independent nation. Harbord had a keen understanding of British geopolitical games.*



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*Adm. Mark Lambert Bristol was the American High Commissioner in Constantinople. He supported General Harbord's mission, while giving valuable assistance to the nationalist movement of Mustafa Kemal.*

reflected in the fact that the U.S. High Commissioner in Constantinople was a senior naval officer, Adm. Mark Lambert Bristol.

The Ottoman government at the time was merely a puppet government under the Sultan, set up in Constantinople, which, as King-Crane reported, was a “nest of selfish, suspicious hateful intrigue” by Britain, France, and Italy. Mustafa Kemal had created the League for the Defense of the Rights of Anatolia and Roumelia, repudiated the puppet government of Prime Minister Ferid Pasha, and withdrawn from Constantinople, to set up a national assembly and government of national liberation in the provincial town of Angora, now called Ankara. Kemal became an object of hate in the eyes of the British and French.

The Greeks, who had already been invited by the British to grab Smyrna, now held it in occupation. Meanwhile, the part of Armenia that had been in the Russian Empire had declared independence, and was

backed by both the British and the French. The scheme to take several eastern provinces of Turkey and set up an Armenian state was already in the process of being implemented “unilaterally,” with the support of Britain and France. The United States was mixed up in this, because it had been running a major relief operation since 1915, in response to the massacres of Armenians in that year.

A central task of the Harbord mission was to assess the feasibility of the United States becoming the mandatory for an Armenian state. It was Lloyd George who asked the U.S. to take this responsibility. Gen. Tasker Bliss, who was the U.S. representative on the Allied Military Committee, and a key strategic thinker for the U.S. military, told Lloyd George that after Britain and

France had grabbed all the valuable pieces of real estate, Britain wanted to stick the United States with the most economically worthless, problematic region, while the rest of what is now Turkey would be parcelled out among France, Italy, and Greece.

Seeing a British trap, the military mission, rather than advise that the U.S. take a mandate only in Armenia, advised that it should take a mandate over the entire Ottoman Empire, and if not that, then the entirety of non-Arab part of the empire. In defining the limits of an American mandate, Harbord, in fact, defined a territory that would become modern Turkey by 1923, a process that received the support of the U.S. military.

One of the first leaders the mission met was Mustafa Kemal, who was considered a “rebel” by the British. Harbord was the highest-ranking Allied official to have met Kemal, which added tremendously to the Turkish leader’s prestige. In his report, Harbord described him as “a former general officer in the Turkish Army, who commanded with distinction an army corps at the Dardanelles, and appears to be a young man of force and keen intelligence.” Harbord discussed the Turkish leader at length and incorporated a lengthy situation report written by Mustafa Kemal himself.

Expressing full support for Harbord’s proposal for the United States to become the mandatory authority, Mustafa Kemal wrote: “The Nationalist Party recognized the necessity of the aid of an impartial foreign country. It is our aim to secure the development of Turkey as she stood at the armistice. We have no expansionist plans, but it is our conviction that Turkey can be made a rich and prosperous country if she can get a good government. Our Government has become weakened through foreign interference and intrigues. After all our experience we are sure that America is the only country able to help us. We guarantee no new Turkish violences against the Armenians will take place.”

On the question of the creation of an independent



*Mustafa Kemal (later known as Atatürk), was the founding father of the Republic of Turkey. The Harbord commissioners viewed him as a potential ally, who could serve as a flank against the Sykes-Picot arrangement.*

state of Armenia, the mission report advised against it, on several counts. One was the fact that Russia, which was in the midst of a civil war, would soon be stabilized. It would once more become a strong state, and would reunite with Russian Armenia, which subsequently occurred. Second, and more important, the Armenians were incapable of ruling themselves, and especially ruling over other ethnic groups. The report documented that the Armenians had perpetrated just as brutal massacres of Turks, Kurds, and other ethnic minorities as the Ottomans had. Furthermore, in the region in which the proposed Armenian state was to be set up, Armenians comprised only 25% of the population. The commission concluded that the Armenia problem must find a solution

within a unified mandate that covered the entire area of Turkey, and in a broader nation-state based on universal principles of equality and not ethnicity, which would only lay the seeds of future conflict.

It is worth quoting from the mission report:

“The events of the Greek occupation of Smyrna and the uneasiness produced by the activities and propaganda of certain European powers have so stirred the Turkish people in the long interval since the armistice, that the mission fears that an announcement from Paris at this time of an intention to carve from Turkey a State of Armenia, unless preceded by a strong military occupation of the whole Empire, might be the signal for massacres of Christians in every part of the country. There is no wisdom in now incorporating Turkish territory in a separate Armenia, no matter what the aspirations of the Armenians. Certainly it is unwise to invite trouble, which may be avoided by the consolidation of the mandate region under a single power. Under one mandatory they will be neighbors. Under two or more they will be rivals, their small differences subjected to the interminable processes of diplomatic representation, with the maintenance of duplicate and parallel establishments in many lines of governmental activity.

Only under a single mandatory can the matter of ultimate boundaries be deferred, which is believed by this mission to be important.”

The report also called for the dissolution of the foreign-controlled council of administration of the Ottoman public debt, and its reduction, if not cancellation. While not advising directly on whether the United States should take a mandate in the area, the report listed pros and cons on the issue, both sides of which were very critical of the British and French.

In conclusion the report stated:

“A plebiscite fairly taken would in all probability ask for an American mandate throughout the Empire. In its belief that the Armenian problem is only to be solved by a mandatory which should include also Constantinople, Anatolia, Turkish Armenia, and the Transcaucasus, the Mission has the concurrence of many Americans whose views, by reason of long residence in the Near East, are entitled to great weight. Such Americans are practically united in believing that the problems of Armenia, Anatolia, Constantinople, and Transcaucasia must be considered as an inseparable whole.

“No duty of modern times would be undertaken under so fierce a glare of publicity. Such a mandate would hold the center of the international stage, with the spotlight from every foreign office and from every church steeple in the world focused upon it. No nation could afford to fail, or to withdraw when once committed to this most serious and difficult problem growing out of the Great War. No nation incapable of united and nonpartisan action for a long period should undertake it.

“We would again point out that if America accepts a mandate for the region visited by this mission, it will undoubtedly do so from a strong sense of international duty, and all the unanimous desire so expressed at least of its colleagues in the League of Nations. Accepting this difficult task without previously securing the assurance of conditions would be fatal of success. The United States should make its own conditions as a preliminary to consideration of the subject—certainly before and not after acceptances, for there are a multitude of interests that will conflict with what any American would consider a proper administration of the country. Every possible precaution against international complications should be taken in advance. In our opinion there should be specific pledges in terms of formal agreements with France and England, and definite approval from Germany and Russia of the dispositions made of Turkey

and Transcaucasia, and a pledge to respect them.

“They little know of America, who only America know.”

General Harbord puts the subject straightforwardly: “Without visiting the Near East, it is not possible for an American to realize even faintly, the respect, faith and affection with which our Country is regarded throughout that region. Whether it is the world-wide reputation which we enjoy for fair dealing, a tribute perhaps to the crusading spirit which carried us into the Great War, not untinged with hope that the same spirit may urge us into the solution of great problems growing out of that conflict, or whether due to unselfish and impartial missionary and educational influence exerted for a century, it is the one faith which is held alike by Christian and Muslim, by Jew and Gentile, by prince and peasant in the Near East. It is very gratifying to the pride of Americans far from home. But it brings with it the heavy responsibility of deciding great questions with a seriousness worthy of such faith. Burdens that might be assumed on the appeal of such sentiment would have to be carried for not less than a generation under circumstances so trying that we might easily forfeit the faith of the world. If we refuse to assume it, for no matter what reasons satisfactory to ourselves, we shall be considered by many millions of people as having left unfinished the task for which we entered the war, and as having betrayed their hopes.”

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## 6. British Empire Launches Permanent War

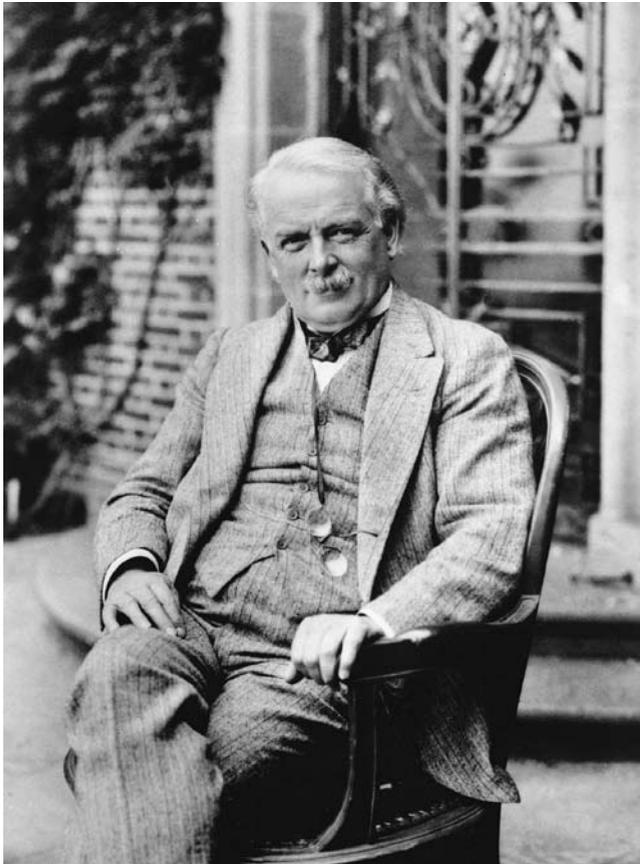
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Harbord’s report was completed on Oct. 16, 1919. While officially suffering the same fate as the King-Crane Report, it nonetheless served as a cogent strategic assessment of dangers of the Sykes-Picot system.

The British response was to organize wars to crush any resistance to carving up the Ottoman Empire.

On April 13, 1920, Harbord’s report appeared in the *Congressional Record*. On April 20, 1920, Britain, France, Italy, and Japan convened the Conference of San Remo to officially divide up the Ottoman Empire. The conference was held outside the authority of the peace conference. The United States was not represented. By June, the French had erected their mandate in Syria, and by August the British had theirs in place in Palestine and Mesopotamia.

On Aug. 10, 1920, the Treaty of Sèvres was signed



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*British Prime Minister David Lloyd George was always willing to promise the same land to two or three different parties, thus sowing the seeds of a century of wars in Southwest Asia (among other places).*

between the puppet government of the British and French in Constantinople, on the one side, and France, Britain, and Italy on the other. While confirming the British and French mandates in Mesopotamia and Palestine, the treaty divided the rest of the Ottoman Empire into six regions to be parcelled out among the Allies. On the same day, the secret Tripartite Agreement was signed, confirming Britain's oil and commercial concessions, and turning German enterprises over to a Tripartite Corporation. The United States, which was not invited to the conference, did not sign the treaty, nor did the League of Nations endorse it.

The treaty only served to create an alliance of scoundrels and thieves to unleash wars against the National Liberation Movement led by Mustafa Kemal. The Ottoman Empire never approved it, because in March, Britain had abolished the Ottoman Parliament, arresting over 100 Turkish leaders and shipping them to Malta,

which was Great Britain's principal naval base in the Mediterranean, for eventual trial of war crimes. The trials were never held, because the British allowed some to "escape" and the rest were later released to return to Turkey, to overthrow Mustafa Kemal. This was the beginning of the grouping known today as the Ergenekon, which the Turkish government has only begun to dismantle.

Greece, which already had troops on the ground, was given Smyrna, but did not sign the treaty, and proceeded on an ill-fated war of conquest, in its attempt to create a Greek Empire over Turkey.

A Democratic Republic of Armenia, based primarily in the former Russia province, was recognized by the Conference of San Remo and given several provinces of eastern Turkey.

While having its mandate confirmed in Syria and Lebanon, France was given a large sphere of influence in southern Turkey, including Cilicia, which it immediately occupied militarily. Italy was given the Dodecanese Islands and a large sphere of influence in western and central Turkey. The Kurds were given vague promises of a state, carved out of Turkey, and not in Iraq or Iran or Syria. The Dardenelles were to be internationalized, as was Constantinople. The latter would serve as the seat of the Ottoman Bank, which would be run exclusively by the British, French, and Italians, to manage the huge Ottoman debt.

The whole scheme collapsed before Turkey's liberation army, led by Mustafa Kemal. He first defeated the Armenians, then signed the Treaty of Moscow with the Soviet Union on March 16, 1921, which not only secured his northern frontier, but gave him access to arms and munitions. He then turned around and defeated the Greeks and French, with whom he signed the Treaty of Alexandropol, driving a wedge between France and Britain. A treaty was signed with Greece which fixed the borders and provided for an exchange of populations. In 1923, the Treaty of Lausanne was signed, in which these belligerents recognized the new Turkish government.

### **Admiral Bristol and the Creation of Turkey**

Where was the United States in this process? This appears to be almost a well-kept secret. The best way to uncover it is to look at the role of Adm. Mark L. Bristol, who in 1919 was named U.S. High Commissioner in Constantinople, a position he held until formal diplomatic relations were established in 1927. Bristol was

also commander of the U.S. naval detachment in Turkish waters. After 1927 he became commander of the Asiatic Fleet, which also required skills of a diplomat. His last post, between 1930 and his retirement in 1932, was as chairman of the executive committee of the Navy's General Board, one of the highest positions in that service. He was a major critic of the Naval Limitation Treaty of 1930 for not giving the U.S. parity with Britain (*Time*, Nov. 3, 1930). In 1933, he joined America, Inc., a lobby group created to support President Franklin Roosevelt against the American Liberty League.

Bristol, who had lent aid and support to Harbord's mission, and agreed with its conclusions, gave invaluable support to the nationalist movement led by Kemal, in the form of political and strategic advice, among other ways. It is obvious that Bristol saw the creation of a Turkish Republic as a crucial flank against the dangers of the Anglo-French Sykes-Picot policy.

An article in *Time* (June 6, 1927) under the title "Paladin Departs," reporting on his departure as high commissioner, quoted the official Turkish daily, *Mil-liet*: "Admiral Bristol is the only pearl in our crown of thorns," and then lamented that Turkey was "inflamed with consuming anguish and the departure of our great friend."

The article related that from 1919 to 1923, Bristol countered the French, British, and Italians, and positioned himself "on the side of the underdog Turk." When Kemal seized power in 1922, *Time* wrote, Bristol "sensed the new regime of President-Dictator Mustafa Kemal Pasha was healthy, and, in any case, unshakable." He was the first Allied representative to call on Mustafa Kemal in 1924.

Bristol was an outspoken critic of the British, French, Greeks, and Italians. Most of all, he was against the deprecation of the Turks in general. When Kemal set up the Grand National Assembly in Angora (now Ankara) in 1919, he assigned the professional intelligence officer Robert Imbrie as American Consul, in order to maintain contact with the Liberation government which was at war with the former wartime allies of the United States.

In a long letter to James L. Barton, head of Near East Relief, one gets a sense of how Bristol viewed America's erstwhile allies. The statement is in the context of Wilson's plan for an Armenian state. Commenting on an assertion by Barton, that independent Arme-

nia could be protected by the U.S. with the European powers, Bristol wrote: "I am afraid you have more faith in European countries than I have. Thus far the European nations have protected none of the races in this part of the world. The fact is, in my opinion, the plans that they have been carrying out have resulted in greater harm to the so-called Christian races than if nothing at all had been done. I cannot imagine anyone believing that the European countries would do anything to protect the boundary of Armenia fixed by Mr. Wilson unless it was to their selfish interests to do so, and I do not see any selfish interest" which they would back in this situation.

Bristol argued that a U.S. commitment to defend Armenia based on arbitrary borders as defined by the Treaty of Sèvres, would involve America in the worst of "European entanglements." Referring to the Harbord report, he added, "If we had adopted such a policy two years ago and worked steadily for it, I feel certain we could have accomplished something. I haven't yet given up hope because I think it is too late. It is never too late. . . . Let us adopt a big policy and stand for it and do our best to get this policy carried out. . . . I am not certain that America, if she fully realized the big task in the Near East and at the same time could be made to see what a big opportunity there was for America to do, probably the biggest thing in the world for true peace, would not tackle the job. Our people like to do big things. . . ." Bristol lamented that, "in a measure, our reputation has been destroyed by the belief that we are working with the Allies of Europe, or at least supporting them in the schemes that they have been carrying out in the Near East."

On Kemal, Bristol wrote: "I do not agree with Lloyd George that Mustafa Kemal has mutinied and is a rebel. He may be a rebel in the strict and technical sense. But it is the action of the Allies that drove him to rebel."

By the end of 1922, Kemal had managed to defeat all the powers that the British deployed against the National Movement, and consolidated the new Turkish Republic, which under Sykes-Picot was never supposed to exist. A new vibrant republic, free of British domination, won broad support within the U.S., especially within the military and foreign policy establishment. When Turkey, Britain, France, and Italy convened a peace conference in Lausanne to end the wars against Turkey, the United States attended as an observer, to officially safeguard U.S. rights. Assuring the sovereign rights of the Turkish Republic was obviously in the in-

terest of the United States. The King-Crane Report played a crucial role.

In December 1922, on the eve of the Lausanne Conference, former President Woodrow Wilson authorized the release of the King-Crane report. It was published in full by the trade journal *Editor and Publisher* (Dec. 2, 1922). Within days, the *New York Times* published the full report, with the *Editor and Publisher's* introduction, which was even more hard-hitting than the report itself. Describing how the report's warnings of disaster had in fact come to pass, it went on: "Secret treaties largely caused the war; they certainly prolonged it; and they wrecked the peace. Out of secret treaties has grown that international distrust which is probably the gravest factor in a world full of evil forces. Secret treaties have made war-time allies present-day enemies. They have begotten in America a lack of confidence in the nations of the Old World that is the real reason for this country's holding aloof from international obligations. If it were not for the secret treaties, disclosed at Paris, there would have been a different kind of League of Nations, and the United States would have been in it. There is simply no measuring the harm that has been done to humanity by the perpetuation of this first characteristic of the old diplomacy."

Coming on the eve of the Lausanne Conference, its publication must have been a diplomatic bombshell.

### **The Chester Concession**

At the same time, another intervention was made, which has all but disappeared from history. It was the announcement that the Turkish government had approved a concession to construct railroads and exploit natural resources, to an American syndicate. This was the "Chester concession," led by retired U.S. Adm. Colby M. Chester. This allowed for the construction of an interlocking network of railroads that stretched from Angora (now Ankara) to Mosul, which at that time was part of the British Mandate of Iraq, but still claimed by the new Turkish government. It seems that Chester recognized Turkey's claims. From the main west-to-east line, the railroad network would branch out both to the north and the south at various points, and allow for exploitation of natural resources, including oil. The network embraced all the territory that France or Britain might demand "rights" to at the Lausanne Conference.

Admiral Chester had been one of the key proponents of the Panama Canal, and enjoyed influence in Washington. Chester's sons were also involved in the proj-

ect; one was a former military officer and practicing engineer, and the other was a leading businessman. Other members of the syndicate included Gen. George W. Goethals, who was the chief engineer in building the Panama Canal.

The fact that Chester was an Navy man, as was Bristol, should not be underestimated. This project served as a major political intervention, at a time when Turkey need international support.

The new concession also served as a centerpiece for strong U.S.-Turkish economic cooperation. Through the Ottoman American Development Company, agricultural projects were planned, including the importation of thousands of American-produced tractors and other projects. Turkey was deeply interested in economic ties with the United States.

It was not the policy of the U.S. government at the time to lobby for projects of private interests, nor did it particularly champion the project. But it was the duty of the State Department to protect the business interests of Americans, so the U.S. government, even if it wanted to, could not overtly back the British and French against an American company. More importantly, it gave the Turkish government the leverage it needed to fight out unreasonable French and British demands. The concession's claims to Mosul were especially dicey. While Turkey eventually did give up Mosul in 1926, it was at least able to fix its own eastern border.

The project eventually collapsed, due to lack of capital and sabotage by the British and their Wall Street allies. Nonetheless, it served the Turks well in negotiating the Lausanne agreement.

Right after Lausanne, the U.S. negotiated its own bilateral treaty with Turkey. Although it had massive support in the U.S. establishment, it never passed the Senate, in part because of the Armenian lobby. In 1927, unable to get the treaty through the Senate, the government established diplomatic relations by Executive Order. The first U.S. Ambassador was Joseph Grew, a career diplomat who had negotiated the treaty.

Although the fight for a Turkish Republic served as a crucial flanking operation, the Sykes-Picot system prevailed in the rest of the Ottoman Empire. It has kept the nations and peoples of the region in the thrall of the British Empire, fighting one another and not their real enemy. Only the United States, armed with a policy in the spirit of these two commissions nearly a century ago, can liberate these nations from the Empire, once and for all.

# British Deception Responsible for Palestinian Bloodshed Today

by Hussein Askary

*Preface:* The history of the British manipulation of Arabs and Jews is, as the incredible suffering of the people of Gaza attests to today, a sad story. It is a pathetic one too, because the world, and the involved parties, who have failed to understand the evil nature of the British Empire, and thus, failed to react decisively to its machinations, before, during, and after World War I, have failed even now to correct that mistake. The British Empire and its servants in the consecutive British governments have been masters of deception, as we will see in the brief report below. Can you imagine the “Butcher of Baghdad” Tony Blair as a peace broker in Southwest Asia now? How could the U.S.A., Europe, Russia, and the UN (the Quartet on the Middle East) be so collectively insane as to accept Blair as their guide through the dense underbrush of the British-created “Middle East”?

As was the case in 1919, before the British put their Sykes-Picot knives to use against the people of Southwest Asia with the help of the French imperialists, people in the region are pleading to, and giving the new U.S. Presidency another chance to help mend what has been broken. Although a lot of blood has been spilled, and although the Sykes-Picot agreement and the Balfour Declaration cannot be reversed, there is still a chance for another Peace of Westphalia to preserve and promote the true nature of the human race, in place of the bestiality of the Brutish Empire which is being exhibited on the television screens every day.

## Master Puppeteers

The British Empire, while fostering wild Zionist madness, simultaneously promoted Islamic fanaticism in order to play the two, not only against each other, but also against other legitimate nationalist and anti-imperialist forces. The case of the creation and manipulation of the Muslim Brotherhood in Egypt and elsewhere is a

perfect example (see “British-Saudi Pan-Islamism: Britain’s Assault on the Muslim Nation-States and the World,” *EIR*, Dec. 26, 2008).

An interesting case, involving a Palestinian figure, is al-Haj Amin al-Husseini. Al-Husseini, who started as an opponent of the British occupation of Palestine after 1917, fled the British forces into exile in 1920, only to be pardoned by the British and brought back a year later, and even succeeded in becoming the Mufti of Jerusalem in 1921, with British approval, following the death of his brother, the previous Mufti. The purpose of this move was to create a fanatic Islamic countergang to the British-created Jabotinskyite fascist Jewish groups (see accompanying article). What was pushed aside with this orchestrated conflict, were the true anti-imperialist forces. One famous confrontation between Mufti Amin al-Husseini and the Palestinian nationalist leader Abdalqadir al-Hussein (from another distinguished Jerusalem family) who was leading the resistance against the British, tells it all. The Mufti is reported to have told al-Husseini: “Why don’t you go and fight the British, and leave me to fight the Jews!”

In Egypt, the British Commissioner, from 1883 to 1907, Lord Cromer (Evelyn Baring of the powerful Baring banking family), had used Islamic fundamentalists in a similar way to prevent the growth of anti-British nationalist movements. Sheikh Mohammed Abduh (1849-1905) had participated in the 1882 revolt led by Egyptian officer Ahmed Urabi against the British control of Egypt’s government. He was sent into exile in Lebanon, where he stayed until 1884, when he was invited to France by Jamal el-Din al-Afghani. The French, who were in conflict with the British over the Middle East, recruited the two to a French Freemasonic lodge, and paid them to launch anti-British propaganda. Abduh, like al-Husseini later, was pardoned by Cromer, and appointed as Grand Mufti of Egypt in 1889, after



*Britain's T.E. Lawrence ("of Arabia"), third from right, manipulated Prince Faisal (center) to approve both the Sykes-Picot agreement and Balfour Declaration. Here, they are at the Paris Peace Conference of 1919.*

promising Cromer to collaborate with the British to make the relationship of the British bloodsuckers with their victims, the Egyptian farmers, more "civilized and orderly." Abduh's role was to "cool down" the nationalist aspiration for freedom. His biographers report that, despite his rabid racism, Cromer considered Abduh a close friend. Abduh's "political ideas" later had a great impact on the founder of the Muslim Brotherhood in Egypt, Hasan al-Banna, and his successor Sayid Qutb. What the Brotherhood learned from Abduh is to be "pragmatic," and to collaborate with whoever provides weapons and support. This way, it turned itself into a tool of the British Empire, from that day to this.

Interestingly, three leaders of the most active Brotherhood organization still live in exile in Britain today: Ali al-Bayanouni (Syria), Rashid al-Ghannoushi (Tunis), and Kamal al-Halabawi (Egypt). They are all still active in subversive activities against their own governments. The Islamic Resistance Movement of Palestine ( Hamas ) was originally an outgrowth of the Muslim Brotherhood, and its founder, Sheikh Ahmad Yasin, was a prominent leader of the international Brotherhood. The purpose of Hamas, in the eyes of the Israeli leaders who facilitated its growth in the 1980s, was to undermine the legitimate anti-colonial forces of

the PLO and its leader, Yasser Arafat, in the occupied territories. This was a copy of the British policy.

### **Hope of American Intervention Against the British**

When the Arab peoples learned of the secret Anglo-French Sykes-Picot agreement at the end of World War I, they reacted with anger and frustration. Arab tribal leaders had helped the British and the allies in the war against the Ottoman Turkish Empire which was in control of the greater part of the Arab Middle East, because Britain had promised to give them freedom and independence as Arab nations after the war. What followed was a two-pronged British-French policy of brutal repression and a masterly "divide-and-conquer" strategy.

Violent revolts took place between 1920 and 1925 throughout the region against the British and the French. But before that, regional leaders had looked forward to getting help from the United States, which they regarded as a true republic, with no imperialistic ambitions.

In Jan. 8, 1918, U.S. President Woodrow Wilson addressed a joint session of Congress: His speech included a "14-point declaration" of what he called the "only possible program" to achieve world peace and justice in the post-war era. That declaration included the demand of "affording mutual guarantees of political independence and territorial integrity to great and small states alike." An Arabic copy of Wilson's declaration was secretly distributed in Arab countries in October of the same year. Point 12 received special attention: "The Turkish portion of the present Ottoman Empire should be assured a secure sovereignty, but the other nationalities which are now under Turkish rule should be assured an undoubted security of life and an absolutely unmoled opportunity of autonomous development."

This point was regarded as an explicit American endorsement of the independence of the nations now occupied by the British and the French troops. The two imperial powers issued public statements reassuring the United States and the people of the region that this was their aim too. However, their intentions were quite the opposite. In spite of British assurances, people in the region did not trust these claims, and later reported to the

U.S., through the American King-Crane Commission (see article, this section) their disapproval of any British mandate to control their countries, and instead asked for the United States to protect their interests.

## Betrayal

However, the King-Crane mission was betrayed, and its reports suppressed. The British orchestrated phony referenda in Iraq, showing that the Iraqi people were eager to have British masters run their lives! In the large area of what was then called Syria, the King-Crane Commission had found out that 80% of the population preferred an American mandate, if any, and only 20% were in favor of the British. In Iraq, the British colonial authorities prevented the King-Crane Commission from carrying out its surveys.

As the Paris Peace Conference was about to convene, in January 1919, Iraqi leaders opposed to British occupation started writing petitions to the major powers, especially to the President of the United States.

Sheikh Mohammed Taqi al-Shirazi, the spiritual leader of the Iraqi Shi'a sect, sent two letters dated Feb. 13, 1919, one to President Wilson, another to the U.S. ambassador in Iran. Al-Shirazi reminded the U.S. ambassador of the principles of self-determination to which the U.S. Administration had committed itself, and informed him that the Iraqi people were seeking the aid of the United States to establish an independent Arab-Islamic state. He alerted the ambassador to the fact that the Iraqi people were reluctant to express their views on the issue of the mandate, due to the "martial laws that have put them under siege from all sides," and that "people do not trust the alleged right to free expression of opinions," touted by the British. (See text of letter in "Lessons To Be Learned: Iraqi Resistance to British Occupation 80 Years Ago," *EIR*, Nov. 14, 2003.)

These petitions fell on deaf ears, and the British launched a massive military campaign against the Iraqis (Shi'a, Sunni, and Kurds), who rose in a revolt against British suppression and brutality. The revolt was crushed by August, leaving more than 10,000 Iraqis dead from bombings by British the Royal Air Force, which even used chemical weapons against Kurdish villages.

Between late 1919 and late 1920, revolts and acts of resistance against the British, French, and Italian colonialists spread from Afghanistan to Iraq, Turkey, Syria, Palestine, Egypt, and North Africa, and were all suppressed with mass murder and extreme brutality.

## How the British Play the Game

The case of Syria is exemplary, because it shows how the British played this game, whose consequences we suffer still today.

While the British were dividing up the remains of Europe's "sick man," the Ottoman Empire, together with the French in 1916 (through the Sykes-Picot agreement), even though the war was still simmering, they promised the Jews of Britain a homeland in Palestine, the heart of the region, through the Balfour Declaration (a formal promise made by British Foreign Secretary Arthur Balfour in November 1917 to Lord Walter Rothschild and other Zionists such as Chaim Weizmann). They were, at the same time, nourishing their promises to the Sharif Hussein of Mecca, to help him establish a "great Arab" state throughout the region and the Arabian peninsula, if he continued to help Britain to drive the Ottomans out of Arabia. The promises were made to Sharif Hussein, the great-grandfather of the current King of Jordan, by the British High Commissioner in Egypt, Sir Henry McMahon ("The Hussein-McMahon Correspondence"). The Sharif was regarded as a religious leader, a descendant of the family of Prophet Mohammed, and a guardian of the Holy Ka'aba in Mecca (the most sacred site in Islam), whose word is a letter of credit among Arab tribes and Muslims in many parts of the world.

When the war was over, and the Sharif and his sons came to cash the promissory note, they were led into a labyrinth of deceptive moves and lies. Not only that; the very ground the Sharif was standing on in western Arabia was promised by the British to their most important asset, Abdul Aziz ibn Saud, who had taken over most of eastern Arabia by the end of the war with British military and financial aid!

When the Arabian armies, under the leadership of Sharif Hussein's son Prince Faisal and T.E. Lawrence "of Arabia," finally arrived in Damascus, Syria in October 1918, and the people rejoiced for the removal of the Ottoman oppression, they did not think about the French colonial army advancing from the Mediterranean coast to take over the country, in accordance with the Sykes-Picot agreement.

From that point on, the British and Lawrence, who had befriended Faisal, took him through a smoke-and-mirrors game, in order to get him to approve both the Sykes-Picot agreement and the Balfour Declaration.

Lawrence accompanied his dupe Faisal to allegedly represent the Arab nations at the Paris Peace Confer-



Clipart.com

*British troops march into Baghdad, March 11, 1917, wresting it away from the Ottoman Empire. In a proclamation that sounds familiar today, the British told the Iraqis: “Our armies do not come into your cities and lands as conquerors or enemies, but as liberators.”*

ence in January 1919. But before going to Paris, Lawrence led the Prince to London, where the British government arranged for him to meet, on June 3, with Chaim Weizmann, the chairman of the Zionist Congress. Under pressure from Lawrence, Faisal, who was unable to contact his father, Sharif Hussein, capitulated to demands to sign an agreement with Weizmann, to facilitate the immigration of Jews from Europe to Palestine, and to accept the terms of the Balfour Declaration. Faisal made these concessions with an eye to the upcoming Paris Peace Conference, where he and his family would finally get the promised “Arab land.” Faisal was not allowed to get anywhere close to the conference halls, which were reserved for the European powers. Lawrence of Arabia suddenly was relieved of his duties, and Faisal returned to Syria empty-handed to find the French running the place.

Arab-Syrian officers and nationalist leaders founded an “independence party” in Damascus, most probably encouraged by the American King-Crane Commission. In November 1919, Faisal, now leader of Syria, reached a compromise solution with the French government of Georges Clemenceau, under pressure from the British, allowing the French to occupy the coastal areas and giving the French a monopoly over the economic affairs of the country. In March 1920, the Independence Party declared independence, and the first revolt was a

fact. A second revolt took place against the French army in June 1925. Both were crushed with merciless force.

### **The ‘Winston Hiccough’**

By that time, 1925, Prince Faisal of Syria had already left the country and was now “King Faisal” of Iraq upon recommendation of Colonial Secretary Winston Churchill. Faisal was crowned King of Iraq in August 1921.

Churchill was sent to the region by the British government of David Lloyd George to devise a new strategy for the empire there, after the “expensive” armed revolts. The new strategy created by Churchill in the 1921 Cairo Conference was to move from the British East India Company’s direct imperial rule into the Foreign Office’s “indirect” imperial control, by installing puppet governments in the region bound by treaty agreements to

the British Empire. (An exemplary modern version of this type of treaty agreement is the British-Saudi multi-billion-dollar al-Yamamah arms deal.)

Faisal’s brother Abdullah was made king of the newly created Transjordan by Churchill. Faisal’s father was deposed from his Hashemite throne in al-Hijaz by the British-supported Ibn Saud in 1924, and sent into exile in Cyprus—aboard a British steamer! The French carved “Greater” Lebanon out of Syria. The absurdity of the Sykes-Picot engineering of borders between Arab countries reaches its peak with the “Winston hiccough.” Legend has it that Winston Churchill, after a huge dinner and many glasses of whisky, was drawing the borders between his new creation Transjordan and Saudi Arabia, with a pen. According to this tale, a hiccough caused the odd zigzag shape of the eastern border between Jordan and Saudi Arabia.

No war has been waged between Jordan and Saudi Arabia on this question, but fires are still burning in many parts of South Asia (India and Pakistan) and Southwest Asia due to the British imperial schemes. This is no “mere” history: It is a living tragedy today! If humankind manages to rise above this tragedy and bury what Lyndon LaRouche has termed the Brutish Empire, we will have many such stories and jokes to tell our children and grandchildren, and laugh heartily at the folly of our predecessors.

# How British Imperialists Created the Fascist Jabotinsky

by Steven P. Meyer

Vladimir Ze'ev Jabotinsky (1880-1940), the patron-saint of Israel's Likud party who also created Revisionist Zionism, and Chaim Weizmann (1874-1952), the decades-long chairman of the World Zionist Organiza-

tion who was seen as the prime minister-in-exile of a Jewish Palestine, were both witting champions of the British Empire. They were instruments of Lord Alfred Milner and Leo Stennet Amery, the final authors of the

Balfour Declaration, who craftily used them to secure British rule over Palestine as part of the 1916 Sykes-Picot agreements.

The British also controlled the leaders of the Arab nationalist movements, which they created and funded. They owned Haj Amin al-Husseini, a young radical, whom they chose as Mufti of Jerusalem. They funded his religious network and social organizations, and to give him status among all of the Islamic faith, they created the post of Grand Mufti for him. (See accompanying articles.)

The armed conflict in Israel today, which threatens to become World War III, is the continuation of almost a century of British-staged armed conflict between Arab and Jew that dates back to the Nebi Musa riots of 1920, just months after the close of World War I, as the British settled in to occupy Palestine. Eyewitness intelligence reports proved that British military operatives encouraged and facilitated the Arab rioting, lead by Haj Amin al-Husseini, against the Jews.

The Jewish armed response was led by Jabotinsky, and a British-trained Zionist military force that had

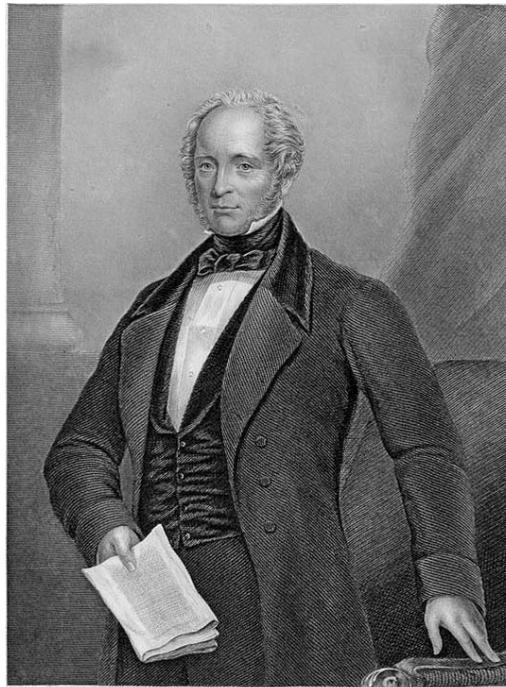


UN/Evan Schneider  
*Benjamin Netanyahu, part of the Likud party grouping known as Jabotinsky's Princes, is running for the post of prime minister of Israel in the Feb. 10 elections. Here he is shown at the same King David Hotel in Jerusalem that Vladimir Ze'ev Jabotinsky's cohorts of the Irgun had bombed in 1946 (right).*



been placed in Palestine at the end of the war. The Jewish Legion, as it was called, had no military significance. Its creation was opposed by the world's Jewish community, including the small Zionist movement that then existed. But it was a major propaganda tool created by Milner and Amery to back up Sykes-Picot. When the war ended and the Legion demobilized in Palestine, it became a deadly weapon to be used for violent bloody confrontations with the Arabs.

The Nebi Musa riots lasted several days. Five Jews and four Arabs were killed, and 216 Jews and 23 Arabs were wounded. Both Jabotinsky and Hussein were made public heroes by their British controllers, and the results gave them the capability to recruit followers that would be used for future confrontations. The die was cast, but the stage for the conflict had already been set decades before.



*Foreign Secretary Lord Palmerston secured a British foothold in Jerusalem in 1838, inaugurating the process of using the Zionist movement to increase London's control in the region.*

rance of the Gospel, [the Jews] were not only worthy of salvation but also vital to Christianity's hope of salvation." Shaftesbury's writings appeared in the *The History of London Society for the Propagation of Christianity among the Jews*. Shaftesbury was a member of the society and, in 1848, served as its president.

In 1838, an Arab revolt took place in Greater Syria, run by Muhammad Ali, the Ottoman viceroy of Egypt. British Foreign Secretary Palmerston offered the Sultan of Turkey British help in putting down the revolt, and in return, Britain was given the right to establish a vice-consulate in Jerusalem. Once this beachhead for the Empire was secured, the British decided to use a fledgling Zionist movement as their proxy, to increase their presence in the Holy Land.

In 1840, Palmerston sent a letter to the British ambassador in Constantinople, instructing him to contact the Sultan: "There exists at the present time among the Jews dispersed over Europe, a strong notion that the time is approaching when their nation is to return to Palestine. . . . It would be of manifest importance to the Sultan to encourage the Jews to return and settle in Palestine because the wealth which they would bring with them would increase the resources of the Sultan's dominions; and the Jewish people, if returning under the sanction and protection and at the invitation of the Sultan, would be a check upon any future evil designs of Muhammad Ali or his successor. I have to instruct Your Excellency strongly to recommend the Turkish government to hold out every just encouragement to the Jews of Europe to return to Palestine."

In 1845, **Edward Ledwich Mitford**, one of Palmerston's collaborators in the Foreign Service and a political supporter, published "An appeal in Behalf of the Israel Nation in Connection with the British Policy in the Levant." The piece called for the "final establishment of the Jewish nation in Palestine as a protected state under the guardianship of Great Britain." Mitford reasoned that such a state would "place the manage-

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## 1. Modern Zionism and the British Empire

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Palestine had been a necessary imperial target of acquisition for consolidation of the Empire for more than half a century before the Sykes-Picot agreements, dating back to the 1830s and the efforts of **Lord Shaftesbury**, a leading Tory politician, and **Lord Palmerston**, his stepfather-in-law. Palmerston served as Foreign Minister from 1830-51 and was destined to become prime minister and master of cultural and political warfare.

Shaftesbury was a Christian Zionist and British Israelite, who believed that the Jews must return to Zion before there could be a second coming of Christ. Although he opposed Jewish civil emancipation in England, and was indeed anti-Semitic, he believed it was Britain's destiny to establish Zion. Shaftesbury wrote: "though admittedly a stiff-necked, dark-hearted people, and sunk in moral degradation, obduracy, and igno-

ment of our steam communication entirely in our hands and would place us in a commanding position in the Levant from whence to check the process of encroachment, to overawe open enemies and, if necessary, to repel their advance.”

With the introduction of the steamship in the 1840s, the most efficient route to India and other parts of Asia was through what the British call the Near East. Britain’s dominant shipping route now went from London, through the Mediterranean to Alexandria and Cairo by steamship, overland to Suez, and then continued by steamship to points east. Britain was no longer dependent upon the Atlantic currents and the whims of nature to circumnavigate Africa to reach India.

The opening of the Suez Canal in 1869 massively increased the efficiency and shortened the time of travel, putting an even higher premium on Britain’s securing a base of operations in Palestine, as a northern defense of the canal. One of Britain’s motives in starting World War I was to finally secure Palestine, and they did that with Sykes-Picot and the breakup of the Ottoman Empire. No longer would the British have to entreat the Turks to accept the Jewish immigrants, which in British eyes were only surrogates for their empire.

### Jabotinsky’s Imperial Roots

Every Likud prime minister in Israel has been an avowed promoter of the policies of Vladimir Ze’ev Jabotinsky. Some were personal protégés, others extremist leaders within his movement. The father of current Likud leader and candidate for prime minister, Benjamin Netanyahu, was Jabotinsky’s personal secretary.

The Likud prime ministers are considered an elite grouping. They are often referred to as Jabotinsky’s Princes, and to this day, Jabotinsky is omnipresent within the Jewish right wing. His picture adorns the Likud website, and U.S. Anti-Defamation League director Abe Foxman has had a framed photo of him on his desk.

Jabotinsky was a wholly owned and created asset of

the British Empire. He was controlled by a political network led by **Leo Stennet Amery**, who became Britain’s most prominent Imperial spokesman and political organizer. Amery’s circle included the greatest names of British imperialism: Cecil John Rhodes, the self-avowed enemy of the American republic; the Coefficients group; and Alfred Milner, Rhodes’ mentor, who ran Rhodes’ secret society.

Jabotinsky and the creation of a Jewish Legion became Amery’s number one project, as the British moved to take over Palestine at the close of World War I.

Amery’s vision was that of Rhodes, who, in 1877, wrote his first Last Will and Testament. Only a bit more than a decade had passed since the British plan to dismember the United States in a Civil War had failed, bitterly. Rhodes, a rabid British race imperialist, had amassed his fortune through the exploration and mining of gold in Africa. Rhodes wrote that the purpose of his Will was: *“To and for the establishment, promotion and development of a Secret Society, the true aim and object whereof shall be for the extension of British rule throughout the world, the perfecting of a system of emigration from the United Kingdom, and of colonisation by British subjects of all lands ... and especially the ... entire continent of Africa, the Holy Land, the Valley of the Euphrates, ... the whole of South America, the Islands of the Pacific not heretofore possessed by Great Britain, ... the seaboard of China and Japan, the ultimate recovery of the United States of America as an integral part of the British Empire...”* (emphasis added).

Rhodes’ secret society, and the intricacies of how it operated, are detailed in Carroll Quigley’s *The Anglo-American Establishment*. Quigley describes the British power elite and their purpose at the turn of the century. They combined important press outlets, created political institutions, and used financial power to affect their policy. This elite group consisted of the Venetian Cecil family; the political and financial trustees of Rhodes’ Trust, in which Alfred Milner was key; various banking institutions, including Lazard Frères; and the British royal family. Quigley describes a small inner core of collaborators, with two concentric circles of semi-witting and non-witting conspirators from Britain’s aristocracy and financial elite.

By and large, they shared the aims of Rhodes’ Will. They had one major enemy, the American System of Political Economy. It threatened the existence of the British Empire, which depended upon a mercantilist



Vladimir Ze’ev Jabotinsky in 1937: *“I believe in England, and the brotherhood between England and Israel.”*



*Sir Cecil Rhodes wrote that the aim of his proposed secret society was “the extension of British rule throughout the world,” especially Africa, the Holy Land, and the Valley of the Euphrates. Leo Stennet Amery, one of the masterminds of Britain’s Zionist project, walked in Rhodes’ footsteps.*

system of securing cheap raw materials from colonized, backward parts of the world, and shipping them back to England for industrial production and military use.

At the turn of the century, there were two powers in the world that represented the American system: the United States of America, and Germany, which had built its economy on the model of America’s great economist Henry C. Carey. Following the stipulations of Rhodes’ Will, his collaborators sparked World War I to dismantle a hated and threatening Germany, and to carve up Europe. They sought to secure and expand their colonial holdings by acquiring much of the Otto-

man Empire, which would give them its oil holdings, as well as secure Palestine as a military buffer to the Suez Canal. In order to accomplish these goals, they also worked non-stop to trap the United States into collaborating with their warring schemes, and sought to diminish America’s industrial economy from within.

**Lord Alfred Milner**, who ran Rhodes’ Trust, was central to the secret cabal. He had been British High Commissioner for Africa, had won the Boer War, and had united South Africa as one political entity under British rule. That act gave Britain looting rights for the most important raw materials on the continent, and he derived much power from these accomplishments.

At the close of the Boer War, Milner recruited a group of the best and the brightest from Oxford University to assist him in establishing British rule in Africa. He recruited them to his philosophy and became each and every one’s mentor. Known as Milner’s Kindergarten or The Kindergarten, these individuals returned to London and would play a major role in both World War I and World War II.

As World War I approached, Rhodes’ secret society, under the direction of Milner and various other collaborators, went to work. Both Liberal and Conservative, they held in common a rabid racial imperialism. Their own writings detail their thoughts and aims. For propaganda purposes, they created the Royal Institute of International Affairs (RIIA), but they also purchased the *Times* of London and ran other crucial press organs to rally the public behind their aims.

Milner’s personal protégé was Leo Stennet Amery. Quigley describes their relationship: “Amery can be regarded as Milner’s political heir. From the beginning of his own political career in 1906 to the death of Milner in 1925, he was more closely associated with Milner’s active political life than any other person . . . his associations with Milner became steadily more intimate. In his last years of public office, Milner was generally assisted by Amery (1917-1921), and when he died it was Amery who arranged the public memorial service and controlled the distribution of tickets.”

To understand today's Likud and the rest of the right wing in Israel, one must understand Amery and Milner and their role in shaping the British Empire. They used Zionism to secure the oilfields of the Middle East and defense of the Suez Canal. They stated this openly, as did their Christian Zionist supporters. This was geopolitics in the mode of Sykes-Picot.

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## 2. Amery: The Empire Is 'The Kingdom of Heaven'

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Leo Amery's son, Julian, aptly described his father in the 1988 introduction to *The Empire at Bay, Notes from the Leo Amery Diaries*. British Imperialism, he wrote, "was a civilizing mission to which the British peoples could dedicate themselves: one from which they would derive a sense of purpose and a source of pride.

"This concept of Empire was much more than a political programme. It was an ideology that constituted a coherent system of thought to which every issue, political, economic, social, cultural, and even moral could be related. More than that, it was a faith. This faith would sustain [Leo Amery] throughout his entire life."

In Leo Amery's own words, this faith and concept of Empire, with its responsibility for "civilizing other cultures," was mandated by God. Amery is famously quoted as saying: "The Empire is not external to any of the British nation. It is something like the Kingdom of Heaven within ourselves."

Amery entered Oxford College at Balliol in 1892. Aside from languages, his study concentrated on political economy. He became a Fellow at All Souls College and left in 1898, taking a post writing for the *Times*. He was recruited by Milner in South Africa while reporting on the Boer War, and was known as Milner's mouthpiece.

Amery had a long dinner meeting with Cecil Rhodes in Africa, a few years before the latter's death in 1902. Rhodes discussed with him the Rhodes Trust, and the establishment of a scholarship fund that would recruit talented young men to attend a special program at Oxford. The scholarships would be awarded to select students from the British Dominions, Germany, and the United States, with the proportion heavily weighted to U.S. recipients. The overt purpose was to recruit American support for the British Empire.

Amery ran Rhodes' Trust from 1933 until his death

in 1955. He joined the board as a director in 1919, and for the next 36 years, he missed only one meeting.

While at Oxford, Amery founded a branch of the Fabian Society, and established a close relationship with the Fabians Sidney and Beatrice Webb. He also came under the hegemony of Joseph Chamberlain, to become the leading spokesman for a tariff policy to secure advancement of the Empire.

In 1902, he and the Webbs founded the Coefficients, a secret dining club of Liberal and Conservative imperialists. The group of a dozen persons was chosen for their expertise. They included Bertrand Russell for science; Halford Mackinder for geopolitics; Sir Clinton Dawkins, a partner of Morgan Guaranty Bank, London, for finance; Prof. W.A.S. Hewins, principal of the London School of Economics, for economics; and Leo Maxse, a close collaborator of Amery's and editor of the *National Review*, for journalism. H.G. Wells was chosen for his general knowledge. Of Wells, Amery wrote in his autobiography: "Our minds certainly worked very much alike in many ways and for some years we saw a good deal of each other."

The format of the club required each specialist to make a presentation over dinner. Discussion ensued. Their intent was to create a Brains Trust that would make government policy.

Amery's area of expertise was the military. Having covered the Boer War for the *Times*, he had become ensconced with a grouping of leading military personalities, and, representing the Milner Group, Amery was in the process of anonymously writing a 12-part series on the Army that would appear in the *Times*. The articles detailed how inadequate were the training and staffing of the army. He argued for a complete overhaul, so that well-trained troops could be efficiently deployed to the European continent and Dominions, in the event of a new war. In other words, Amery presented the reorganization plans for the Army that would allow the British to fight World War I.

Amery was already passionately imbued with Rhodes' and Milner's view of the British Empire in world affairs, and Bertrand Russell later described Amery's presentation to the Coefficients: "...in 1902, I became a member of a small dining club called the Coefficients, got up by Sidney Webb for the purpose of considering political questions from a more or less Imperialist point of view. It was in this club that I first became acquainted with H.G. Wells, of whom I had never heard until then. His point of view was more sym-

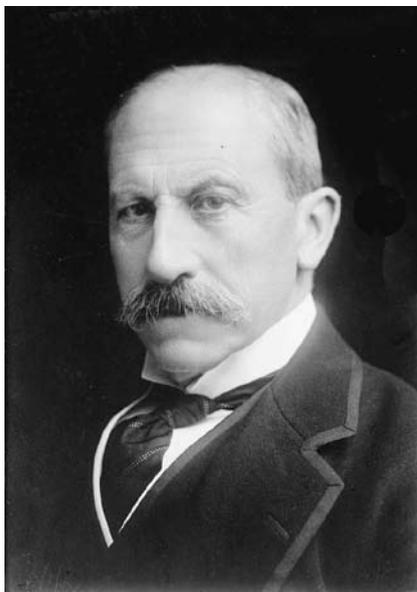
pathetic to me than that of any member. *Most of the members, in fact, shocked me profoundly. I remember Amery's eyes gleaming with blood-lust at the thought of a war with America, in which as he said with exultation, we should have to arm the whole adult male population...*" (emphasis added).<sup>1</sup>

The original Coefficient group lost many of its members, but Amery and the Webbs remained, as did Wells for a while, with Amery being the only original member left when the group disbanded in 1909. Russell dropped out early, but Milner and Sir Henry Birchenough, the chairman of the British South Africa Company, along with John H. Smith, chairman of Hambro's bank, soon joined, as did others from Milner's circle.

In 1910, Amery married Florence Greenwood. Her father, Hamar Greenwood, had emigrated from Wales to Canada, where he married into a family of American colonists who had sided with the British during the American Revolution. Her family was fiercely loyal to the United Empire Loyalist tradition, which combined a deep suspicion of everything American with an almost fanatical reverence for the British Crown and everything British.

On June 11, 1916, less than a month after the secret Sykes-Picot treaty had been signed, Milner was given a full page in the *New York Times* to make his case that America should partner with the British Empire. The article was entitled "Lord Milner Wants Anglo-American Union: British Statesman, Who Was Among First Mentioned as Kitchener's Probable Successor, Believes It Will Bring World Peace." The significance of the timing of this article cannot be overstated. Milner knew of the secret agreements with the French to move the war to Palestine and the East, and for the carving up the Ottoman Empire between the two. His article was placed to gather America's support for that outcome.

A *New York Times* reporter had interviewed Milner



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Lord Alfred Milner's view of democracy: "I believe in a lot of virtual-self-government in the new Colonies, without letting the supreme control out of Imperial hands."

in London. America had already entered the war on the side of the British, and as the United States would provide the margin of victory, it would have a major say in the settlement of the peace. Milner, the man in pursuit of carrying out Cecil Rhodes' Last Will and Testament, was about to join a War Cabinet with Prime Minister David Lloyd George. The secret agreement to move the war to the eastern front would give Britain control over Palestine, providing a military buffer to the Suez Canal. Palestine would also provide a deep-water port (Haifa) on the Mediterranean for the export of oil. Milner needed the Americans on his side for the plan to succeed.

The *New York Times* gave Milner a glowing introduction. Looking towards the end of the war, Milner sought two essential agreements.

The first, that the United States and Great Britain would have a cooperative purpose in handling the peace; and the second, that there would be agreements signed to establish a unified military to ensure the peace—and, of course, the British Empire. Those exact same demands were echoed less than a quarter of a century later, during World War II, by American Clarence Streit, who authored *Union Now with Britain*.

Milner's words speak for themselves:

"...What I especially stand for is the closest possible union between the various States under the British Crown. Always I have aimed as well as I have been able, at the accomplishment of this. This might seem to strike away from closer relationship between Great Britain and the United States. I do not think it need do that.

"I believe philandering between nations to be foolish, but there must never be another serious quarrel between the States and England. *I believe the greatest disaster in human history was the split which separated the American colonies from the home country...* [emphasis added].

"The word 'empire' and the word 'imperial,' imperfectly convey the thought, and perhaps, have been unfortunately chosen. They suggest domination, ascendancy, the rule of a superior over inferior or vassal

1. *The Autobiography of Bertrand Russell, 1872-1914* (London: George Allen and Unwin Ltd., 1967).

States. But British ‘imperialists’ of the modern school (of which I am one and ever shall be one), when speaking of the British Empire think, not of an empire in the old acceptation of the term, but of a group of States, independent one of the other in local affairs, although bound together in the defence of their common interests and the development of a common civilization.”

Lord Milner then went on to speak of England’s work in governing backward peoples. He declared that she was doing America’s work as well as her own. Someone, said Milner, must bear “the white man’s burden,” and Germany had a bad record in this respect:

“I do not believe America would care to see the British dependencies in Africa ruled in the spirit which has been shown by Germany in such few enterprises of the sort as she has undertaken. And I am sure that those in the United States who are familiar with the facts of British Government in India, would never wish to see that Government replaced by a Government of Junkers.”

Milner ended:

“...I was ultra-British—an out and out British Imperialist.

“That is what I am and always shall be. I have given you my reasons for it, my reasons too, for thinking that British Imperialism, as I conceive it, should find favour and sympathy in your country, on which, next to my own, I base my hopes for the future freedom and progress and peace of the world.”

Milner was a lying scoundrel. His purpose and belief were quite to the contrary. A March 18, 1917 entry in Beatrice Webb’s diary describes Milner’s more private thoughts. Webb’s entry is made at the conclusion of a briefing she was given by Tom Jones, then acting secretary to the Cabinet Committee on Territorial Terms of Peace, and a close friend. Milner was the chairman of this committee. “There is a vivid movement, guided by Milner and served by Amery, to prepare for another war, to complete the ruin of Germany and the domination of the British Empire. This gang of Power worshippers are running down the Russian revolution and minimising the entry of the U.S.A as one of the belligerents. They are bent on maintaining a ruling caste of a ruling race: they fear and despise democracy. Any aspirations towards self-government among British subjects, who do not already possess it, is sedition to be put down by machine guns and plentiful hangings.”

Milner’s private papers give credence to this report. After colonizing Southern Africa, he wrote: “I believe in a lot of virtual-self-government in the new Colonies,

without letting the supreme control out of Imperial hands.”

Amery’s view was similar: “South Africa must develop as a white man’s country under the guidance of white men, and not as a bastard country like most of South America. . . . In five hundred years’ time I expect the South African white man will contain a strong dark blend, and the end of all things may be a brown South African race. . . . That doesn’t matter, what does matter is that there should not be too quick a mixture now or for the next few centuries.” Amery was a eugenicist, as well, referring to the African population as “niggers.”

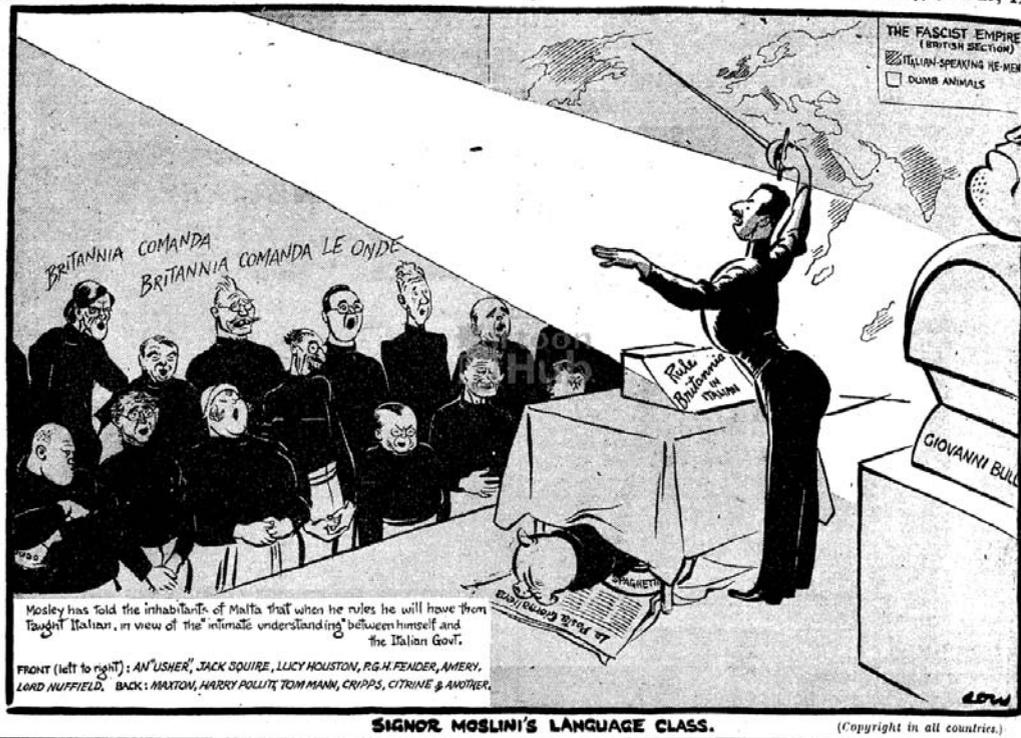
### **From the Jewish Legion to Berchtesgaden**

Amery’s civil career in Britain’s Imperial Command was illustrious, varied, and colored throughout by sympathy for fascism. He joined Milner as an undersecretary at the War Cabinet, where he first met both Jabotinsky and Weizmann. When Milner became Secretary of State for the Colonies in 1919, Amery was posted as his Under-Secretary. In 1922, he joined the Privy Council and was appointed First Lord of the Admiralty. He became Colonial Secretary in 1924, and in 1925, he was concurrently given the post of Dominions Secretary which put him in charge of the Palestine Mandate, a post he held until 1929.

During the 1930s, as a member of the board of various British and German metal companies, he often travelled to Germany and monitored its rearmament. As Quigley reports, the policy of the Milner group was to re-arm Germany to go east to destroy Russia. Statements to that effect are included in Amery’s diaries.

In August 1935, more than a year after Hitler’s Night of the Long Knives (his purge of the Nazi party), and only two months after the signing of the British-German naval agreement that allowed Germany to rebuild its Navy, Amery met with Hitler. Amery gave Hitler his advice on how to strengthen the German economy. Amery’s diary entry dated Aug. 13, 1935 reads as follows:

“At 10.45 the big open car, familiar to cinema visitors, arrived and K., myself and Dr. Schmidt, another expert from von Ribbentrop’s office, . . . drove through Berchtesgaden up the winding road to Obersalzberg. . . . We were welcomed by a burly brown shirt ADC, like a jollier Göring, and then taken on to a veranda where Hitler met us and took us in to a room opening out on to it. He didn’t waste much time on compliments but got on to high politics at once. What I was chiefly interested



"Signor Moslini's Language Class": David Low's cartoon from *The Evening Standard*, June 29, 1934, mocks the enthusiasm of the British elites for a Fascist Empire. At the podium is Sir Oswald Mosley.

in was his outlook on the European problem generally. On this he talked what seemed to me vigorous commonsense. . . .

"We talked—though it was about ten to one—for over an hour and a half. I did not find the hypnotic charm I had heard of, and no attempt to exercise it, but liked his directness and eagerness to let his hearer know all his mind. *Intellectually he has a grip on economic essentials and on many political ones, too, even if it is crude at times and coloured by deep personal prejudice. . . .* His immediate surroundings, like K. regard him as a universal genius as well as a national saviour. *It will be interesting to see how he shapes in the next 20 years, if he lasts, and there is no particular reason why he shouldn't.* He over works and under-sleeps, but as he leads an extraordinarily ascetic life he may stand more of that than most. *We got on well together I think, owing to the fundamental similarity of many of our ideas.* But I admit we didn't discuss some controversial subjects like Austria, constitutional liberty, Jews, or colonies. *I did, however, expound to him my view that Germany should enter into preferential schemes with Holland and Belgium in regard to their colonies*" (emphasis added).

Amery was also an intimate of Reichsbank presi-

dent and later Hitler's Economics Minister Hjalmar Schacht, whom he met numbers of times. It was Schacht who told Lord Lothian that Amery said the British were not interested in allowing Germany to have her colonies back, but there was no reason Germany couldn't go east to build up her economy.

Amery's friend and collaborator, **Lord Lothian**, a member of the pro-Hitler Cliveden set, naturally also admired Hitler. As late as May 1937, he met with Hitler. Amery's diary reported: "...RIIA Garden Party in St. James Square. . . . Lothian told me all about recent interviews with Hitler and Göring, describing the former as essentially a prophet and the latter as a genial buccaneer of the F.E. type. He says the Germans are very anxious to be friends with us if they can but that if we allow things to drift, . . . they will solve it by force, in which case we are likely to climb down ignominiously."

A proponent of corporatist fascism, Amery admired and advised Benito Mussolini, with whom he was in frequent communication. David Low, the cartoonist famous for his Colonel Blimp character, which made fun of the hypocrisy of the British aristocracy, published a cartoon in the *Evening Standard* of June 29, 1934, entitled "Signor Moslini's language class." It shows a bust of Mussolini as Giovanni Bull, towering

over a group of Englishmen in brown shirts. Amery is at the center of the group. British Fascist Sir Oswald Mosley is standing before the group at a lectern, leading them in a rendition of “Rule Britannia,” sung in Italian. On the wall is a map of the Fascist Empire (British Section), with the countries of the British Empire highlighted.

Amery became Secretary of State for India and Burma in the closing phase of his career. According to his son Julian, “India was an empire of its own closely connected with the Middle Eastern and later with the far eastern theatres of war. Amery’s main task, working with two great Viceroy, Linlithgow and Wavell, was to mobilise the human and material resources of the sub-continent in support of the war. No less important, with the Japanese enemy at the gate, was the need to contain the efforts of Gandhi and the Congress Party to overthrow the Raj.

“India . . . absorbed Amery’s main energies throughout the war but as a member of the Cabinet he was naturally involved in other spheres as well. He fought a long battle . . . over post-war economic policies where he feared that American economic imperialism and ‘anti-Colonialism’ would threaten the very existence of the Commonwealth and Empire.”

Amery had a visceral hatred of President Franklin Roosevelt and his closest advisors. According to Amery’s biographer William Roger Louis, who had access to his private papers, Amery reserved special venom for Sumner Welles, President Roosevelt’s Under-Secretary of State who, Amery correctly believed, wished to break up the British Empire. He warned Lord Linlithgow in a private letter of Jan. 25, 1941 about Roosevelt’s Secretary of State: “Cordell Hull really represents mid-nineteenth-century vision on economics, coupled no doubt with the desire to create an American export hegemony in the world.” Amery described Hull’s philosophy as dating back “to somewhere around 1860,” which implies the economic philosophy and foreign policy of Abraham Lincoln’s collaborator, American System economist Henry Carey. According to Louis, Hull accurately identified Amery, Viceroy Linlithgow, and Sir Winston Churchill as the “arch-opponents” of any attempt to break up the empire.

Roosevelt did intend to dismantle the British Empire at the end of the war, and Amery’s response is revealed in a letter dated Aug. 26, 1942 to Robert Arthur James Gascoyne-Cecil, Fifth Marquess of Salisbury, Viscount

Cranborne, Secretary of State for the British Colonies: “After all, smashing Hitler is only a means to the essential end of preserving the British Empire and all it stands for in the World. . . . It will be no consolation to suggest that Hitler should be replaced by Stalin, Chiang Kai-Shek or even an American President if we cease to exercise our power and influence in the world. What I think is needed to-day more than anything else is a vigorous reaffirmation of our faith in our destiny as an Empire . . . , regarding the war merely as a step in that process.”

Amery had a formidable will as the philosopher and spokesman of the Imperial movement. He was a prolific writer, rallying the public behind the empire. At the close of World War II, he wrote *The Washington Loan Agreements, A Critical Study of American Economic Foreign Policy*, where he warned that Roosevelt’s New Dealers could use the Bretton Woods agreements and the terms of the British war debt to the United States to dismantle the British Empire. Again he railed: “The object of American policy is perfectly simple. It is to clamp upon the world, and in particular upon the British Empire, the obsolete economic system of the last century.”

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### 3. Israel on the Plains of Armageddon

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Both Weizmann and Jabotinsky were steered by British intelligence operatives, who were Christian Zionists. Weizmann’s confidante, and the only non-Jewish member of the Palestine Executive, was **Blanche “Baffy” Dugdale**. Dugdale was the go-between for Weizmann and the British royal family and Anglo-Dutch elites.

Trained as a naval intelligence expert during World War I, she founded the League of Nations Union after the war, with her cousin, Lord Robert Cecil, and headed its intelligence unit until 1928. According to her diaries, she befriended Weizmann by no later than 1923, and she and Amery, identified in her diaries as her “invaluable friend,” were to closely collaborate on their Zionist project for the next several decades.

Amery’s relationship to Weizmann dates back to the Balfour Declaration of 1918, at least. But what probably cemented their relationship was the threat that the United States might get the mandate for Palestine at the close of the World War I.

Weizmann was made chairman of the British-run Zionist Commission after the Balfour Declaration, and in 1918, it made its first official tour of Palestine. On the day of departure, Mark Sykes (of Sykes-Picot) arranged for Weizmann to be received by the King at Buckingham Palace. The reception made Weizmann the most heralded man in Zionism: It was a knighting of sorts. Weizmann was accompanied on the trip by **Maj. William Ormsby-Gore (Lord Harlech)**, the political liaison officer of the Zionist Commission. Ormsby-Gore had been Milner's private secretary and was an old hand at the Arab Bureau.

Upon his return in October 1918, Weizmann was summoned to see Amery. According to Weizmann's biographer Barnet Litvinoff: "An authoritative Jewish voice was more necessary than ever now to a government facing the new situation of an America demanding its say in world affairs. Shortly after his return to England Weizmann was advised by Leopold Amery of the Cabinet Secretariat, of renewed moves to bring Palestine into the trusteeship of the United States.... Amery looked to Weizmann for help in locking Palestine into the Empire, for the sake of territorial contiguity between Egypt and India. Weizmann required no persuasion on this score."

Their relationship lasted decades, and there are numerous entries in Amery's diaries of meetings and dinners with Weizmann and Dugdale. In 1945, the English Zionist community honored Weizmann on his 70th birthday with a *Festschrift*; both Amery and Dugdale were asked to write for it.

Amery avowed that his support for Weizmann and Zionism was geopolitical from its inception: "My own acquaintance with Dr. Weizmann and with the cause with which his name will always be identified goes back to the beginning of 1917, when, together with the late Sir Mark Sykes [of Sykes-Picot], I was appointed

one of the political assistant-secretaries to Mr. Lloyd George's newly formed War Cabinet. Sykes was an enthusiastic advocate of the establishment of the Jewish national home in Palestine. I myself had not previously thought of Zionism as much more than a sentimental fantasy. But Sykes soon persuaded me that, from the purely British point of view, a prosperous Jewish population in Palestine, owning its inception and its opportunity of development to British policy, might be an invaluable asset as a defence of the Suez Canal against attack from the north and as a station on the future air routes to the east...."

Amery had entered a similar thought into his diary on July 26, 1928: "Our ultimate end is clearly to make Palestine the centre of a western influence, using the Jews as we have used the Scots, to carry the English ideal through the Middle East and not merely to make an artificial oriental Hebrew enclave in an oriental country."

Dugdale's maternal grandfather was George Campbell, the Eighth Duke of Argyll, who was the Secretary of State for India and Lord Privy Seal under Gladstone. Her maternal grandmother was the sister of Robert Cecil, third Marquis of Salisbury, leader of the Conservative Party and prime minister of three administrations. Her mother, Lady Frances Campbell, who most influenced her life, was a suffragette activist, and Dugdale would throw herself into support for Zionism as her mother had for the right for women to vote. Her father was Eustace Balfour, the brother of Arthur James Balfour, of whom Dugdale was the official biographer. As a young woman, Dugdale had an official "coming out ceremony" and met Queen Victoria on at least three occasions in this period; the Queen's daughter Princess Louise was married to Dugdale's uncle.

Norman Rose, the editor of *Baffy, The Diaries of Blanche Dugdale 1936-1947*, describes her as the only



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*Zionist leader Chaim Weizmann, whom the British looked to for help "in locking Palestine into the Empire," as Weizmann's biographer expressed it. Weizmann "required no persuasion on this score."*

non-Jewish supporter who was allowed into “the inner circle of Zionist policy-making bodies.” Her day-to-day work at the Jewish Agency and Zionist Federation headquarters in London consisted mainly of helping to draft policy documents. More than that, she was a member of Weizmann’s entourage and one of his key advisors. Her access to government officials and the elite gave the Zionists a wide range of capabilities and intelligence. According to Rose, “Baffy constituted in fact an essential ingredient in all diplomacy. Well informed, trusted by both sides, she acted as an unofficial channel of communication, freely passing information back and forth. . . .

“Questions of dual loyalty held no fear for her. Upholding the Zionist cause, defending it from attack, rescuing it from defeat was for her a British interest.”

The diaries detail that Dugdale travelled to Geneva, Paris, and Palestine, with or on behalf of Weizmann, in their pursuits, both social and political. Dugdale held sway amongst the Zionist elite beyond Weizmann, as well. Notably, the diaries mention that Israel’s first Prime Minister, David Ben-Gurion, often differed in policy and approach with Dugdale and Weizmann.

The Campbells and Balfours were both members of the Church of Scotland, and according to Rose, Dugdale’s religious upbringing was crucial to her sense of self, plus “it afforded her a profound understanding of the roots of Zionism.”

“Nurtured on the scriptures and fortified by a deeply-felt bond with the Old Testament,” Rose wrote, “it was the prophecies of the Book she knew so well that were being redeemed by the twentieth-century descendants of the Children of Israel.” A glimpse into the religious fervor that motivated her Zionism is afforded by the entry for April 27, 1937: “. . . Frontiers fairly satisfactory to Chaim—all the north—the most important after Emek [the Vale of Esdraelon]. Complete independence. Chaim told him he would go as far as he could—. . . *Great events lie ahead. The Jews in the plains—so it must be before Armageddon*” (emphasis added)).

### **Jabotinsky: Warrior for the Empire**

In 1915, one of the most crucial steps in the buildup of the Jabotinskyites occurred, when **Col. John Henry Patterson** was selected to command Britain’s Zionist Mule Corps. Like Dugdale, he was a rabid Christian Zionist, and he chose Jabotinsky as his military collaborator. For the next 31 years Patterson remained an

ardent supporter of the Jabotinskyites, including the terrorist Irgun, and maintained an intimate relationship with Ben Zion Netanyahu, father of Benjamin Netanyahu.

The Mule Corps was composed of all-Russian Jewish exiles living in Alexandria, Egypt. Organized by Jabotinsky, who did not serve, this military support group saw themselves as having the opportunity to help the British take over Palestine and themselves gain a foothold in establishing a Jewish state. It was Britain’s first hint at using the Jews to secure Palestine as part of the broader Sykes-Picot arrangement.

Patterson wrote of his appointment: “It was certainly curious that the General’s choice should have fallen upon me, for, of course, he knew nothing of my knowledge of Jewish history, or of my sympathy for the Jewish race. When, as a boy I eagerly devoured the records of the glorious deeds of Jewish military captains such as Joshua, Joab, Gideon and Judas Maccabaeus, I little dreamt that one day I, myself, would in a small way, be captain of a host of the Children of Israel.”

Swearing in the roughly 750 Jewish soldiers on March 3, 1915, Patterson said: “Pray with me that I should not only, as Moses, behold Canaan from afar, but be divinely permitted to lead you into the Promised Land.” To their dismay, the Mule Corps was sent to Gallipoli, in what is today Turkey, where it saw action for several months, but was demobilized on Dec. 28, 1915, after the British military failure, never setting foot in Palestine.

On the evening in 1918 that the Balfour Declaration was passed by the British War Cabinet, Patterson was invited to dinner with other luminaries at the home of Weizmann. He and Amery then created the Jewish Legion, for which Jabotinsky was the organizer and spokesman. The Legion, a propaganda effort to support Sykes-Picot, was deployed to Palestine at the end of the war.

After Patterson retired from military duty in 1920, he became a spokesman for Zionism, and helped transform Jabotinsky from a somewhat clandestine intelligence operative jointly run by British intelligence and the Russian Okhrana, into a major political figure. In the second phase of their relationship, Patterson travelled the world over with Jabotinsky.

In 1921, he accompanied Jabotinsky to the 12th World Zionist conference at Carlsbad, Germany, and

later, in the Fall of the same year, he accompanied him on a fundraising trip to the United States.

Patterson maintained his support for Jabotinsky in 1925, when the latter broke from the World Zionist Organization and created Revisionist Zionism, a right-wing movement that supported Hitler and Mussolini. In 1928 and 1929 he accompanied Jabotinsky to Palestine to review Betar training camps. The Betar was a militarist Revisionist youth group, modelled on Mussolini's brownshirts, who were often involved in armed confrontation with the Palestinian Arabs.

In 1929, Jabotinsky was the director of the Judea Insurance Company, thought to be a financial conduit from the United States for clandestine activity. Patterson was the manager of its Cairo branch.

In 1933, when Weizmann's friend and Zionist leader Chaim Arlosoroff was assassinated, Patterson was the conduit of the Revisionist report denying involvement, and accusing the Labor Party of using the incident against them. Arlosoroff had been targeted for assassination by the right wing of the Revisionist movement. He had been corresponding with the American Elwood Meade, the water specialist who had made California's barren land into a blooming garden, and was secretly meeting with leading Arabs with whom he was discussing joint economic development, based upon harnessing the Jordan River. Arlosoroff was a threat to the British, who were the only ones to benefit from the assassination.

In 1936, Jabotinsky joined Patterson on a speaking tour to oppose the 1936-37 Peel Commission (Palestine Royal Commission) report, and to organize for a Jewish Palestine, which would join the British Crown as a Seventh Dominion.

In January 1939, Patterson toured the United States to raise funds for the Irgun. In September of the same year, after Britain announced its entry into the war, he returned with Jabotinsky to the United States, where they attempted to raise a Jewish Army and intelligence unit of half a million Jews. They met with Lord Lothian, then British Ambassador to the United States, who sanctioned their activity, and Patterson and Jabotinsky addressed a mass rally in New York calling for the new Legion.

Patterson was always a conduit for money to the Revisionists. Early in 1940, he embarked upon a fundraising tour of Argentina, Uruguay, Chile, Brazil, and Peru. He was with Jabotinsky on Aug. 3, 1940, reviewing a

Betar youth camp in New York State, when Jabotinsky was struck dead by a heart attack. Patterson never returned to England, but corresponded regularly with Amery up until his death in 1947.

After Jabotinsky's death, Patterson assisted Ben Zion Netanyahu, father of the current Likud leader, who took the reins of leadership of the Revisionist movement. Patterson served as the honorary president of the New Zionist League of America, the Revisionist Zionist organization headed by Netanyahu. He continued to organize for Irgun operations as well. Patterson worked closely with **Peter Bergson**, a collaborator of Netanyahu, whose real name was Hillel Kook. A founder of the terrorist Irgun in Palestine, Bergson changed his name to operate in the United States.

Bergson was the nephew of Abraham Isaac Kook, the first chief rabbi of Palestine under the British Mandate, who supported the activities of Jabotinsky and the right-wing Zionists. Patterson served as the military advisor and honorary chairman of the Committee for a Jewish Army of Stateless and Palestinian Jews, a Revisionist front group and propaganda organization located in New York City and run by Bergson. He was a member and officer of various other Revisionist and Irgun front groups run by Netanyahu and Bergson, and often spoke at their rallies and meetings.

In 1946, a year before his death, Patterson was honored by the Netanyahu family for his services to Jabotinsky and Revisionist Zionism. When Benjamin "Bibi" Netanyahu's younger brother was born, Patterson was anointed his godfather, and the son was given the name Jonathan, to honor both Patterson and Bibi's grandfather Nathan.

## **Amery and Jabotinsky**

While Patterson's Zionist Mule Corps was deployed to Gallipoli, Jabotinsky continued his organizing efforts to get a full Jewish Legion established and trained that would deploy to Palestine. Although he travelled through Britain and the European continent, there was little support within the Zionist community. In the Summer of 1915, the Zionist Actions Committee, which was composed of delegates from Russia to England, passed a resolution that Zionists everywhere should oppose the formation of such a group. Jabotinsky returned home to London by mid-August, where he found no support. The wartime policy of Field Marshall Horatio Herbert, Lord Kitchener, was to direct all efforts to

the Western Front. There was no discussion of an offensive in Palestine. He drew support only from Weizmann. The two became close, and Jabotinsky moved into Weizmann's apartment for several months.

Through the first half of 1916, the Jewish Legion project was dead in the water. Then Patterson asked Jabotinsky to meet with him in London. The two went immediately to Amery, who had already spoken with Patterson about the project. Amery was then Secretary to Lord Derby at the War Office. Jabotinsky was well aware of the importance of the liaison. He described Amery as "one of the most important members of Lloyd George's famous secretariat (known as the 'kindergarten' to the elder political generation, who deplored the youthfulness of the members of this omnipotent group)." As Joseph Schechtman states in his official biography of Jabotinsky, Amery became Jabotinsky's most energetic and devoted advisor and contact man in government circles. Details of their first meeting are scant, but the timing coincides with the signing of the Sykes-Picot agreements in May.

Jabotinsky then set out to gather thousands of signatures on a petition with the intent to present them to the British government, but he secured a mere 300. At public recruiting meetings, the Jewish opposition, both Zionist and anti-Zionist Jews, were able to overwhelm Jabotinsky, calling him and his associates provocateurs, militarists, and murderers, and pelting them with rotten potatoes.

Patterson and Amery kept the project alive nonetheless. By the end of 1916, Amery managed to move 124 former Zionist Mule Corps volunteers to London from Alexandria, Egypt, into a separate company of the 20th Battalion, which met with Jabotinsky. Amery wrote to Jabotinsky on Jan. 22, 1917: "Since I saw you I have had an opportunity of speaking to people in the War Office, who have promised to look into the whole question again." The next day, Jabotinsky sought Amery's counsel. The latter directed him to write a detailed proposal that he would review and edit, and move it along



*The emblem of the terrorist Irgun shows the land it wanted for a Jewish state, which corresponds precisely to the British Mandate of Palestine.*

to the War Cabinet and Prime Minister.

"You might recapitulate that you originally opened negotiations with the War Office and Foreign Office armed with credentials from the Russian authorities, who were favorable to your enterprise; and that you understood at the time that the Foreign Office was not unsympathetic to the idea in view of the political effect in America, but that you also understood that the War Office did not at that time consider the matter of sufficient importance to warrant the raising of a special Corps for service in Egypt and Palestine...; then you ought also briefly to mention that, without official encouragement, you undertook a purely personal campaign of meetings in East London, which in

the absence of any canvassing or official support did not attract more than a very limited number. What I mean is that you ought to briefly put the Prime Minister in possession of the main facts as to your previous efforts to form a special Jewish Corps in this country."

A few days later, Amery received the final text signed by Jabotinsky and his fellow organizer Joseph Trumpeldor, and committed himself to handing it over personally to Prime Minister Lloyd George. Amery kept in constant contact with Jabotinsky over the next weeks and kept the project moving. On April 13, Amery was able to give Jabotinsky some good news: "Your affair is really making progress at last. . . . Anyhow, you can be sure that I have done my best to help the thing forward and will continue to do so."

By the end of April, the War Cabinet approved the proposal, and Secretary for War Lord Derby met with Jabotinsky to discuss the details. Amery set a slew of meetings for Jabotinsky with other key individuals, including **Gen. Jan Smuts**, the South African Prime Minister, who was attending War Cabinet meetings.

Jabotinsky praised Smuts in his diaries as "a deeply cultured man, educated at the Universities of Holland, Heidelberg and Cambridge, and a fine thinker and writer. He was a Zionist of the caliber of Balfour or Robert Cecil. . . ."

On Aug 23, 1917 the creation of the Jewish Regi-

ment was officially announced in the *London Gazette*. Patterson was assigned to recruit and train the soldiers. There was still opposition from the highest levels of the British aristocracy, and Amery and Weizmann went straight to Lord Milner, who extracted a compromise from the aristocracy.

But the East End of London, which was the Jewish enclave, was largely opposed, even after the Legion was endorsed officially by the government. On Aug. 17, the *Jewish Chronicle* reported: "As to the proposed formation of a Jewish regiment, it can be said frankly that the mass of Jews will not hear of it. Organized Jewish labor is opposed to it as violently as the Zionists.... They regard it as a deep grievance that one or two individuals have influenced the authorities in that direction.... What is most galling to the Jewish public opinion is the arbitrary manner in which the scheme has been foisted on them."

Socialists and Zionists were most outspoken in their hostility. At a conference of Jewish trade unions, it was unanimously resolved that a Jewish Regiment was undesirable. Several Zionist societies passed resolutions disapproving of a Jewish Regiment, contending that if they had to fight, they would do so "as Englishmen or Russians, but not as Jews."

But the creation of the Jewish Legion for deployment to Palestine during World War I was sealed by Amery and Milner, who would write the final drafts of the Balfour declaration just two weeks later. This was Sykes-Picot: Palestine was to come under a British Mandate, and, as Amery said, the Milner group was using the Jews as its proxy.

The Legion was ultimately sent to Palestine near the end of that campaign, under Gen. Edmund Allenby's command; it saw limited combat. At the close of the war, Jabotinsky was officially demobilized as an officer in the British Army and protested to the Foreign Office and Colonial Office, hoping to maintain a defense force in Palestine for the new Jewish home. Amery, now posted to the Colonial Office, replied on Oct. 16, 1919: "I was very sorry indeed to hear from you that the military authorities in Palestine demobilized you in so summary and ungracious a fashion. I don't suppose that anything could be done now to remobilize you.... I think the least the War Office could do would be to show their recognition in some way or other of your services in the creation of the Jewish units and have written to urge this upon them...."

At Amery's urging, the War Office bestowed the

Medal of the Most Distinguished Order of the British Empire (MBE) upon Jabotinsky. The order was created by King George V, in 1915, for those who had served the empire during the war. Its motto is "For God and the Empire." Jabotinsky was not of the mind to accept. However, Amery sent Patterson to Palestine with a letter, dated Feb. 17, 1920, which urged him to accept the decoration, because it was "officially recommended by the War Office and approved of by His Majesty the King." Jabotinsky then accepted the award.

The letter continued: "I know, in your keenness for the cause, you will be concentrating all your efforts in the future." What Amery and Milner had done was to place a trained military contingent of Zionists, under the leadership of fascist Ze'ev Jabotinsky, on Palestinian soil, where none had existed before; then Amery signalled his post-war support for Jabotinsky's activities on the ground in Palestine.

Less than six months later, on April 4, 1920, the Nebi Musa riots occurred in Jerusalem. British intelligence officer **Richard Meinertzhagen**, who was on the scene, wrote a secret report detailing how the British military had encouraged and facilitated the Arabs in rioting against the Jews. Meinertzhagen alleged that **Col. Bertie Harry Waters-Taylor**, General Allenby's chief of staff, had secretly given Haj Amin al-Husseini instructions to run the riots so as to show the world the Arabs would not stand for Jewish rule in Palestine. An arrest warrant was issued for al-Husseini, who fled into exile. He was subsequently made the Grand Mufti of Jerusalem by the British, and became a collaborator of Hitler.

Numbers of former Jewish Legion members were arrested. Some had been found with illegal weapons, and others had taken part in a shootout. A cache of weapons and ammunition was found in Jabotinsky's apartment. Nineteen men were imprisoned, but not Jabotinsky, since he was not at the apartment at the time the weapons were seized. According to Israeli historian Tom Segev, author of *One Palestine*, Jabotinsky was indignant that he had not been arrested, so he went to the Kishla Prison at the Jaffa Gate in Jerusalem with his attorney, Mordechai Eliash, demanding to be arrested! At the beginning of the riots, Jabotinsky had willfully offered and handed over his illegal pistol to British Military Governor Storrs (one of Jabotinsky's supporters). The British authorities ultimately arrested him for that.

The events showed Jabotinsky to be a protected

asset of the highest of authorities. Military Governor Brig. Gen. Ronald Storrs went to the jail to make sure that Jabotinsky was properly treated. He led Jabotinsky to a more comfortable cell, and ordered that a bed with a mattress and wash basin be provided. Jabotinsky was brought food from the adjacent Amdursky Hotel and was served wine with his meals!

He was then made into a *cause célèbre* by his protectors. Tried along with the others, he was convicted of possession of an illegal firearm and sentenced to 15 years in prison, the equivalent of the sentence handed out to Arab rioters who were convicted of raping Jewish women.

Both his trial and sentence created an uproar. The Milnerites and their British Israelite collaborators went into motion to protest the sentence and create a firestorm behind Jabotinsky. The Prime Minister's private secretary, Philip Kerr, protested at the San Remo Conference. In the House of Commons, Robert Cecil and a host of others who had been Jabotinsky's supporters filed parliamentary questions.

The same British newspapers that had promoted Jabotinsky in creating the Jewish Legion came to his defense. The entire London press, as well as provincial papers, prominently and sympathetically featured a report by the Jewish Correspondence Bureau, released by Reuters Agency, in which it was stressed that "Jabotinsky is to the Jews what Garibaldi was to the Italians."

On July 8, 1920, civil rule in Palestine was transferred by the military to Herbert Samuel, the new High Commissioner. One of his first acts was to provide amnesty to all those imprisoned for the Jerusalem riots, both Arab and Jew. Upon his release, Jabotinsky travelled back to Jerusalem, where he was received by his supporters, headed by Rabbi Kook. According to Jabotinsky biographer Joseph Schechtman, "He was returning to liberty as a universally recognized and acclaimed national hero: his popularity was at its peak."



*The Jewish Legion in Jerusalem after the British takeover of the city in December 1917. The Legion's creation was a British project, opposed by most Jews. After the war, it became a deadly weapon used for confrontation with the Arabs of Palestine.*

### 'Service to the Empire'

Jabotinsky's Revisionist cadre and the militant Betar groups were at the center of riots and armed confrontations with Palestinians over decades. They were openly pro-fascist during the latter part of the 1920s and early 1930s, as were Amery and Lord Lothian, promoting corporatist economic schemes for Palestine, and praising Hitler and Mussolini. Jabotinsky established a naval military school under the official auspices of the Fascist Italian government, to train Revisionist cadre.

Amery and other members of Milner's Kindergarten continued their promotion of Jabotinsky through this entire period, until his death in New York in 1940, when he was meeting and corresponding with Lord Lothian, then British Ambassador to the U.S.A., who officially supported his activities. And Jabotinsky was loyal to these British controllers. A survey is useful.

In April 1928, Jabotinsky spent ten days in London, having been invited by Amery, who was then Secretary of State for the Colonies. A dinner was held for him at the House of Commons, which was arranged by **Col. Josiah Wedgewood**, a long-time supporter. Wedgewood was in the process of completing a book entitled *The Seventh Dominion*, which called for Palestine to officially become the Seventh Dominion of the British Crown, replacing the temporary British Mandate. Jabotinsky was recruited to the idea, and in a confidential letter to Wedgewood, he noted that the book was "more than brilliant and clever—it is a service to both causes,

the British and the Zionists . . . [and] had we today even a 99 per cent majority in Palestine, I, the extremist, would still fight every idea of independence and would insist on keeping within the British Empire” (emphasis added). He told Wedgewood squarely that he “should not be averse to submitting it to the Revisionist League for acceptance.” Wedgewood concurred.

Jabotinsky presented the Seventh Dominion concept at the Third Revisionist World Conference in Vienna in December 1928, and the conference resolved that there was “no contradiction” between the idea of a Jewish Palestine and an eventual Dominion status within a British Commonwealth of Nations; further, that every Revisionist was free individually to join the Palestine Dominion League, which was headed by Wedgewood. In May 1929, when a Seventh Dominion League was constituted in Jerusalem, Jabotinsky accepted its chairmanship.

**Abba Achimeir**, the mentor of Benjamin Netanyahu, was the leader of the extremist wing of Revisionist Zionism. An avowed fascist, he was an early supporter of Hitler and Mussolini, and authored a column on fascism which appeared regularly in *Dor Hayoam*, a major Revisionist newspaper in Palestine. Achimeir wrote of the British: “In every East-West conflict, we will always be on the side of the West, for the West has represented a more superior culture than the East over the last thousand years, after the destruction of the Baghdad Caliphate by the Mongols . . . and we today are the most prominent and loyal bearers of the culture . . . *our interest lies in expanding the British Empire even further than intended by the British themselves*” (emphasis added).

Jabotinsky openly voiced his deep respect for and kinship with the British Empire, and it cohered with his early writings on race superiority. In a speech in Warsaw, Poland on Dec. 28, 1931, he stated: “England is no longer inspired by her old lust for building and leading. And what we ask of the English is, indeed, this lust and resolution, the capacity for more courageous, more creative action. . . . England is becoming continental! Not long ago the prestige of the English ruler of the ‘colored’ colonies stood very high. Hindus, Arabs, Malays were conscious of his superiority and obeyed, not unprotestingly, yet completely. The whole scheme of training of the future rulers was built on the principle, ‘carry yourself so that the inferior will feel your unobtainable superiority in every motion.’ But a decline of imperialist instinct is felt in Englishmen. . . . This less-

ening of the taste for imperialist scope is revealed in various ways—in the indifference with which the emancipation of Egypt was received, in the lack of concern at the prospect of the loss of India and Ireland. This does not mean that all is lost. In five or ten years all this may change. England may still reeducate her proconsuls. The imperial appetite may flame up anew, because this is a very powerful and gifted people” (emphasis added).

In the ensuing years, as official British support for Zionism wavered, Jabotinsky’s allegiance to his British controllers did not diminish, although his criticism of actions of the British government increased. Speaking at the Sixth Revisionist World Conference in Cracow in January 1935, he said: “British statesmen, and perhaps some of our own hot-heads too, should get one thing absolutely clear. We are mercilessly critical with regard to the Mandatory’s present policy in Palestine, and we demand a switch to a better policy, more appropriate to the interests of Zionism. But since it is to England that we put such demands, it means that we want her to stay on in Palestine, and to go on ruling Palestine. For you cannot say to a person, ‘go away—and help me into the saddle.’ If you want England to help you into the saddle, you don’t want England to go away; on the contrary, the implication is that you believe she can be persuaded to help you. What is more: *Israel is no beggar asking for services that she does not intend to repay. Since you demand a historical service from England, you imply that, if that service is rendered, Jewish Palestine will be ready to repay it, loyally and durably, by service to the Empire. . . .*” (emphasis added).

Jabotinsky testified before the Peel Commission in the House of Lords, on July 11, 1937, and three days later, he was feted at the Hotel Commodore in a celebration of the 20th anniversary of the creation of the Jewish Legion. The event was organized by Amery. Among the other sponsors were **Field Marshal Sir Philip Chestwood**, Colonel Patterson, and Colonel Wedgewood. Although the celebration was boycotted by the World Zionist Organization, intelligence operative Baffy Dugdale sat at the main table. Over 200 persons came and heard speeches from Amery, Wedgewood, Chestwood, and Patterson honoring Jabotinsky, who spoke last. Jabotinsky drew his speech to a close by rising and proclaiming the final toast of the evening: “I believe in Freedom and the ultimate triumph of freedom. I believe in England, and the brotherhood between England and Israel.”

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## Parvus, Jabotinsky, and London's Young Turks

*Excerpted from "Cheney Revives Parvus 'Permanent War' Madness," EIR, Sept. 23, 2005.*

British agent Vladimir Jabotinsky's career would cross that of another of the most important operatives of the Bolshevik revolutionary epoch, Alexander Israel Helphand (a.k.a. "Parvus"). Both Jabotinsky and Parvus edited publications of the British/Venetian-spawned Young Turk movement, which helped instigate London's Balkan Wars and the overthrow of the Ottoman Empire—without which, the entire Anglo-French Sykes-Picot colonial scheme would not have been possible.

Like Jabotinsky, Parvus (1867-1924) came from an Odessa family steeped in the grain trade. By 1886, Helphand/Parvus had already become involved in the Okhrana-spawned Russian socialist scene, traveling to Switzerland to participate in the Emancipation of Labor group.

Once "Bloody Sunday" unleashed the revolutionary



Alexander Parvus

destabilizations in St. Petersburg, Parvus appeared on the scene, as a leading collaborator of Leon Trotsky and other leaders of the Petersburg Soviet. Parvus and Trotsky bought a liberal newspaper, *Russkaya Gazeta*, to rival the Bolshevik publication. It soon had a circulation of 500,000. Parvus and Trotsky turned the newspaper into a radical provocateur organ, much to the delight of the Okhrana, which would soon launch a police crackdown on the entire social democracy.

When the entire leadership of the Petersburg Soviet—including Trotsky—was rounded up and jailed in December 1905, Parvus escaped the police clutches, and next turned up, via Germany, in Constantinople, as a "journalist" covering the Young Turk rebellion against the Ottomans, a crucial prelude to the British-manipulated second Balkan War. It would be at this moment that Parvus's ties to the leading European "Venetian Party" factions—especially to British intelligence—would be publicly shown.

### The Young Turks

In 1908, the Committee for Union and Progress, otherwise known as the Young Turks, carried out a military coup, overthrowing the Sultan and seizing power over the Ottoman Empire. Launching ethnic cleansing campaigns against all non-Turkic peoples, including Armenians, Greeks, and Bulgarians, the Young Turk regime played a pivotal role in provoking the 1912-13 Balkan Wars, through its brutality towards the minorities. By their own accounts, the Young Turks based their revolution on a version of Pan-Turkism that had been devised by an advisor to

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the Sultan in the 1860s who was, in fact, an agent of Britain's Lord Palmerston. The Young Turks also preached a rabid anti-Russian ideology, which was inspired by Wilfred Blunt, a top British Intelligence official, whose own ideas about playing an "Islamic card" to destroy Russia predated those of Britain's Bernard Lewis by a full century.

The actual founder of the Young Turk movement was an Italian Freemason and grain trader named Emmanuel Carasso. Jewish by birth, Carasso had been a leading member of the Italian Masonic lodge in Salonika, called the Macedonia Risorta Lodge. Virtually all of the members of the Young Turk leadership were lodge members. The forerunner of the Macedonia Risorta Lodge was founded by a follower of another Palmerston agent and revolutionary provocateur, Giuseppe Mazzini.

Carasso was a leading financier of the entire Young Turk insurrection, and during the Balkan Wars, he was not only the head of Balkan intelligence operations for the Young Turks; he was in charge of all food supplies for the Ottomans during World War I, a lucrative business which he shared with Parvus.

Carasso also financed a number of newspapers and other propaganda outlets for the Young Turks, among them, the newspaper *The Young Turk*, which was edited by none other than Vladimir Jabotinsky. Another of Carasso's "business" associates, Parvus, became economics editor of another Young Turk journal, *The Turkish Homeland*.

The Young Turk operation was headed, from London, by Aubrey Herbert, a grandson of one of

Mazzini's controllers, who himself died while leading revolutionary mobs in Italy in 1848. Aubrey Herbert headed all British Intelligence operations in the Middle East during the period of World War I, and no less a figure than Lawrence of Arabia identified Herbert as the actual head of the Young Turk insurrection.

Emmanuel Carasso's pivotal role in the Young Turk movement and the resulting Balkan Wars of 1912-13, is of significance from one additional standpoint. Carasso was a protégé and business partner of Volpi di Misurata, the leading Venetian banker of the early 20th Century, who not only sponsored the Young Turk insurrection, but also promoted the Black Shirt takeover of Rome and went on to run the Mussolini Fascist regime from his various posts as Minister of Finance (1925-28), member of the Grand Council of Fascism, president of the Fascist Confederation of Industrialists, and, most important, as the chief public representative of a group of aristocrats around Count Piero Foscari, of the ancient Venetian dogal family.

The Venetian banker Volpi was closely allied with City of London financiers throughout. And the Young Turks, once they took power, made no secret of their London ties. In 1909 the Ottoman Navy was put under the command of a British admiral; the British Royal Family's own banker, Ernst Cassel, established and managed the National Bank of Turkey; and British officials advised the Ministry of Finance, the Interior Ministry, and the Ministry of Justice. The Young Turks also denounced and blocked further construction of the Berlin-Baghdad Railroad.

## Failed Bailout Ploy Heading Into Desperate New Phase

by John Hoefle

Jan. 16—The sudden bailout of Bank of America today, and the renewed talk of the need to buy hundreds of billions of dollars of bad assets from the banks, shows that the bailout process is entering a desperate and dangerous new phase. All the official verbiage aside, the bailout shows that not just Bank of America, but the banking system itself, is bankrupt, despite the trillions of dollars our government has thrown down the bailout rathole.

That point is underscored by the sudden emergence, in Washington, in London, and in the corridors of the Organization for Economic Co-operation and Development (OECD), of view that “toxic waste” must be removed from the books of the banks, so that the global economy can begin to return to normal. Once we relieve the banks of all these bad assets, the bailers claim, our system will recover.

The process is akin to the actions of a junkie, who knows in the deep recesses of his mind that he must quit, but hasn't the courage to do so. “One more fix,” he says. “Let me feel better for a while, and then I'll stop.” He never does, until it kills him. We are now at the point where the money junkies are unable to control themselves, and saner minds must intervene. It is time to stop feeding the junkies' habit, and put their system through bankruptcy. Before it kills us, too.

### **Bank(rupt) of America**

Bank of America was one of banking's seeming great success stories, rising from a small bank in Char-

lotte, N.C., to become one of the largest banks in the world. Along the way it gobbled up banks in the South and Texas, changing from North Carolina National Bank to NationsBank, and finally, with the acquisition of San Francisco's Bank of America, NationsBank became Bank of America. In January 2008, it reached an agreement to buy troubled mortgage lender Countrywide Financial for \$4 billion, after having pumped \$2 billion into the bank in August 2007. The Countrywide acquisition was not a business decision in the ordinary sense, but a government-supported merger designed to prevent Countrywide from failing. The hope was that saving Countrywide would contain the damage, but it didn't work. Then, in September 2008, on the weekend that Lehman Brothers failed and AIG collapsed, Bank of America was again called on, this time to rescue Merrill Lynch. Blinded by its own ambition and lack of sense, Bank of America made the deal. It was, as the old saying goes, a bridge too far.

While Countrywide and Merrill Lynch were certainly major contributors to Bank of America's de facto demise, its actions with regard to these institutions were but the latest of the bank's missteps. Having grown like a weed during the boom times, the bank was vastly overextended and ill-prepared for a downturn. The Countrywide and Merrill Lynch deals were as much attempts to save Bank of America as they were to save the banks being bought. All of them were weak, and that weakness has now been revealed. The idea that Merrill

Lynch was to blame for Bank of America's demise is a cover story designed to hide the ugly truth about the U.S. banking system: the fact that both the system itself and the banks in it, are bankrupt. Where Citigroup went in November and Bank of America went today, J.P. Morgan Chase and Wells Fargo are bound to follow.

### **'Bad' Banks**

The attempt to head off this meltdown is behind the talk breaking out around the world. Fed chairman Ben Bernanke, in a speech at the London School of Economics Jan. 13, raised the idea of having Treasury remove troubled assets from the balance sheets of financial institutions, through either direct purchases, asset guarantees, or the creation of "bad banks." Treasury Secretary Henry Paulson has made similar comments.

Bernanke was in London to meet with his central banking counterparts from around the world, and with British Prime Minister Gordon Brown. Britain, which has already injected hundreds of billions of dollars into its banking system, is now planning on setting up a "toxic bank" of its own, to buy, initially, tens of billions of dollars of bad assets.

This same theme was echoed by the OECD, which issued a report on Jan. 12 citing the need to remove toxic waste from the banks, so that a recovery could occur. The Paris-based OECD has 30 members, including most of the nations of Europe, plus the United States, Canada, and Australia.

The OECD is correct that the toxic waste must be removed, but the real question is the manner in which that is done. Here, the choices essentially boil down to two: 1) have the governments buy that waste, and the game continues; or 2) put the system through bankruptcy and write off the bookkeeping valuations of that waste in an orderly way. The first approach is folly, and it will never work anyway, because having the governments buy the paper merely moves the unpayable claims from the books of the banks to the books of the governments, bankrupting the nations. The second approach, the bankruptcy reorganization advocated by Lyndon LaRouche, begins with the understanding that most of this paper is worthless and must be written off, in a manner that protects both the citizens and the essential components of the banking system.

In his London speech, Bernanke seemed quietly hysterical, alternately praising the actions taken so far, while admitting that the situation continues to get worse. He detailed the series of interest rate cuts made

by the Fed, and outlined the still-expanding list of new lending programs the Fed, Treasury, and FDIC have enacted, going so far as to claim that these actions "likely prevented a global financial meltdown in the Fall."

Despite all that success, and the trillions of dollars spent so far, Bernanke admitted that "more capital injections and guarantees may become necessary to ensure stability and the normalization of credit markets." It is in that context that he mentioned the bad banks.

Bernanke's comments were hardly encouraging. Every step he has taken so far has failed to solve the problem, yet he continues to do the same thing over and over, on an ever-increasing scale. For the proclaimed leading expert on the Great Depression, it is hardly an inspiring performance. Still, what more could one expect from a disciple of Milton Friedman? Economics is not exactly a strong point of the vaunted Chicago School.

### **Can't Go Back**

The dead-end nature of the current regime was expressed by the Group of Thirty (G-30), a "wise men"-style body comprised of prominent former central bankers, regulators, and academics. The G-30 just released a study, conducted under the auspices of former Fed chairman Paul Volcker, which laid out a series of regulatory reforms designed to restore some semblance of sanity to the regulatory environment, and to dry up some of the excesses which have characterized the recent period. Some of these recommendations are in the right direction, but the plan as a whole has a serious flaw: it assumes that merely returning to where we were before the bankers went bonkers is both possible and sufficient, whereas it is neither.

The report amounts to re-regulating the barn door after the horse has died. The financial system has already died, and no amount of tweaking the regulations will bring it back. It is no longer possible to merely clean up the mess within the financial system.

What must be done, as LaRouche has repeatedly insisted, is to put the entire global financial system—the Anglo-Dutch Liberal central banking/monetary system—into bankruptcy. The quadrillion-dollar global derivatives market must be shut down, and the remaining hundreds of trillions of dollars of financial claims and assets must be frozen, pending an orderly workout. The existing system cannot be fixed, it must be replaced.

*johnhoeftle@larouche.com*

# Banks and Real Economy in Free Fall: Will Obama Become the New Roosevelt?

by Helga Zepp-LaRouche

When Barack Obama takes his oath of office as the new U.S. President on Jan. 20, we will in any case be in a completely new strategic situation: The nightmare of 12 years of various Bush Administrations, is over. But the speed with which the world economy is disintegrating is so breathtaking, that if a descent into total chaos is to be avoided, the new President will have to waste no time before issuing a clarion call demonstrating his readiness to take the lead in creating a new global financial system.

Very soon, we will see whether Obama has the wherewithal to tread in the footsteps of Roosevelt, who, in 1933, with his New Deal, began to powerfully lead the United States out of the Depression. One opportunity for Obama will be the fact that at least some members of the Group of Thirty—a group of economists and former central bankers who will advise the future President—have realized that all the innovations introduced into the financial markets since Alan Greenspan was installed as Federal Reserve chairman in 1987, are what have led us into the present disaster; and they believe that changes are urgently necessary.

But the job will not get done with small corrective measures, “new rules,” “transparency,” etc. If the new Administration is to seize this opportunity, it must revive the idea, anchored in the U.S. Constitution, that the government is acting with the legal authority to protect the nation and its people against private interests’ improper or criminal encroachments. In this crisis—the greatest crisis in the history of financial markets—the issue isn’t money, but rather whether, with the aid of natural law and the principles of the Peace of Westphalia, the inalienable rights of all citizens can be upheld, as they are guaranteed by the U.S. Declaration of Independence.

This means that the full program which Franklin Roosevelt envisioned with the New Deal and the Bretton Woods system, up to his death, must now be put into

place. The new system must implement Roosevelt’s intention of conquering colonialism and abolishing it from the planet forever—an intention which was annulled by his Anglophile successor Truman.

This, in turn, means that not only must the U.S. banking system be put through a full bankruptcy reorganization, but that the present monetary system must be replaced with a credit system, as it is defined in the U.S. Constitution. And it also means that the new Administration must take the lead in solving the international crisis, and that the new system must bring justice for all the world’s nations.

One positive factor in this situation, is the fact that Lyndon LaRouche’s authority and credibility, and the undeniable correctness of his forecasts of the now-unfolding systemic crisis, have grown enormously—emphatically so in the United States itself. LaRouche’s proposed solutions are therefore now playing an absolutely essential role in the ongoing debate within and around the new Administration. And a very short time will tell whether LaRouche’s proposals will be adopted in practice.

## **Collapse Grips the Real Economy**

On the other hand, the fact that none of the bailout packages, or the various discussions about creating “bad banks,” or every conceivable kind of economic stimulus program, has had any effect whatsoever, was forcefully demonstrated anew by the Berlin government’s release of its second economic program. While Chancellor Angela Merkel and other members of the Grand Coalition government were at the Bundestag debate defending their Eur50 billion program, consisting of a grab-bag of some useful and some less reasonable measures, on that same day the stock value of various banks and firms went into a nosedive. After Deutsche Bank reported a sizeable Eur4.8 billion loss for the Fourth Quarter of 2008, the Postbank’s stock

collapsed by 17% on each of two successive days—an obvious reaction to the news that Deutsche Bank is going to buy Postbank, through its investors—while Commerzbank’s stock lost 10.7%, and Hypo Real Estate 5%.

Figures for the German machine-tool sector in November were also just released. Orders in that month dropped by 30%, and the drop was even greater for textile machines, the construction sector, and for printing presses, which were down 50% and more. U.S. banks also continued their downward spiral: Citicorp reported \$8.29 billion losses for the Fourth Quarter, and the U.S. Treasury declared its readiness to give Bank of America \$138 billion (!) to shore up its bad assets.

A glance at other categories around the globe shows that banks and economies alike are in free fall. California’s Gov. Arnold Schwarzenegger has declared a financial state of emergency, and announced that over 2,000 public construction projects are now suspended. Texas has announced a \$9 billion budget deficit; Massachusetts, Michigan, Nevada, and Maryland are likewise reporting massive deficits; the combined deficit for all U.S. states is at least \$200 billion for this year and next. Figures for retail trade in December dropped into the basement, sales figures for new construction and the corresponding number of construction jobs fell, and there was a massive collapse in commercial real estate. The amount of un-serviceable credit card debt, student loans, and auto loans rose as well.

After the S&P rating agency devalued Greece’s foreign debt, this deeply indebted country encountered problems selling even short-term (i.e., three-month) notes. Rumors are circulating that a good number of countries are now insolvent. The decline in orders for machines in Japan in December, when annualized, was 71%! The Baltic Dry Index, which reflects shipping costs for bulk goods such as iron ore and grain, but also for manufactured goods, collapsed by 96%. Korea’s exports declined by 30% in January, while Taiwan’s and Japan’s exports were down 42% and 27%, respectively. And in a somewhat different but related category: The U.S. Joint Forces Command released a report warning of massive security problems as a result of the rapid and sudden collapse of Pakistan and Mexico.

### **Bailouts and Stimulus Packages Fail**

Ever since August 2007, governments and central banks have been making “bailout packages” available

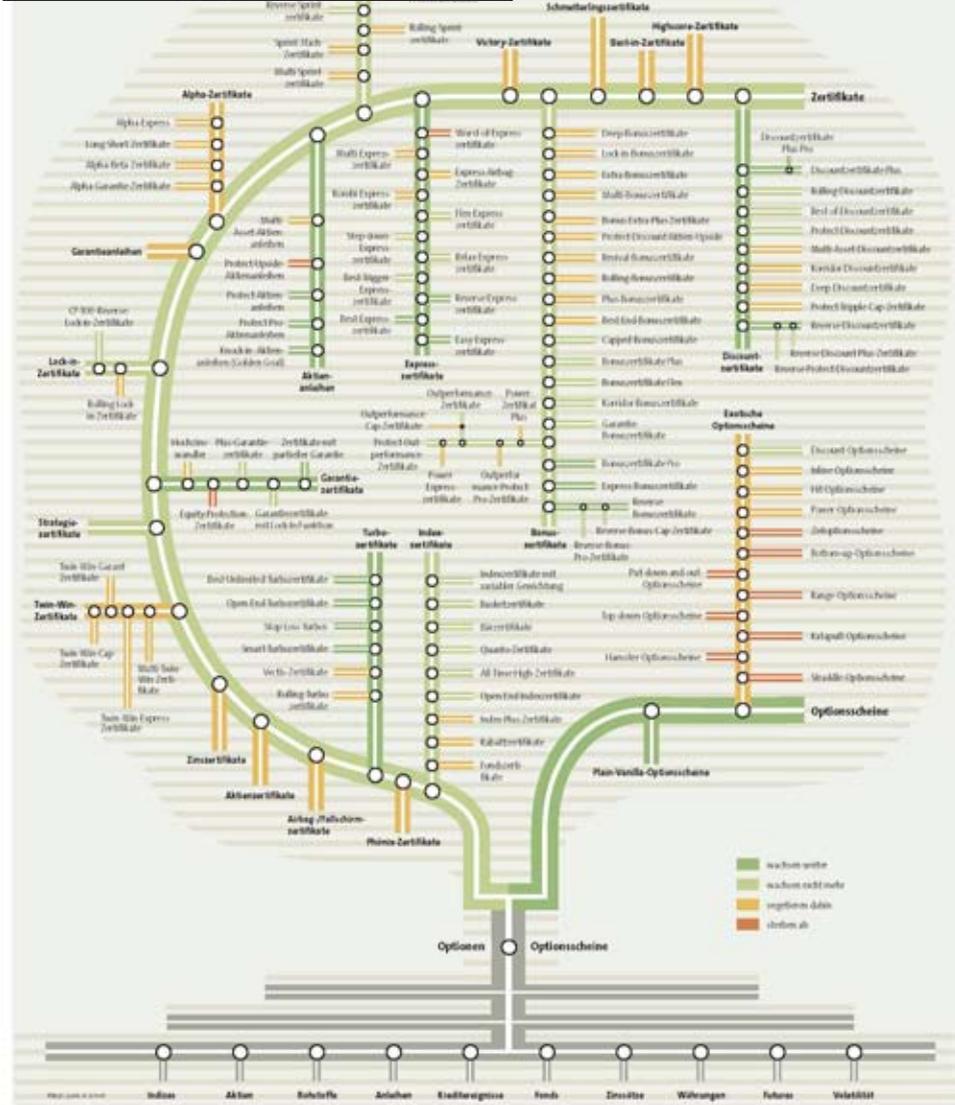
on the order of trillions of euros (!) for banks and economic pump-priming. And what good has it done? Absolutely none: The worldwide collapse has continued unabated. The reason for this is much simpler than the various “experts” and “analysts” would have us believe: As long as the banks’ toxic waste—i.e., their ultimately unsellable derivatives paper—continues to be honored on the banks’ balance sheets, the credit crunch and the crisis of confidence will continue. It makes no difference how many new packages are “bundled and finalized.” The banks know from each other how big this problem is, and therefore they are taking money from the government—that is, from the taxpayers—but they are not passing the money on.

This is why governments everywhere are now working on the idea of using newly created “bad banks” to take over these hundreds of billions in toxic financial wastepaper. From Josef Ackermann of Deutsche Bank, to British Prime Minister Gordon Brown, to the U.S. Treasury Department, people are considering how to relocate these “ticking time-bombs,” so that banks will be able to resume normal activities. The only problem is that this paper is extremely complex and nontransparent, precisely because the derivatives market has long been completely self-contained, such that this paper has been continually rebundled and resold as new packages.

### **Garbage In, Garbage Out**

What price should be put on all this toxic waste? If the price is set too low, the banks may refuse to sell it to the “bad bank,” because then they might have to make unsustainable write-offs; if, on the other hand, the price is set too high, this risks an eruption of public outrage once taxpayers realize how much of their own money they have had to cough up to pay the gambling debts of speculators who may be located in Tokyo, Canberra, or the Cayman Islands.

The chief fallacy of the “bad bank” proposal, is that by these means, the nominal value of this toxic waste can somehow ultimately be maintained, and that after a while, after the economy has recovered, they can be put back on the market. But if the ideology of credit derivatives is allowed to continue, that will never happen anyway; instead, the collapse will plunge the world even deeper into a sea of hyperinflation and bankruptcy, into a new dark age. And under those circumstances, Pakistan and Mexico would not be the only failed states, by a long shot.



*The “Derivatives Family Tree,” in the Financial Times Deutschland, accompanies an article tracing derivatives to Babylonian King Hammurabi, 4,000 years ago. The caption for the illustration is: “Family Tree: Which derivatives will survive the adjustment process.” Colors show which “branches” are dead, which are growing, etc. What to do with all this junk? Just wipe it out!*

But the fact that this toxic waste is merely virtual money, means that it can be easily dealt with virtually: You don’t need a bad bank; all you need to do, is strike it entirely from the balance sheets. The *Financial Times Deutschland* recently printed a useful “derivatives tree” showing the 120 most important kinds of financial paper, ranging from “twin win” certificates, to “open end turbo” certificates, to “double up/sprint protect” certificates, “bottom up options,” and, for those with a sweet tooth, “plain vanilla options,” to name just a few.

As I said, when you set out to solve the greatest crisis in the history of financial markets, the issue is not

money, but rather whether a sufficient number of governments will recall in time their oath of office, and put their sense of duty toward the general welfare above the private interests of speculators who have gambled their money away. And in the event that the new President Obama were to signal that he will pursue policies in the tradition of Roosevelt and the principles of the Peace of Westphalia, then the first order of business for Europe’s governments will be to support him in that. In his Jan. 16 webcast, Lyndon LaRouche laid out all the steps which the new Administration must take in that direction. Let us hope that it will listen to the wise words of LaRouche.

# India Nuclear Program At a Crossroads

by Ramtanu Maitra

Jan. 13—On Dec. 18, Indian media reported an agreement signed by the French industrial giant Areva, for supply of uranium to India. The agreement includes a commitment from Areva to the Indian Department of Atomic Energy to supply 300 tons of uranium to the Nuclear Power Corporation of India (NPCIL) to power its reactors under International Atomic Energy Agency (IAEA) surveillance.

This development may have a deep impact on India's nuclear power program. The three-stage Indian nuclear program, described later in this article, did not have any other options. Since the country has low uranium reserves and is a non-signatory to the nuclear Non-Proliferation Treaty (NPT), India did not have access to nuclear fuel. Now, however, India has options.

These options are: one, to pursue thorium reactor development with added zeal to remove all snags at the earliest point; or two, to ice the thorium reactor “temporarily,” and use the imported uranium to build more current-generation reactors, and, in the process, become vulnerable to foreign suppliers of uranium.

## Soft Heads Opt for Soft Options

The second one is, by far, the softer option, and, considering the kind of soft-headed leadership in New Delhi at this time, or what might be expected in the coming years, there is a genuine threat that the soft option will be pursued, at the expense of quickly developing thorium reactors.

Although Areva is the first outfit to supply uranium to India since the Nuclear Suppliers Group (NSG), the 45-member-nation body that controls supplies and re-transfer of all nuclear-related materials, waived the 34-year-old nuclear ban on India, on Sept. 6, 2008, it is anticipated that a number of other nations are getting ready to sign agreements to supply uranium to India. Kazakstan, Niger, and Australia, among others, are considered likely future suppliers. Signing a deal with Kazakstan is considered close at hand. It is likely to

take place when President Nursultan Nazarbayev visits New Delhi as the chief guest at India's Republic Day celebrations on Jan. 26.

One of the primary reasons that India signed a nuclear agreement with the United States in July 2005, was to get the waiver of the NSG, in order to procure uranium from outside. India's present generation of indigenously developed nuclear reactors, pressurized heavy water reactors (PHWRs), uses natural uranium (U-238, with a smattering of U-235), as fuel. India's total established uranium resources (in the form of uranium oxide or yellow cake), so far, are 94,000 tons. However, the low uranium content in the domestic ores makes mined uranium in India expensive, compared to that in Australia, for example, whose ores contain as much as 15% uranium.

Recent media reports, however, indicate that scientists have found uranium in “exceptionally high concentration” in Ladakh, the icy Himalayan region in the northernmost part of the Indian state of Jammu and Kashmir. Samples of rocks analyzed in a German laboratory have revealed uranium content to be as high as 5.36%, compared to around 0.1% or less, in ores present elsewhere in the country. Officials of the atomic minerals division under the Department of Atomic Energy (DAE) have not issued any official statement about the significance of this new find, or whether the Ladakh uranium could augment India's reserves.

The fact remains that despite its great size, India has small uranium reserves. It has been estimated that these modest reserves will suffice to produce no more than approximately 420 gigawatt-years—i.e., 20,000 MW over 21 years—of electric power, if used in the PHWRs currently operating, or those under construction. Thus, importing uranium is fine—as long as India moves ahead to develop its thorium-based program.

## India's Three-Stage Program

India's nuclear power program began in the 1950s. On May 10, 1954, Prime Minister Jawaharlal Nehru told the Lok Sabha (the lower house of Parliament): “It is perfectly clear that atomic energy can be used for peaceful purposes; . . . it may take some years before it can be used more or less economically. Experts believe that nuclear power, theoretically, offers India the most potent means to achieve long-term energy security. In practical terms, however, nuclear power may lack the logical preconditions, at least for India, to become their major source of independent energy. . . .”



NPCIL

*India's recent agreement with the French firm Areva for supply of uranium is expected to have a significant impact on the country's nuclear power program. Shown: Nuclear Power Corp. of India's Madras plant in Tamil Nadu.*

India's DAE under the direct control of Prime Minister Nehru, and the guidance of India's leading nuclear scientist Dr. Homi Bhabha, formulated a three-stage approach to make nuclear power a major source of India's power requirements. Their three-stage nuclear program called for setting up of natural uranium-fuelled pressurized heavy water reactors in the first stage; fast breeder reactors (FBRs) utilizing a uranium-plutonium fuel cycle in the second stage; and breeder reactors utilizing thorium fuel in the third stage.

In the first stage, natural uranium (U-238) was used in the PHWRs. In the second stage, the plutonium extracted from the used fuel of the PHWRs was scheduled to be used to run FBRs. The plutonium was used in the FBRs, in 70% mixed oxide (MOX) fuel, to breed U-233 in a thorium-232 blanket around the core. In the final stage, power generation will be based on the thorium-uranium-233 cycle. Fissile U-233 is obtained by irradiation of thorium in PHWRs and FBRs.

This three-stage program was designed not only to produce nuclear power, but to move away from uranium dependence, given India's very low reserves. It was also understood, as far back as in 1950s, that India, being a nation with a population comparable only to China's in size, could not base its future generation of

vast amounts of electrical power, perhaps the most important ingredient needed to build and sustain an agro-industrial society, and provide opportunities to the hundreds of millions waiting to be born, on imported uranium, a highly sensitive mineral ore.

### **For Nuclear Power Independence**

The potential for long-term independence in India's nuclear power generation was vested in a fissionable material, not a fissile material, thorium. That is, thorium is not fissile like U-235; thorium-232 (Th-232) absorbs slow neutrons to produce U-233, which is fissile. In other words, Th-232 is fertile like U-238, which absorbs neutrons to produce fissile plutonium (Pu-239).

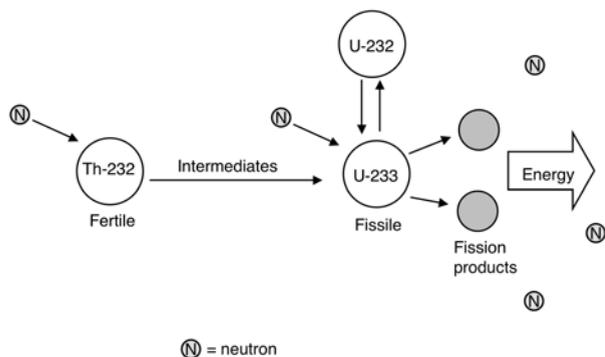
According to an estimate by analysts based in India's premier nuclear research and development facility, the Bhabha Atomic Research Center (BARC), India's thorium reserves can amount to a staggering 358,000 GWe-yr (Gigawatt electrical-year) of energy. In other words, India's thorium reserves could last for as long 1,000 years, at a rate of generation of 358 GW every year, even without using breeder reactors. India's total power-generation capacity at this point in time is close to 146 GW, of which, nuclear power's contribution is a paltry 4.12 GW.

Thorium reserves have been estimated by Indian authorities to be between 360,000 and 518,000 tons. The U.S. estimates the "economically extractable" reserves to be 290,000 tons, among the largest in the world.

Another important aspect of the Nehru/Bhabha-designed three-stage nuclear power program is the requirement of plutonium (Pu-239). In stage one, PHWRs use natural uranium, which contains about 99.3% of fissionable U-238, as the primary fuel. The process produces some Pu-239.

India's second stage of nuclear power generation envisages the use of Pu-239 obtained from the first stage reactor operation, as the fuel core in fast breeder reactors. The main features of India's fast breeder test reactor (FBTR) are: Pu-239 serves as the main fissile

FIGURE 1  
Simplified Diagram of the Thorium Fuel Cycle



The neutron trigger to start the thorium cycle can come from the fissioning of conventional nuclear fuels (uranium or plutonium) or an accelerator. When neutrons hit the fertile thorium-232 it decays to the fissile U-233 plus fission fragments (lighter elements) and more neutrons.

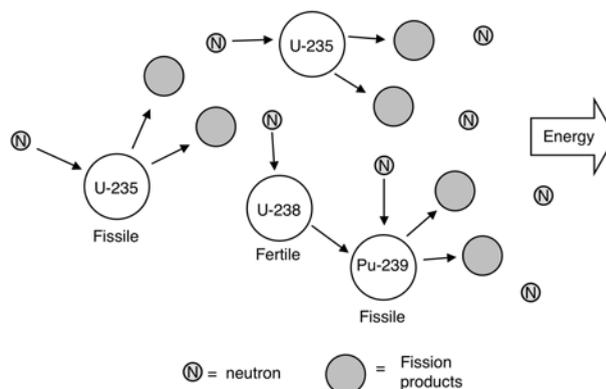
element in the reactor; the blanket of U-238 surrounding the fuel core will undergo nuclear transmutation to produce fresh Pu-239, as more and more Pu-239 is consumed during the operation; in addition, a blanket of Th-232 around the FBTR core undergoes neutron-capture reactions, leading to the formation of U-233. U-233 is the nuclear reactor fuel for the third stage of India's nuclear power program.

Pu-239 then becomes the main fissile element: the fuel core in the FBRs. India's FBTR is in operation in Kalpakkam, and the construction for a 500MWe prototype FBR was initiated recently by Prime Minister Dr. Manmohan Singh. Concurrently, the FBR is designed to use thorium-based fuel, along with a small feed of plutonium-based fuel in advanced heavy water reactors (AHWRs). The AHWRs are expected to shorten the period for reaching the stage of large-scale thorium utilization.

In other words, India's first stage was not only designed to produce a sufficient amount of power, but also P-239, which could then act as the "trigger" in the FBRs that use Th-232 and produce U-233 for power generation in the third-stage reactors, and some Pu-239. A small 40MWe test reactor, the Kamini, at Kalpakkam became critical in September 1996, using U-233 fuel, and has demonstrated some of India's technological successes in developing the thorium reactor.

India began construction of the advanced heavy

FIGURE 2  
Simplified Diagram of the Uranium Fuel Cycle



In the conventional uranium fuel cycle, the fuel mix contains fissionable U-235 and fertile U-238. A few fast neutrons are released into the reactor core (for example, from a beryllium source), and when a neutron hits a U-235 nucleus, it splits apart, producing two fission fragments (lighter elements) and two or three new neutrons. Once the fission process is initiated, it can continue by itself in a chain reaction, as the neutrons from each fissioned uranium nucleus trigger new fissions in nearby nuclei. Some of the U-238, when hit by a neutron, decays to plutonium-239, which is also fissionable.

water reactor last year. The AHWR will use thorium, the "fuel of the future" to generate 300MW of electricity up from its original design output of 235 MW. The reactor, which will use plutonium-based fuel, will have a life of 100 years and may be built on the campus of the Bhabha Atomic Research Centre at Trombay. The AHWR is thus the first element of the third stage.

It is evident that in order to begin the third stage of country's nuclear power program, and to make the country independent of outside pressures on such a vital item as nuclear fuel, India's earlier leaders had focussed on developing thorium reactors. The basic research and development of thorium-based fuel cycles has been conducted in Germany, India, Japan, Russia, the U.K., and the U.S.A. However, other than in India, the subject was studied on a much smaller scale than uranium, or uranium/plutonium cycles.

India is by far the most committed nation as far as the use of thorium fuel is concerned, and no other country has done as much neutron physics work vis-à-vis thorium as Indian nuclear scientists have done. The positive results obtained in the neutron physics work have motivated Indian nuclear engineers with their cur-

rent plans to use thorium-based fuels in more advanced reactors now under construction.

The work done by Indian nuclear scientists to advance the production of thorium reactors, was pointed out in a press conference Oct. 3, 2004, by Dr. Anil Kakodkar, chairman of the AEC, and Secretary of the Department of Atomic Energy, who said, "The AHWR will be one of the first elements in the third stage. Its design is complete. We have prepared the project report. We have completed a peer review by knowledgeable people other than those who designed it. A fairly large amount of R&D work has been completed. There is more R&D work to be done...."

### Plutonium Shortfall

On the other hand, fast-breeder reactors constitute the second stage of India's program. The second stage is the key to ushering in the third stage. But long-term growth of the third stage depends upon the production of Pu-239. Since Pu-239 is a highly fissile material that is used for making nuclear weapons, Pu-239 is not available to India.

The Manmohan Singh government pushed the India-U.S. nuclear deal, not only to get access to nuclear reactors available abroad, but also to get access to uranium fuel. India wanted uranium fuel desperately because of the policy failures in the earlier days.

The real challenge that India's nuclear industry faces is the fuel constraint. If the capacity factor of the indigenous PHWRs was at a high of 90% in 2002-03, it has declined to 65%. This reflects the serious shortage in the supply of natural uranium to fuel the PHWRs, a senior journalist, T.S. Subramanian, wrote in the Indian daily *The Hindu*, last year.

He pointed out that the opening of new uranium mines and mills has lagged behind the demand for the metal. There are uranium mines at Jaduguda, Turamdih, Bhatin, and Narwapahar, all in the state of Jharkhand. A mill is operating at Jaduguda for processing the natural uranium into yellow cake, which is sent to the Nuclear Fuel Complex at Hyderabad to be fabricated into the fuel bundles that power the PHWRs.

What all that meant is that India does not have enough uranium reserves to fuel a large number of PHWRs, which produce Pu-239, besides generating power, and is not in a position to move on to the second stage of the program. According to K. Santhanam, a nuclear scientist who has been associated with India's science, technology, and security for the last 43 years, "without ad-

equate plutonium, India cannot successfully transit to its second stage. And to transit there requires uranium, imported or otherwise."

In addition, some of India's DAE scientists believe that the Indo-U.S. deal would pave the way for India acquiring the plutonium it needs for its long-term energy security based on thorium. They point out that there are at least 3,000 tons of plutonium waiting to be reprocessed from spent fuel discharged globally from uranium-based reactors. For the first time, after 30 years of freeze, the U.S. is reconsidering plutonium use for energy generation and, together with Russia, wants to set up the GNEP (Global Nuclear Energy Partnership) for plutonium recovery. It has invited India to become a partner.

Notwithstanding the genuine shortfall of India's uranium requirements, the key to India's energy independence is its ability to develop indigenous thorium reactors at the earliest possible time. At this stage, when India has only 15 active nuclear reactors producing a meager 4,120 MW of power, the issue of importation of uranium fuel can be ignored. However, over the years, as India pushes forward with its nuclear program, there is a danger that India will be depending on the fuel supply from abroad for as many as 150 reactors, producing 80 MW to 100 GW. This is a dangerous situation for a nation as populous and important as India; such a situation would develop only if the powers-that-be in the coming years, undermine the thorium reactor development for the exigency of generating power from the proven first generation natural uranium-fuelled reactors.

That would not only be a betrayal of Nehru and Bhabha, but also would endanger the nation. On May 8, 2007, the-then Indian President A.P.J. Abdul Kalam, a rocket scientist of international repute, told scientists and academicians at the National Centre for Scientific Research at Demokritos, Athens, that "energy independence is India's first and highest priority." Kalam said that India is determined to achieve energy independence by the year 2030, and for this, "India has to go for nuclear power generation in a big way using thorium-based reactors." He acknowledged that "Energy independence throws very important technological challenges to the entire world."

He added, "India has to go for nuclear power generation in a big way using thorium-based reactors. Thorium, a non-fissile material, is available in abundance in our country."

# Fusion Energy: 'Yes We Can'

by Laurence Hecht

*The author is editor-in-chief of 21st Century Science & Technology magazine.*

Jan. 11—Dr. John Nuckolls, former director of Lawrence Livermore National Laboratory, has proposed a ten-year strategy for achieving laser fusion, which he said could be accomplished with 10% of President-elect Obama's \$150-billion projected energy program. The contents of Dr. Nuckolls' proposal addresses issues of science not well known to today's general public, but which should be better known.

In laser fusion, a tiny target of deuterium, sometimes combined with tritium, is compressed by a shock wave which is produced by focussed laser beams. The shock causes the deuterium, a naturally occurring isotope of hydrogen present in seawater, and tritium to combine, forming a nucleus of helium and a neutron. The mass of the resulting helium nucleus is less than the component nuclei, and the mass difference is released as energy, according to the famous equation  $E=mc^2$ . The energy release per fusion is several times greater than that produced by the fission of a uranium nucleus, which is millions of times greater than the energy released by burning of a molecule of oil or natural gas. The heat of fusion energy can thus drive electrical turbines with far greater efficacy than any known power source, and can also be utilized in a device known as the fusion torch, to break down raw ore, and even garbage, into its constituent elements.

Dr. Nuckolls, who led research on laser fusion at the national laboratory for many years, proposed "four steps to fusion power": 1) build an efficient high-average power laser module, a factory for producing laser targets, and a fusion chamber; 2) build a surged, heat capacity inertial fusion energy system; 3) build a fusion engine; 4) build a fusion power plant.

Fusion energy by laser ignition, known more generally as inertial confinement, has already been repeatedly demonstrated, and was one of the leading paths being pursued when the national fusion energy program was effectively dismantled in the 1980s. Nuckolls was

addressing the means needed to develop a laboratory proof-of-principle demonstration into a commercially workable energy generation project.

Inertial confinement production of fusion energy is related to the means by which a hydrogen bomb is detonated, and thus emerged from the national laboratories as one of the peaceful spin-offs of military research. In one method of laser fusion known as indirect drive, a closed chamber known as a *hohlraum* is used to focus thermal x-rays produced by the laser heating, which in turn can drive the nuclear fusion. Indirect drive *hohlraum* targets are used to simulate thermonuclear weapons tests. A key to the technique involves understanding the singularity which occurs upon formation of a shock wave. Soviet research in the field was stimulated by study of the famous paper by 19th-Century mathematical physicist Bernhard Riemann, which had predicted the appearance of sonic shock waves decades before their experimental verification.

## Non-Laser Fusion

Other methods of inertial confinement fusion do not require lasers. These include the Z-pinch, in which the vaporization of fine wires by an intense electrical current causes a compression of the wire (Z-pinch) that produces x-rays which drive the fusion of the target. In another method, recently proposed by Dr. Friedwardt Winterberg, the high-voltage discharge of an early type accelerator known as a Marx Generator produces a very powerful instantaneous magnetic field pressure which compresses a cone-shaped deuterium-tritium target, using an ingenious geometry.

Dr. Nuckolls made his "Yes we can" proposal at the annual meeting of Fusion Power Associates held in Livermore, Calif. Dec. 3-4, 2008, where he and fellow fusion pioneer Richard F. Post were presented Special Awards for their pioneering contributions to fusion energy development. Dr. Post, now 90 years old, was a leader in developing the other main branch of fusion power research, known as magnetic confinement.

Lyndon LaRouche has been promoting efforts to develop thermonuclear fusion power since the 1970s. His energy policy calls for immediate deployment of nuclear fission power, including a rapid gear-up of the new fourth-generation high-temperature reactors, expanded research and development of thermonuclear fusion energy, and broadened support for investigation into the anomalous nuclear effects implied by the phenomenon of cold fusion.

# *America vs. Britain: Republic vs. Empire*

The departure of George W. Bush from the Presidency of the United States provides an auspicious time for Americans to reacquaint themselves with the fundamental principles of our republic, currently so tainted by eight years of disaster. Whether this lesson can be relearned, rapidly, may well determine the future of the planet.

Working from the mission set forth by the Massachusetts Bay Colony founders, and the link between them and the Founding Father—Benjamin Franklin—John Quincy Adams played the crucial role in defining our nation’s republican character, especially in foreign policy. His concept, based on the principles laid out in the Declaration of Independence, defined our nation’s approach to foreign relations as the search for a “community of principle” among sovereign nation-states, when he served as Secretary of State and President.

Specifically included as foundations for such relations were the anti-colonial principle, and the anti-entanglement principle.

Adams devoted his Fourth of July speech in 1821 to outlining these principles, in the context of the universal significance of the American Revolution itself:

“In a conflict [of] seven years, the history of the war by which you maintained that Declaration, became the history of the civilized world. . . . It was the first solemn declaration by a nation of the only *legitimate* foundation of civil government. It was the cornerstone of a new fabric, destined to cover the surface of the globe. It demolished at a stroke, the lawfulness of all governments founded upon conquest. It swept away all the rubbish of accumulated centuries of servitude. From the day of this Declaration, the people of North America were no longer the fragment of a distant

empire, imploring justice and mercy from an inexorable master in another hemisphere. . . . They were a *nation*, asserting as of right, and maintaining by war, its own existence. A nation was born in a day. . . . It stands, and must for ever stand, alone, a beacon on the summit of the mountain, to which all the inhabitants of the earth may turn their eyes for a genial and saving light . . . a light of salvation and redemption to the oppressed.”

Adams went on to argue that colonial establishments “are incompatible with the essential character of our institutions,” and concluded “that great colonial establishments are engines of wrong, and that in the progress of social improvement it will be the duty of the human family to abolish them, as they are now endeavoring to abolish the slave trade.”

Given these principles, it is no wonder that Adams rejected the proposal of the duplicitous British Prime Minister George Canning for an alliance between the U.S. and Britain on South America, on the basis that “Britain and America . . . would not be bound by a permanent community of principle.” Instead, Adams insisted that the U.S. ally with its southern neighbors on the basis of upholding the republican principle against monarchy, the American System against Europe, and mutually beneficial treaties of commerce and amity.

It was the tradition of John Quincy Adams’ “community of principle” that Abraham Lincoln, Franklin D. Roosevelt, and John F. Kennedy picked up, to the benefit of both the United States, and the planet as a whole. Today, it is of the utmost urgency that American patriots, most especially President Obama, refamiliarize themselves with this noble mission for the United States. It’s time the Empire was destroyed, once and for all.

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- COLD SPRING US Ch. 10: Wed 6 pm
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- ST. CLOUD CH Ch.12: Mon 5 pm
- ST. CROIX VALLEY CC Ch.14: Thu 1 & 7 pm; Fri 9 am
- ST. LOUIS PARK CC Ch.15: Sat/Sun Midnite, 8 am, 4 pm
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- FIOS Ch.41: Wed 6 pm
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- ROANOKE COUNTY CX Ch.78: Tue 7 pm; Thu 2 pm

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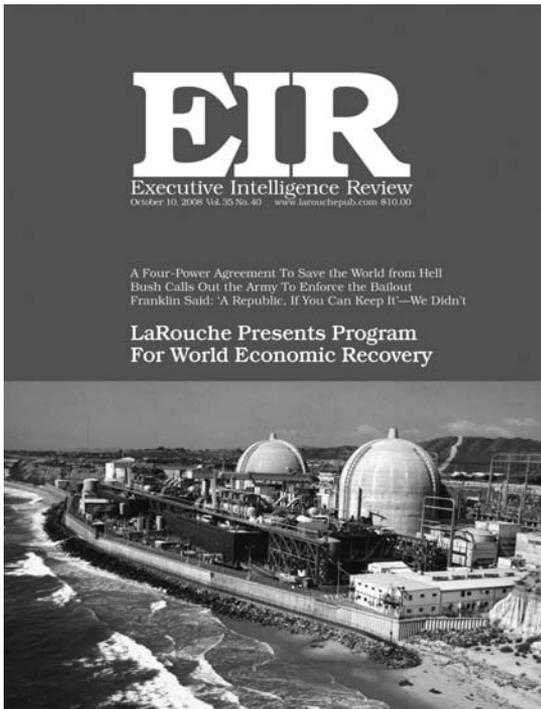
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