MANIFEST DESTINY

Democracy as Cognitive Dissonance



F. WILLIAM ENGDAHL

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AUTHOR'S INTRODUCTION:

FREEDOM IS SLAVERY: DESTROYING NATIONS IN THE NAME OF DEMOCRACY

In 1945, British writer and social critic George Orwell wrote a book titled *1984* on the theme of a fictional totalitarian society. The book, one of the most successful in publishing history, relates the aftermath of an atomic world war in which the world is partitioned into three states. One state, Oceania, whose capital is London, is ruled by an English Socialist Party that has total control over all its citizens, especially over their minds. The central mind-control program used to keep its citizens abject and obedient mind slaves was referred to as "doublethink."

In doublethink, subjects were submitted to two contradictory concepts, both of which they must accept as correct simultaneously, termed by psychologists "cognitive dissonance." So, although Oceania is constantly at war, its citizens act as if there is peace too. The essence of the doublethink is summarized by Orwell at the beginning of the novel:

> War is peace.
> Freedom is slavery.
> Ignorance is strength.[1]

In the following work I chronicle what, in truth, is an adaptation of Orwell's doublethink which might be termed "democracy as cognitive dissonance." It's the chronicle of one of the most destructive and one of the most effective operations by the intelligence services of any modern state, including of that of Stalin's Soviet Union or even Hitler's Goebbels-steered Third Reich. It's the chronicle of a vast project developed by US intelligence services over decades, going back to the May 1968 CIA student strikes that brought down French President Charles de Gaulle, a determined foe of American global domination.

The Cold War between the countries of NATO and those allied to the Soviet Union lasted nearly a half century. Finally, exhausted and economically in dire straits, the Soviet Union, under Mikhail Gorbachev, raised a white flag of surrender in November 1989, as Moscow let the Berlin Wall fall. The wall had become the symbol of what Winston Churchill, in his famous 1946 Fulton, Missouri–speech, called the Iron Curtain dividing the West--the "Free World" as Washington propaganda was fond of ever repeating--from the communist world dominated by Moscow.

Outside a small circle of US CIA, State Department, and Pentagon senior officials, together with their allies in select Washington think tanks, such as the American Enterprise Institute or the New York Council on Foreign Relations, what few realized was that Washington was about to unleash the most concerted effort at regime change across the former communist countries of Eastern Europe, Ukraine, and the newly formed Russian Federation itself. The rallying call was the "introduction of US-style democracy, freedom, human rights, a neo-liberal free market." It was to become a tyranny and in some cases, such as Ukraine, it would be far worse than anything experienced under the Soviet regime.

The Washington regime-change operations came to be called "color revolutions" because of the distinct Madison Avenue color-logo themes each destabilization brought with it—the Orange Revolution in Ukraine, the Rose Revolution in Georgia, the Green Revolution in Iran, and so forth. Invariably, they targeted any significant nation that stood in the way of what David Rockefeller, in his *Memoirs*, referred to as a one-world government or Bill Clinton, in the 1990s, referred to by the innocent-sounding term but not-so-innocent process of corporate globalization.[2]

In truth, what those Washington color revolution regime-change interventions represented was an attempt to replace former communist leaders with handpicked, Washington-corrupted political leaders who would be willing to sell their national crown jewels and their people to select Western financial predators, such as the billionaire speculator George Soros or Western bankers and multinational corporations.

The Aura of American Power

Ironically, the greatest challenge confronting Washington, the Pentagon, the CIA, and the powerful military–industrial and banking lobby groups, who control congressmen and presidents with their money, was the end of the active

Cold War in late 1989. There was suddenly no "enemy" to justify continued vast US military spending or the existence of NATO.

James R. Schlesinger, former US defense secretary and later CIA director, described the dilemma: "American policymakers should be quite clear in their own minds that the basis for determining US force structure and military expenditures in the future should not simply be the response to individual threats, but rather that which is needed *to maintain the overall aura of American power.*"[3]

At the end of the 1980s, the economy and financial system of the US was in the throes of its deepest crisis since the Great Depression. The largest banks of Wall Street—Citigroup, Bank of America, and others—were technically bankrupt. The deregulation of US Savings & Loan banks had led to a real estate speculation bubble that collapsed in the late 1980s, at the same time as a dramatic fall in world oil prices led to waves of bankruptcies across the US domestic oil industry.

To demand that US taxpayers continue to waste hundreds of billions of their tax dollars on high levels of defense spending for an enemy that could no longer be identified, rather than to create a "peace dividend" that would allow those billions to go to the renewal of America's rapidly decaying economic infrastructure, was a challenge to the US military and intelligence establishment. Chairman of the Joint Chiefs of Staff Colin Powell told *Army Times* in April 1991: "Think hard about it, I'm running out of demons. I'm running out of villains. . . I'm down to Castro and Kim Il Sung."[4]

That dilemma was soon to be resolved. Rather than solely relying on military overt force to advance its global agenda, Washington unveiled a dramatic new weapon: "fake democracy" nongovernmental organizations (NGOs) that would be used to covertly create pro-Washington regimes in strategic parts of the world after the collapse of the Soviet Union. Democratic freedom would be the banner, incredibly enough, to introduce a new tyranny: "free" markets in actual fact controlled by Wall Street and European global banks, as well as Western multinational corporations that would loot the vast state-owned resources of the collapsed communist world.

Weaponizing Human Rights

Instead of overt military confrontation, the 1990s, with the brutal exception of Washington's war in Yugoslavia, were to see the major deployment of what was

becoming a dramatically effective new weapon for US-steered, fake democracy regime changes around the world.

So-called "human rights" NGOs, such as Human Rights Watch financed by billionaire speculator George Soros, Freedom House, the International Republican Institute (IRI), Amnesty International USA, or the US government's supposedly private National Endowment for Democracy (NED), were to become a primary Washington weapon for regime change to transform the newly independent states of formerly communist Eastern Europe and Russia as well. Later, Washington's "fake democracy" color revolutions would be brought to China, Central Asia, and, most dramatically, to the oil-rich states of the Middle East as the so-called Arab Spring.

The goal was to turn the target countries into US economic satrapies, or vassal states, by way of a series of regime-change color revolutions. It took a while before the unsuspecting target nations realized what was being done to them and their economies in the name of US export of "democracy."

The first successful fake democracy color revolution regime change was aimed at Slobodan Milošević, then president of what had become by 1999 former Yugoslavia—Serbia Vojvodina, Kosovo, and Montenegro.

We begin our investigation with a description of the birth of the NGO in Washington that was created with little fanfare by President Reagan's CIA Director Bill Casey and others in the early 1980s. It was called the NED or National Endowment for Democracy. That NED has played the central role in every Washington-backed regime destabilization aimed at governments pursuing policies not congruent with those of Washington's post–Cold War new globalization order.

Endnotes

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CHAPTER ONE:

DOING WHAT THE CIA DID, BUT PRIVATELY . . .

"A lot of what we do today was done covertly 25 years ago by the CIA."

—Allen Weinstein, author of NED law[1]

The CIA's Purloined Letter

The presidency of Ronald Reagan is remembered for sowing the seeds of military confrontation that ultimately ended the Cold War with the Soviet Union in 1989, just months after he left the White House. While his increased defense spending, covert terror war in Afghanistan against the Soviet army using Afghani Mujahideen, and backing for Star Wars missile defense did all play a role in Moscow's decision to let the Berlin Wall fall in November 1989, a less well-known decision early in Reagan's presidency was responsible for increasing instability around the world, sparking regional wars, and creating chaos, as well as inciting widespread terrorism masquerading under the banner of Jihad, ISIS, or Al Qaeda.

In 1984, a newly created, private, nongovernmental organization, or NGO, called the National Endowment for Democracy (NED) opened its doors in Washington. Its name was deliberately chosen to sound noble and philanthropic, like Washington's National Endowment for the Arts or its National Endowment for the Humanities.

The NED was anything but philanthropic or humanitarian, nor was it at all interested in promoting any semblance of what we could consider democracy. Its mission was to doctor systemic US propaganda as a weapon to unseat regimes around the world who were not willing to cooperate with Washington's overall agenda, whether it be trade globalization that advantaged US multinationals or

efforts at simply asserting the national health and safety of its citizens by refusing to permit genetically manipulated organisms, or GMOs. It was a tool to create what we can call “fake democracy” to advance Washington’s global agenda.

Soon the “democracy promotion” of Washington was called by the more descriptive name “color revolutions,” a reference to the slick Madison Avenue color themes that inevitably accompanied the US-backed regime change efforts of the NED and other allied US-backed NGOs.

Early in 1983, Reagan’s then CIA director, William J. “Bill” Casey, convinced the president to create a kind of shadow CIA, a seemingly private NGO that would escape the scrutiny and criticism that the CIA was then receiving. In the words of Allen Weinstein, who drafted the congressional legislation to establish the NED, as he noted in a candid 1991 *Washington Post* interview, “A lot of what we do today was done covertly 25 years ago by the CIA.”[2]

The late 1970s were bad years for the secretive US government espionage agency. CIA defectors or whistleblowers—such as James Agee, L. Fletcher Prouty, or Victor Marchetti—were publishing details of covert CIA financing of international student organizations, the MK-Ultra LSD drug experiments, and the CIA’s role in the JFK assassination, as well as in coups in Iran, Vietnam, Guatemala, Chile, and elsewhere.

The US Congress had been forced by pressure of public opinion to set up two committees—the Church Committee under Senator Frank Church and the Pike Committee in the House of Representatives—to examine the charges of illegal CIA covert operations. Among the charges were that the CIA had illegally compiled dossiers on American citizens and infiltrated domestic American political groups that opposed the US war in Vietnam.

To add to the public impression of genuine government concern to reform the out-of-control agency, President Gerald Ford named his vice president, Nelson Rockefeller, a former CIA–White House liaison under President Eisenhower, to head up a third—supposedly independent—1975 Rockefeller Commission investigating CIA illegal activities. Notably, before the Rockefeller Commission report was released to the public, a deputy White House chief of staff named Dick Cheney deleted eighty-six pages detailing CIA assassination operations. The Rockefeller report was not honest.[3]



As vice president, Nelson Rockefeller headed up a doctored whitewash of CIA crimes during the 1970s.

Nonetheless, even news of sanitized CIA scandals had a devastating impact on US covert operations around the world. In an effort to continue the same regime change operations but without the CIA stigma—should they be revealed as CIA backed—CIA Director Casey and a small group at the CIA and National Security Council created something known as the NED.

In a 1983 letter to President Reagan's White House Chief of Staff, Edwin Meese III, Casey wrote of his proposal to create what would appear to be a private, "pro-democracy," and "pro-human rights" organization that would advance the Washington agenda of regime change to create US-friendly governments in key places around the world.

Casey and senior CIA propaganda specialist Walter Raymond Jr. advanced the idea to create a financing structure to support the old CIA private front organization, Freedom House, along with other organizations outside the formal US government. Those "private" groups would run propaganda and political action operations that the CIA had historically organized and paid for covertly in select countries.[4]

Their idea was to create a US Treasury-funded, but seemingly private, entity that would serve as a conduit for this money. The money would be "granted" to the "private" NED through the US Information Agency (USIA), the official propaganda arm of the US State Department. In the words of an early NED backer, neoconservative Joshua Muravchik of the CIA-linked Freedom House, the idea of the NED was to create "a second layer of insulation between the recipients of US government money and the US government. . . Funds that originate in the US Treasury but are distributed by an independent private agency not tied to any particular US Administration are more acceptable."[5]

Casey was very sensitive to the fact that the secret arm of the CIA must never be tied to the new organizations or other affiliated NGOs. Too many covert operations—the 1953 coup d'état against Iran's then prime minister, Mohammed Mossadegh,[6] the 1954 coup against Jacobo Árbenz Guzmán in Guatemala,[7] or the 1973 coup toppling and later assassinating Salvador Allende in Chile[8]—had been exposed as the dirty work of the CIA, creating major problems for the US government's foreign policy agenda.

Casey and Raymond developed the idea to do the same regime change, or coups, but in broad daylight under the name of private "pro-democracy" NGOs. How could any normal citizen in the world be against "democracy," other than dictators, they argued. To use intelligence jargon, the true continuing role of the CIA in international coups and regime change was to be "sheep-dipped," or camouflaged, through private NGOs, including Freedom House, the NED, and its affiliated institutions.

It was a brilliant idea, much like Edgar Allen Poe's story, "The Purloined Letter," where a politically compromising letter is "hidden" in plain sight while police search every hidden nook and cranny of the apartment of the suspected thief with no success.[9]

The NED and Freedom House would work together to interfere in the internal affairs of countries around the globe, topple unwanted governments if needed, spend money for alternative newspapers opposed to the existing regime, train opposition leaders, and commit other clear acts of interference. Yet because it was done in the open, with no attempt to hide, when governments protested US interference, they would be made to look "antidemocratic" for crying out against honest civilian NGOs merely "promoting democracy."

In reality, that democracy was a thinly disguised attempt by the CIA and US State Department to eliminate unfriendly government leaders and install US-

friendly ones in their place. Democracy had nothing to do with the task other than to give a highly effective fig leaf to the CIA. It was fake democracy.

Bill Casey recognized the need to hide the involvement of the CIA. “Obviously we here [at CIA] should not get out front in the development of such an organization, nor should we appear to be a sponsor or advocate,” he said to then White House counselor Edwin Meese III in an undated letter in which Casey also urged the creation of what he called by the noble-sounding name of “National Endowment.”[10]

The Birth of a National Security State

The creation of the CIA itself was a core project of what came to be called the US “national security state” at the end of the Second World War, a highly secretive network within not only the CIA but also across all key US government agencies, from the Pentagon to the US State Department to even the US Department of Agriculture.

By 1947, Washington was prepared to bring Western Europe into its economic fold and isolate the Soviet Union. They proposed a bilateral US Marshall Plan for the reconstruction of Europe as the vehicle for the new strategy.

The most powerful figures in US industry, New York banking, and international policy think tanks—most of them linked to the Rockefeller group—were clear as to what their postwar agenda was about.

In 1946, Leo D. Welch, then treasurer of Rockefeller-tied Standard Oil Company, called for Washington “to set forth the political, military, territorial, and economic requirements of the United States in its potential leadership of the non-German world area, including the United Kingdom itself, as well as the Western hemisphere and the Far East.”[11]

Welch elaborated his call, using American business vernacular to describe his vision of an American-led corporate imperium:

> *As the largest source of capital, and the biggest contributor to the global mechanism, we must set the pace and assume the responsibility of the majority stockholder in this corporation known as the world . . . nor is this for a given term of office. This is a permanent obligation.*[12]

In 1948, George F. Kennan wrote a confidential internal State Department memo. It outlined the postwar agenda of the US power establishment very succinctly:

> *[W]e have about 50 percent of the world's wealth but only 6.3 percent of its population. . . . In this situation, we cannot fail to be the object of envy and resentment. Our real task in the coming period is to devise a pattern of relationships which will permit us to maintain this position of disparity without positive detriment to our national security. To do so, we will have to dispense with all sentimentality and day-dreaming; and our attention will have to be concentrated everywhere on our immediate national objectives. We need not deceive ourselves that we can afford today the luxury of altruism and world-benefaction.*[13]

Kennan, architect of the Cold War "containment" policy, outlined the true nature of postwar US policies. Kennan was coldly honest and realistic about the true postwar goal of the US elite: it was US domination of the world, or at least as much of it as it could seize and hold onto in 1948. That was the CFR's proposed "Grand Area."

NATO and the Cold War: America's *Lebensraum*

Greece became the unlikely staging ground for the first direct confrontation of the Cold War—instigated not by the US but by Britain. Since 1946, internal Greek politics had been marked by a power struggle between the conservative government of Konstantinos Tsaldaris and the KKE, the Greek communist party. Churchill initiated support to the conservatives, and Truman's hawkish Secretary of State Dean Acheson urged Truman to back up the British.

However, prior to this, in an October 1944 Moscow conference between Churchill and Stalin, the Soviet and British leaders had agreed on the postwar division of southeastern Europe into respective Soviet and British spheres of interest. Under their agreement, the Soviet Union and Great Britain worked out respective percentages of "influence" that each would have in Romania, Bulgaria, Greece, Hungary, and Yugoslavia. Initially, Churchill proposed that Great Britain should have 90 percent control in Greece and the Soviet Union would have 90 percent influence in Romania, while in Hungary and Yugoslavia, Churchill suggested that they should have 50 percent each.

Their two foreign ministers, Anthony Eden and Vyacheslav Molotov, negotiated about the percentage shares on October 10 and 11. The result of those discussions was that the percentages of Soviet influence in Bulgaria and Hungary were amended from 90 percent and 75 percent, respectively, to 80 percent. More significantly, apart from that, no other countries were mentioned,

leaving Greece within Britain's sphere. Stalin kept to his promise in Greece; Great Britain supported the Greek government's forces in the Greek Civil War, and the Soviet Union did not assist the communist partisans.[14]

Despite the fact of Soviet nonintervention, Acheson convinced President Truman that a bold declaration of support for "freedom" in Greece was urgently necessary, even though Greece at the time was not considered a strategic priority for US interests in Europe and there was no Soviet involvement or threat of involvement.

Truman proclaimed what came to be called the Truman Doctrine in an address to the US Congress on March 12, 1947, amid the crisis of the Greek Civil War. He declared, "I believe that it must be the policy of the United States to support free peoples who are resisting attempted subjugation by armed minorities or by outside pressures."[15] The "outside pressures" were not identified.

Truman insisted that if Greece and Turkey did not receive the aid they needed, they would inevitably fall to Soviet-led communism, with consequences throughout the region, an argument that would be repeated two decades later in Vietnam when it was termed "the domino effect"—a prediction of dire consequences that never materialized in that region either.

Surprisingly, Truman was supported at the time by Senator Arthur H. Vandenberg, the influential head of the Senate Foreign Relations Committee and previous leader of Senate isolationists. Vandenberg convinced the Republican-controlled Congress in March 1947 to endorse the Truman Doctrine "at the urging of the United Kingdom." British intelligence had quietly wooed and won over Vandenberg, traditionally one of their most ardent and influential congressional foes.[16]

Thus, less than a year after his famous "Iron Curtain" speech in Fulton, Missouri, Churchill was successfully pulling Truman into his Cold War strategy against the Soviet Union. The New York Council on Foreign Relations, at that time headed by Rockefeller protégé John J. McCloy, the former US high commissioner for Germany, had been urging the same policy but for quite different motives—the establishment of their American *Lebensraum* in Europe once it was clear that Stalin would not open Russia's doors to American economic penetration.

The Truman Doctrine, which ably served the Washington *Lebensraum* agenda, aimed at replacing the British Empire with the US as the economic and military guarantor of Greece and Turkey. It was a radical reorientation of US foreign policy. As one historian noted, "For the first time in its history, the United States

had chosen to intervene in a period of general peace in the affairs of people outside of North and South America."[17]

Those early postwar interventions into the internal affairs of other nations in peacetime by the CIA were to pale in comparison to the degree of US interventions later under the NED and its allied "democracy promotion" NGOs.

The groundwork for the interventionist Truman Doctrine had been laid in a sensational Council on Foreign Relations essay appearing in their *Foreign Affairs* magazine under the signature "Mr. X." The article was adapted from what was called a "long telegram from Moscow" written by George Kennan, the State Department's assistant to Ambassador Harriman in Moscow.

In February 1946, Washington asked the US Embassy in Moscow why the Soviets were not supporting the newly created World Bank and the International Monetary Fund. In reply, Kennan wrote his "Long Telegram," outlining his opinions and the views of the Soviets, and sent it to Secretary of Defense James Forrestal, a close Rockefeller ally within the Truman Administration, who brought it to the attention of the Council on Foreign Relations to help push the policy shift to a hostile stance toward Moscow.

Kennan argued, among other things, that while Soviet power was impervious to the logic of reason, it was highly sensitive to the logic of force. He argued that the Stalinist state perceived the world as divided between irreconcilable forces of communism and capitalism. It was the birth of US "containment" of the Soviet Union as policy and laid the propaganda basis for more than forty years of US Cold War containment policy toward Russia. In reality, containment of the Soviet Union served the useful purpose for the US power establishment and their military industry of creating a permanent national security state with what later were revealed as fictional images of an aggressive, threatening Soviet Union.[18]

US foreign policy was being significantly shifted from an alliance with the Soviet Union against the German threat to one of gradual alliance with a postwar, humiliated Germany against the alleged Soviet threat. It was classic British "balance of power" machinations—only done American style.

The Greek crisis, however, was not sufficient to achieve the kind of American economic restructuring the powerful banking and industry circles of the so-called US East Coast establishment needed. Nor were a Soviet Berlin blockade or even a communist takeover of the government of Czechoslovakia in February 1948 sufficient, although they had spurred the isolationist US Congress to vote for financial aid to Western Europe via the Marshall Plan and soon led to US support of NATO. It took a major shock to convince a reluctant, war-weary

American citizenry that a new state of war, a more or less permanent “cold war,” was required for their security.

Not even the victory of the Communist Party of China under Mao Zedong in the Chinese Civil War—which ended in 1949 with the defeat of the Kuomintang (KMT) and the corrupt despot Chiang Kai-shek, leading to the proclamation of the People’s Republic of China—was sufficient to galvanize domestic US support for the levels of military spending which the powerful defense industries were hoping for.

For the Rockefeller faction and their allies in American finance and the military industry, the mere fact that state socialism in the Soviet Union and China now effectively removed more than one-fifth of the planet’s land mass and untold treasures of raw materials and resources, as well as potential markets, from their grip was sufficient grounds to declare them the new “enemy image.” Their problem was how to sell it to a skeptical American population, as well as sufficiently mobilize fear and anxiety in the American public, to justify financing a permanent war state directed against the new evil—“Godless communist totalitarianism.”

Following the proclamation of the Truman Doctrine, a creation of Secretary of State Dean Acheson, the administration’s propaganda apparatus tried to drum up popular support for their Cold War against the “evil, Godless” communists in the Soviet Union. They believed they could win the popular vote for huge increases in federal defense spending by “scaring the hell out of America,” as one of Truman’s advisors put it, perhaps by engendering a “war scare to deceive the nation.” [19]

In his memoirs, Dean Acheson admitted, “the task of a public officer seeking to explain or gain support for a major policy is not that of the writer of a doctoral thesis. Qualification must give way to simplicity of statement, nicety and nuance to bluntness, almost brutality, in carrying home the point.”[20] Third Reich Propaganda Minister Josef Goebbels couldn’t have stated it better.

Radical New Measures Needed

Some three and a half decades into that Cold War, the US national security state found itself facing a fundamental attack from within the US population itself. Something radical had to be done. It was one of the more diabolical ruses in postwar propaganda and special deception operations. The creation of allegedly private NGOs covertly tied to the CIA and State Department, constructed around the National Endowment for Democracy (NED) was the new model.

NED daughter organizations included the National Democratic Institute, chaired in 2016 by Madeline Albright, President Bill Clinton's Secretary of State during the 1999 illegal bombing of Serbia. The NDI official website describes itself as a "nonprofit, nonpartisan organization working to support and strengthen democratic institutions worldwide through citizen participation, openness, and accountability in government."[21] They neglect to say, however, only "accountability" for select governments--such as Russia or China--that stand in the way of a global Washington foreign-policy agenda.

For working with conservative groups abroad the NED has the National Republican Institute chaired by US Senator John McCain, chairman of the Senate Armed Forces Committee.

The NED also has affiliated the American Center for International Labor Solidarity (ACILS) linked to the large US AFL-CIO trade union federation which has a long history of working intimately with the CIA since the 1950's.

Finally the last of the NED affiliates is the Center for International Private Enterprise (CIPE). The official purpose of the CIPE, which works closely with the US Chamber of Commerce, claims that it "strengthens democracy around the globe through private enterprise and market-oriented reform," with a focus on "anti-corruption" investigations, often used to target opponents of Washington policy abroad.

One of the first major targets of the newly created NED and its associated NGOs for "democracy promotion" was to push the breakup of the Soviet Union after 1989. Washington's goal after the dissolution of the Soviet Union was to split the Soviet Union into fragments that it could then control so its corporations could loot in mass privatizations. Boris Yeltsin and his Russian economic advisors were Washington's "dream team" as Treasury Secretary Larry Summers called them at the time. What Washington did to the newly emerged Russian Federation and the other new republics of the former Soviet Union was almost beyond the worst nightmares of the Soviet era. It was called "democracy promotion" and "market economy."

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CHAPTER TWO:

A Pope, the NED and Poland Shock Therapy

“O God, what are we going to do now? Jesus and Mary!—This is the end!”

—Polish communist leader Edward Gierek to the politburo on hearing of the election of Archbishop of Kraków, Cardinal Karol Wojtyła, as Pope John Paul II.

Poland is First NED Target

The first target for the CIA’s new “democracy” nongovernmental organization (NGO), the National Endowment for Democracy (NED), was to infiltrate and subvert the communist nations of the Warsaw Pact and the Soviet Union itself beginning in the mid-1980s.

The dismantling of the Soviet Union, the Warsaw Pact defense alliance, and the Council for Mutual Economic Assistance (COMECON) communist trade bloc was preceded by a decision of key circles in Washington to target what they saw as the weak link in the entire structure: communist Poland. If Washington could force its special brand of fake democracy into Poland, the calculation of the Reagan–Bush White House and the CIA was that all the dominoes of communist Eastern Europe, as well as the Soviet Union, would start to fall. They were right.

Targeting Poland began as one of the very first projects of CIA Director Bill Casey with his new covert CIA operation called the NED, together with its trade union and other offshoots. Beginning in the mid-1980s, the NED, along with the closely associated organizations Freedom House and the newly created Soros Foundation, created by billionaire hedge fund speculator George Soros, were active everywhere the CIA and State Department wanted a Washington-friendly regime change. It soon became obvious it was no coincidence. The “democracy”

NGOs of Washington were the new template to do what the CIA did but privately, concealed from public view.

The evolution of the Soros Foundation as a Washington regime change or fake democracy instrument began in 1984 with the founding of the Soros Foundation–Budapest in then-communist Hungary, Soros's country of birth.[1] Soros was to go on to play a decisive role in first introducing radical free-market economics in Poland through introducing economic shock therapy with Harvard professor Jeffrey Sachs.

The NED was primarily aimed from the beginning by Vice President George Bush and CIA Director Casey at fostering dissent in the communist regimes of the Soviet Union and Eastern Europe, especially—initially—in Poland.

Across Poland, popular protests were growing as the country suffered under high foreign dollar–denominated debts, food shortages, and an outmoded industrial base. During the 1970s, the Polish state had borrowed over $24 billion from Western banks, a staggering amount for the economically small and inefficient country, in a vain attempt to ease popular discontent.

By the middle of the 1980s, Poland's foreign debt had climbed to an unpayable $50 billion, nearly two-thirds of its GDP. Inflation, as decades of government price controls were lifted, soared to 250 percent annually in 1989, just as the national income was declining. Poland was trapped in an economic scissors crisis of sorts.

Chronic shortages deprived consumers of basic necessities, and the goods that were available became extraordinarily expensive. The Bush circles knew that internal unrest across the Soviet Union and its Eastern European satellites, especially Poland, was high. The overall economic burden of Moscow's foreign wars, especially in Afghanistan, and soaring defense costs, combined with a dramatic collapse in the global oil price than began in 1986, forced deep living standard cutbacks across the communist world for most citizens.

Political Polish Pope

Poland was the weakest link in Moscow's chain of control. It was a nominally Roman Catholic country with a politically active Polish pope in Rome who was discreetly working with CIA Chief Bill Casey, himself a Roman Catholic, to undermine Poland's communist regime. The hold of the church over the Polish population was so strong that Moscow feared to ban it.

In October 1978, the Archbishop of Kraków, Cardinal Karol Wojtyła, was elected pope, taking the name John Paul II. Wojtyła's ascendency to the papacy

reportedly led Poland's then communist head, Edward Gierek, in a closed cabinet discussion to say, "O God, what are we going to do now? Jesus and Mary!—This is the end!"

Whether or not he actually said precisely that, it would prove to be the case.

John Paul II made his first papal tour of Poland in June 1979. More than half a million people gathered to hear him speak in Warsaw. The Gierek regime was powerless to do anything but watch. Rather than call for a fruitless Polish rebellion, the pope urged Poles to create an "alternative Poland" of social institutions independent of the government, so that when the next crisis came, the nation would present a united front. John Paul II was working with Washington, and the regime-change agenda of the NED was what he was being tutored in. He knew that Washington was spending millions to support such alternative social institutions—most notably, *Solidarność,* the large Polish trade union organization.

In 1982, Pope John Paul II met privately with President Reagan in the Vatican. The two agreed to a clandestine campaign to bring down the communist Warsaw Pact alliance. Richard Allen, Reagan's first national security adviser, describing the agreement, declared, "This was one of the great secret alliances of all time."[2]

Reagan's CIA Director Casey and the newly funded NED were to play a key role in that greatest of secret alliances. At the beginning, the NED was financed through the US State Department's budget as part of the US Information Agency.

Poland was the first testing ground for the new Washington "export" of so-called democracy. The NED smuggled literally tons of equipment into communist Poland in the 1980s—fax machines (the first ones in Poland), printing presses, transmitters, telephones, shortwave radios, video cameras, photocopiers, telex machines, computers, and word processors. It was done through channels established by Roman Catholic priests, by Casey's American agents, and representatives of the US AFL-CIO and Western European labor unions under the aegis of the new NED subsidiary, the Free Trade Union Institute (FTUI).[3]

Lane Kirkland, a member of David Rockefeller's select Trilateral Commission think tank, as head of the CIA-linked American labor union federation, the AFL-CIO, covertly funneled more than $1 million to *Solidarność* from 1983, when the NED was founded, to 1986. The AFL-CIO exerted enormous economic pressure on the communist Warsaw government by threatening to shut US ports to Polish goods, until the Polish government recognized *Solidarność*. US exports

were essential for Warsaw in order to earn hard currency dollars to service their debt.

Lech Walesa's noncommunist *Solidarność* trade union organization, aided by the millions of dollars of covert AFL-CIO, CIA, and NED money, rapidly grew to ten million members. That was when the Polish government was forced to officially recognize it. The US government's NED, masquerading as a private NGO through its trade union arm, the Free Trade Union Institute, had funneled tens of millions of US taxpayer dollars into the Polish destabilization beginning in the mid-1980s.[4]

The NED, along with its FTUI trade union arm, by fueling growth of *Solidarność*, had forced Wojciech Jaruzelski to resign his position as General Secretary of the Polish United Workers Party in July 1989. During the parliamentary election campaign that year, the Washington NED channeled more than $7.5 million to *Solidarność*, a huge sum.[5] Shortly after that, *Solidarność*'s Tadeusz Mazowiecki was elected as Poland's first noncommunist prime minister since 1948. Jaruzelski finally resigned as Polish leader in 1990, and *Solidarność*'s chairman, Lech Walesa, was elected president of Poland.

Lech Walesa, the US-backed head of *Solidarność*, saw his international status enormously boosted when the Norwegian Parliament Committee gave the Nobel Peace Prize to the Polish dissident in 1983, vastly strengthening Walesa's position in regard to the communist regime, as well as inside *Solidarność*.

Walesa was clearly Washington's man in the Polish destabilization. That became unmistakably clear by 1985, when US Senator Edward Kennedy and US Ambassador to the United Nations, Jeanne Kirkpatrick, created the *Solidarność* Foundation in the US. In 1987, Senator Kennedy and Vice President George H.W. Bush met with Walesa and other *Solidarność* leaders in Poland. Washington's role in directly and openly meddling in communist Poland affairs, a core member of the military Warsaw Pact, was unprecedented for the Cold War period.[6]

Economic "Shock Therapy"

Tadeusz Mazowiecki, the first post-communist prime minister, was close to George Soros and remained associated with the local arm of Soros's Polish foundation, called the Stefan Batory Foundation. In his book *Underwriting Democracy*, Soros boasted that he personally prepared the broad outlines of Poland's comprehensive economic "shock therapy" reform:

I joined forces with Professor Jeffrey Sachs of Harvard University, who was advocating a similar program, and sponsored his work in Poland through the Stefan Batory Foundation . . . The IMF approved and the program went into effect on Jan. 1, 1990. It was very tough on the population, but people were willing to take a lot of pain in order to see real change.[7]



George Soros (middle) is seen here with his Harvard shock therapy economist, Jeffrey Sachs (right), and UN Secretary General Ban Ki-moon (left).

Soros's ally, thirty-four-year-old Harvard economist Jeffrey Sachs, won over Prime Minister Mazowiecki's new noncommunist finance minister, Leszek Balcerowicz, to his radical plan to drop Poland into Western free market waters with no gradual transition. He called his plan "shock therapy." Shock for most Polish people it certainly was.

To make it seem more homegrown Polish, the plan devised by Sachs was called the Balcerowicz Plan. Under the plan, signed in December 1989, just days after the fall of the Berlin Wall, the Polish national bank radically cut the money supply, ostensibly to curb soaring inflation. At the same time, the government was banned from creating national bank money to finance budget deficits. The deficits were radically cut by austerity, throwing hundreds of thousands out of work.

Amid this severe dislocation, 90 percent of Polish government price controls were ended, and official apartment rents and fuel costs for transportation and heating were brought to the very high Western market levels. At the same time,

free trade and imports of foreign—mainly German, French, and Italian goods—were allowed. The Balcerowicz Plan collapsed Polish domestic production.

Inflation in the first twelve months of Soros's and Sachs's shock therapy rose by a hyperinflationary 584 percent. The currency, the zloty, was floated free against the dollar and fell like a stone. State control of personal incomes was ended, with wages now to be set by "market conditions," resulting in a catastrophic drop in living standards for tens of millions of Poles.[8]

Under Sachs's shock therapy, the state bankrupted its own industrial and agricultural enterprises by using astronomical interest rates, withholding state credits (austerity), and burdening firms with unpayable debt. In addition, with the zloty at new lows, Poland's state-owned crown jewels were to be privatized and put up for sale to Western buyers, including the friends of George Soros or even Soros himself.[9]

Typical of the privatization selloffs of valuable industrial assets under shock therapy was the foreign selloff of the large steel facility, Huta Warszawa. According to steel experts, the modern complex would cost $3 to $4 billion for a Western company to build new. The Polish government agreed to assume all debts of Huta Warszawa and to sell the debt-free enterprise to an Italian steel company, Lucchini RS, for $30 million, what could only be called a give-away price. That was apparently Soros's shock therapy model of looting and asset stripping.

Within months, unemployment—nonexistent under the old, albeit highly inefficient Soviet economic model—reached the alarming level of over 11 percent by 1991. Workers were fired as state enterprises saw industrial production collapse a staggering 30 percent over two years. Energy costs soared as government subsidies were ended under shock therapy. Most of the unemployed were middle-aged workers without the skills necessary to compete in the changing economy. State-guaranteed pensions were dramatically downsized to reduce the state budget deficit under the shock therapy plan. Balcerowicz and Jeffrey Sachs then flew to Washington to get the imprimatur of the US-controlled International Monetary Fund.[10]

The Balcerowicz Plan for the radical shock-therapy transformation was passed into law in December 1989 by a parliament that clearly had no idea what it meant. It took six years and billions of dollars of foreign investment in the Polish economy for the industrial output even to equal the miserable output level at the end of the communist era.

At that point, Soros, Harvard economist Sachs, and Washington NGOs shifted their focus from Poland and Eastern Europe to the Soviet Union itself, where the ultimate “prize” for the Washington and its “democracy” NGOs was in breaking up the states of the vast Soviet Union, and then mercilessly looting the Russian Federation, the largest remaining Soviet republic. The CIA, the NED, Harvard and Soros’s foundations were about to launch what came to be called the rape of Russia.

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CHAPTER THREE:

THE RAPE OF RUSSIA: THE CIA'S YELTSIN COUP D'ÉTAT

"The largest giveaway of a nation's wealth in history. . ."

—Mortimer Zuckerman, member of the New York Council on Foreign Relations, owner of *US News & World Report,* describing what took place in the looting of Russia under Yeltsin

Russia's Yeltsin Catastrophe

Boris Yeltsin and his "free market reformers" were part of one of the most hidden and most criminal looting operations in CIA history. It was the rape of Russia by a corrupted circle of treasonous Soviet KGB generals, together with their select young KGB protégés, who were transformed through the operation into billionaire oligarchs. It was an economic rape made possible only through Western banks and the so-called "democracy machinery" of Washington under three successive presidents—Ronald Reagan, George H.W. Bush, and Bill Clinton.

Few people in the West could grasp the sadness and anger of Russian President Vladimir Putin when he told a select audience of Russian politicians from the Duma in the Kremlin in September 2016, "You know how I feel about the collapse of the Soviet Union. It was unnecessary. We could have introduced reforms, including those of a more democratic nature, without allowing this."[1]

Putin did not need to describe "this." Everyone present knew he meant the savage destruction of life, feeling of worth, and pride for most Russians after 1990. If anyone in the US or the EU thought about Putin's comments—coming amid an unprecedented US and NATO vilification and demonization campaign against the Russian Federation and Putin personally, including economic

sanctions—they most likely saw it as confirmation of Washington claims that Putin's Russia was out to rebuild the Soviet Union.

What was unknown to most in the West was the true background of the destruction of life in Russia and the former member states of the USSR. The CIA operation began near the end of the 1980s with a network of CIA actors and their corrupted, bought-and-paid-for Soviet KGB generals.

It was called the Yeltsin Era, and it lasted the entire decade of the 1990s until Yeltsin resigned on December 31, 1999. His resignation had been finally forced by a group of nationalist Russians led by a forty-seven-year-old former KGB officer who briefly headed the successor organization to the KGB known as the SVR, or Foreign Intelligence Service of the Russian Federation. The SVR man was Vladimir Vladimirovich Putin, by then Yeltsin's Prime Minister.

The destruction of the Soviet Union was one of the darkest criminal operations ever undertaken by the US government or, more precisely, by a dark, deep state network buried inside that Washington bureaucracy, sometimes referring to themselves as "the Vulcans," often simply called neoconservatives.

The key roles in the rape of Russia were played by US President George H.W. Bush and later by Bush's close friend and protégé, William Jefferson "Bill" Clinton. The venom directed from Washington towards Putin personally since his reelection as president in 2012 and even beginning his revitalization of Russia after his ascendency to the presidency on December 31, 1999, the day Yeltsin was forced to abdicate his imagined throne, would become clear. Slowly details emerged of what crimes Bush, Clinton, and their covert intelligence circles committed against Russia after 1989.

Bush's CIA "Old Boys"

George H.W. Bush, former director of the CIA, ran the entire foreign and national security operations of President Ronald Reagan from the Office of the Vice President. Through Executive Order 12333, a national security directive drafted by then vice president Bush and signed by Reagan, Bush had made sure he was in charge of all Reagan-era US foreign and national security operations after 1981.

People close to CIA Chief Bill Casey said that as President, Reagan had little interest in foreign policy. The true role of Bush in the Reagan years was well hidden, however.

When Bush's son George W. Bush took office as President in 2001, one of his first acts was to sign Executive Order 13233, an extraordinary act that cited

“national security” as grounds to conceal records of past presidents, especially his father’s activities during the 1990 and 1991 collapse of the Soviet Union and the communist Eastern Europe states. Consequently, those records are no longer accessible to the public.[2] The truth can be gathered by evidence of participants in Russia, Eastern Europe, and in the USA, deep research, and congressional and other testimonies of those with direct knowledge. The picture of the destruction that resulted is staggering.

George H.W. Bush ran things covertly through his “old boy” CIA networks, often using various private companies they had set up during the Bush’s illegal Iran–Contra operation of the mid-1980s.

The Iran–Contra affair was an illegal, top-secret Bush–Colonel Oliver North scheme to sell US weapons to Iran in violation of an official US arms embargo to Iran, then to divert a part of the Iran arms profits to illegally finance the CIA-backed Contras of Nicaragua, who paid for the weapons with cocaine dollars, hence the name Iran–Contra affair.

All was done without required the US congressional approval, in violation of US law. When President Jimmy Carter forced the early retirement of 800 CIA agents, many of them loyal to former CIA Director Bush, they regrouped as a private intelligence and business network, a kind of covert “deep state,” informally calling itself “the Enterprise.” This network, active for Vice President George H.W. Bush in the Iran–Contra affair, was used by Bush, now as US president, to loot and deform all of communist Eastern Europe and, ultimately, Russia under their asset, Boris Yeltsin.

The companies George H.W. Bush sanctioned under the code name “the Enterprise” were soon to be responsible for the CIA-financed coup that brought down Mikhail Gorbachev and the Soviet Union in 1991. But the machinery and organization of the Enterprise was also responsible for bribing or corrupting key KGB generals and creating what came to be called the “Russian oligarchs” to loot the crown jewels of the former Soviet State, now legally known as the Russian Federation. Their looting included the entire gold reserves of the Russian National Bank in the early 1990s. That loot was funneled into the vaults of handpicked CIA-controlled banks in Switzerland, offshore bank havens, and New York.[3]

The CIA’s Yeltsin “Democracy” Coup

The rape of Russia—the Russian nation, the Russian state, the Russian people—which began at the end of the 1980s, was a coup d’état engineered by the

American CIA's rogue and not so rogue networks directed by former CIA Director, now President, George H.W. Bush. Western accounts of what took place inside the Russian Federation during the Yeltsin years of the 1990s speak of "Russian mafia" or "Russian organized crime." Never do they mention or even hint that those Russians who plundered their own country were organized and paid, or made rich, by the West or, to be more precise, by the old boy CIA networks loyal to former CIA director and then US president George H.W. Bush.

What took place in the 1990s under the Russian presidency of Boris Yeltsin was described by one knowledgeable US insider, Mortimer Zuckerman, himself an establishment member of the New York Council on Foreign Relations and owner of *US News & World Report,* as "the largest giveaway of a nation's wealth in history." The giveaway, or more precisely "theft," was done through outright robbery, currency war, and a fraudulent loans-for-company stock shares program that was a precondition demanded by Washington to getting aid and loans from the World Bank and the IMF—aid and loans that "never touched ground in Russia," as Zuckerman noted.[4]

Washington, covertly working with a circle of very select US and European banks, made it possible for the Yeltsin clan to loot the Russian Treasury of its gold reserves. They then offered desperately needed US money to a privatization scheme that created and installed a kleptocracy regime, and created a cabal of hyper-rich oligarchs under Yeltsin, referred to by some in the Russian media as the "Yeltsin Family," as in the Mafia. Washington and US mainstream media cynically called it "bringing democracy and free market capitalism" to post-communist Russia.

In 1989, soon after his election, US President George H.W. Bush initiated the operation to loot the Soviet Union.

The National Endowment for Democracy (NED) and covert US government money to Poland's *Solidarność* had severely weakened Moscow's control over Poland during the decade of the 1980s and ignited anti-communist protest movements all over communist Eastern Europe.

That Polish success—notably, that it was not suppressed by Soviet Red Army tanks as in 1956 in Hungary or during the Prague Spring of 1968—had given major encouragement to similar underground, anti-regime movements across Soviet-dominated Eastern Europe, from Hungary to Czechoslovakia to East Germany.

In Afghanistan, after ten bloody years, Soviet Red Army troops finally gave up and left the country in 1989, humiliated in defeat from CIA-trained and

armed Islamist Mujahideen terrorists. In Dresden in East Germany--the German Democratic Republic as it was formally called--from the mid-1980s until the fall of the Berlin Wall in November 1989, a young KGB officer named Vladimir Putin was stationed, watching as the power of Moscow evaporated everywhere.

Moscow itself was financially in dire straits, dramatically so ever since a US State Department–Saudi oil price collapse operation was deliberately launched by Washington in 1986.[5] That oil price collapse hit at the heart of the Soviet primary hard currency sources: its oil export. That oil price collapse severely hurt Soviet earnings of badly needed dollars for Western technology purchases, as well as for countering CIA operations in Nicaragua, Afghanistan, and Eastern Europe.

The decade-long covert CIA campaign in Afghanistan, using fanatical Mujahideen terrorists mostly recruited by a Saudi CIA asset named Osama bin Laden, had given the Soviet Union what President Carter's national security director, Zbigniew Brzezinski, later called "Russia's Vietnam."[6]

Then in 1989, President George H.W. Bush gave the order to launch an all-out takeover and looting of the crown jewels of the largest and most strategic part of the USSR, the formerly communist Russian Federation. The dissolution of the Soviet Union itself rapidly followed the August 1991 Ukrainian declaration of independence from the USSR. State-owned oil and gas companies, key raw materials, such as nickel and aluminum, and high-tech Soviet military companies were the prime looting targets of select Western interests trading with insider connections.

Now finally as president, George H.W. Bush decided to go for the kill against a severely weakened Russian Federation. Bush and a CIA network of Western bankers, US government officials, and the International Monetary Fund, together with a cabal of young Harvard University economists—they were dubbed the Harvard Boys, brought into Russia by George Soros—in league with a corrupted network of KGB traitors, unleashed one of the greatest criminal looting operations in history.

Confused Russian citizens, fed up with the years of Soviet control and lack of improvement in their daily lives from Mikhail Gorbachev's *Perestroika* attempts at reforming the Soviet system, naively and with great hope turned to the West, most especially to Wall Street and Washington.

In 1987, in a desperate attempt to calm growing social unrest over the deteriorating Soviet economy, Gorbachev permitted Soviet citizens to own dollars. It was a disaster of untold dimension. Overnight, a huge black market for

dollars grew and the ruble became de facto worthless inside the Soviet Union. Russians, forbidden to travel to the West, were fed the illusion that everything in America was "bigger and better." Secret, prohibited shortwave broadcasts from the US State Department's Radio Free Europe/Radio Liberty out of Munich fed those illusions of an American capitalist paradise.

The majority of Russians believed, for the most part, nothing could be worse than life under Soviet communism with the chronic shortages in the shops, endless queues, and lack of basic goods, let alone of luxury goods. They were soon to realize they were dreadfully wrong. It could be worse.

The bottom fell out in the daily life for most Russians as Yeltsin's clan and their Western collaborators proceeded to loot the country following the abolition of a communist state during the 1990s. Pensions went unpaid and medical insurance ended abruptly, as did daycare for working mothers and most state support.

"Operation Hammer"

The Bush administration's attack on the post-communist Russian Federation, dubbed "Operation Hammer," had four distinct covert elements.: 1) the CIA would secretly finance the August 1991 generals' coup against Soviet leader Mikhail Gorbachev; 2) they would use their secret financial war chest to destabilize the ruble; 3) they used corrupted Russian *Gosbank* national bank officials to organize the theft of the country's official gold reserves; 4) and they began a systematic takeover of strategic energy, raw materials, and high-tech state military industries in the Soviet Union via IMF-dictated privatization operations run by Yeltsin's finance minister Yegor Gaidar. Gaidar worked in league with Harvard's Jeffrey Sachs and other friends of billionaire hedge fund speculator George Soros.[7]

Bush's Operation Hammer used estimated tens of billions of dollars of illegal funds—funds not authorized by the US Congress—to bring down the Soviet Union. The funds reportedly came from a secret CIA war chest of undisclosed gold seized from Japan after World War II. That Japanese looted war booty was buried between 1942–1945 in Japanese-occupied Philippines for security. The gold was buried there on orders of the Emperor Hirohito in the event of Japan's losing the war.[8]

At some point during the 1970s, Filipino President Ferdinand Marcos, nominally a Washington asset who ruled as an iron-fisted dictator from 1972 until 1986, had discovered some of the secret sites where Japanese Emperor

Hirohito's soldiers had buried gold stolen during the war. It was gold stolen from China, Korea, the Philippines, Indonesia, and other countries occupied by imperial Japan.[9] Greed overwhelmed Marcos's sense of caution as he dug out the hidden gold.

The Japanese military had stashed tons of stolen gold in caves and deep underground sites on the islands. Marcos had discovered part of that and was taking it for himself and depositing it, or the cash from selling the gold onto the market, in select secretive Swiss banks. His mistake was that he used a CIA asset, Saudi billionaire arms dealer Adnan Khashoggi, to help him sell the gold onto the market.[10]

In 1986, aware of what Marcos was doing through their asset, Khashoggi, among others, the CIA decided they had another use for the Marcos gold—namely, as collateral for issuing tens of billions of Western dollar securities that would be offered in the buyout of Russia's state economic crown jewels.

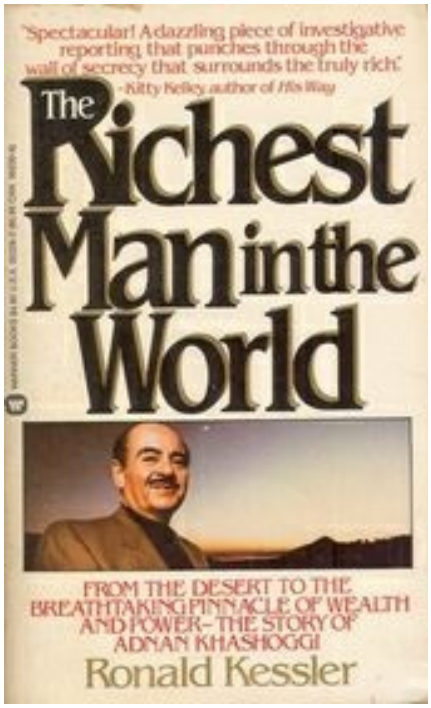
Marcos, no longer of use to Washington, was driven from office in a CIA putsch that used the newly created NED as a cover to funnel millions of dollars to Marcos's opponent, Corazon Aquino, for organizing mass street demonstrations. Washington also used a local CIA-created organization, the National Citizens Movement for Free Elections, and co-opted genuine trade union democratic opposition to the Marcos dictatorship. Aquino, far from a peoples' candidate, was scion of one of the wealthiest Filipino oligarch families, owning vast sugarcane plantations, insuring that Aquino would look to Washington for support.[11]

Murky Origins of Barrick Gold

In 1986, under orders from Vice President George H.W. Bush, a CIA operation was led by close Bush associates to get rid of Marcos. The operation included Richard Armitage, Paul Wolfowitz, and Adnan Khashoggi, the mysterious CIA-linked Saudi arms dealer who had been helping Marcos secretly sell the stolen Japanese gold. After forcing the exile of a defeated Marcos to Hawaii, Bush arranged for the Marcos gold to be deposited in special accounts at several select international banks—Citibank, Chase Manhattan, Hong Kong Shanghai Banking Corporation (HSBC), UBS of Zurich, and Banker's Trust, later to become part of Deutsche Bank. The Marcos gold was held in a deep underground, high-security depository in Kloten, Switzerland, beneath the Zurich International Airport.[12]

At that same time, a murky Canadian businessman named Peter Munk, a business partner with the CIA-linked arms dealer Adnan Khashoggi, cofounded

a Canadian gold-mining company, Barrick Gold. Some years later Barrick Gold went on to become the world's largest gold-mining company.



CIA-linked Saudi arms dealer Adnan Khashoggi played a key role in the CIA taking the Marcos gold that was collateral for the rape of Russia.

Barrick Gold was established in 1986 as American Barrick Resources and listed on the New York Stock Exchange.[13] Khashoggi, Marcos's intermediary in offloading the Japanese gold onto the market, was, in fact, the majority owner of Barrick Gold. Munk, a Canadian citizen, was said to be merely the frontman for the controversial CIA-tied Saudi arms dealer.[14]

The operations of taking the Marcos gold from the Philippines and the founding of Barrick Gold by Khashoggi and Hungarian-born Munk were reportedly connected with the planned bankrupting and looting of the Russian Federation in the early 1990s by the clandestine network of George H.W. Bush, former CIA head and now US president.[15]

The Marcos gold, laundered through Barrick, was to serve as collateral for the creation of billions of dollars of financial securities used to buy up priceless assets of the former Soviet state at pennies on the dollar.

Notably, although the Canadian Barrick Gold held no mines in Europe, Barrick refined its gold at two Swiss gold refineries—MKS Finance S.A. and

Argor-Heraeus S.A.—both on the Italian border and just hours away from the gold depository beneath the Zurich International Airport in Kloten, Switzerland. It led to a question that Barrick never answered: what gold was Barrick refining in Switzerland, as they had no mines in that region? Some were convinced it was the Marcos gold being readied as collateral for Operation Hammer, the CIA's rape of Russia.

E.P. Heidner, a former employee of the Defense Intelligence Agency's Office of Naval Intelligence, suggested that the Barrick Gold company had been set up by Khashoggi and Bush's Enterprise old boys' ex-CIA network to melt down the stolen Marcos gold and use it as collateral for billions of dollars in gold derivatives, so-called paper gold, that would stand as collateral for bank loans used in the looting of Russian state assets under Yeltsin and his notoriously corrupt economic advisers, Yegor Gaidar, and privatization head Anatoly Chubais.[16]

In 1992, in one of Bush's parting acts as president, he arranged for the US government to give Barrick the mining rights for Nevada gold deposits on US government lands, independently valued at $10 billion, for the nominal sum of $63 million. President George H.W. Bush had "arranged for an exception" that would allow Barrick to use its own assessors to determine the value of the deposits. Soon after leaving office, Bush himself was named to head the International Advisory Board of Barrick Gold.[17] Barrick Gold had "spook," as in CIA front company, written all over it.

The details of how much money the CIA spent buying key KGB generals, who would commit essentially treason against their Russian Federation, have not been published. However, the key KGB actors recruited by Washington to carry out the looting, players whom the CIA turned into Russian oligarchs, were gradually discovered. In the course of the Yeltsin years, as opposition grew inside Russia, more than 300 senior KGB officers, including generals, were smuggled into the US, where they were given life pensions by the US government. Others fled to Israel on Israeli passports they were given.[18]

Corrupt KGB Generals and Their "Kids"

In the late 1980s, well before they staged a fake coup d'état that pushed Yeltsin to the top in 1991 as the leading opposition figure to Soviet chief Mikhail Gorbachev, Philipp Bobkov and Alexei Kondaurov, two corrupt KGB generals secretly working with Bush CIA networks in the West, sponsored several clever, ruthless and ambitious young Russian entrepreneurs and arranged for them to

work with a group of US financial “consultants” out of Switzerland who would teach them the fine arts and secrets of international money laundering.

Bobkov and Kondaurov handpicked four ambitious young Russians who would become the first Russian “oligarchs” in Yeltsin’s “wild west” free market Russia in the 1990s. Their names were Mikhail Khodorkovsky, Alex Konanykhin, Boris Berezovsky, and Roman Abramovich.[19] Boris Berezovsky, forty-two years old at the time, was the senior member of the young entrepreneurs. Khodorkovsky was twenty-four, Konanykhin was twenty-two, and Abramovich was also twenty-two. They thus became known within the Bush CIA circles as the “kids.”



This is a famous photo of Yeltsin defiantly standing atop a tank in the fake KGB–CIA coup of June 1991 that pushed Yeltsin to the top.

General Philipp Bobkov was known within the Soviet intelligence community as the “KGB brain.” He headed the notorious KGB political police department responsible for controlling internal dissent, the infamous KGB Fifth Chief Directorate. His position enabled him to travel abroad and cultivate contacts in

the West, and also with Western intelligence, without arousing undue suspicion.[20] Alexei Kondaurov, another KGB general working with Bobkov, later joined Khodorkovsky's Yukos Oil and remained, as of 2016, a Communist Party member of the Russian Federation State Duma—immune from state prosecution.[21]

Kondaurov and Alexander Konanykhin[22] had also played a key role in bringing an unknown regional politician and construction foreman named Boris Yeltsin from the hinterlands of Sverdlovsk to the forefront of Soviet Russian, and later post-Soviet Russian Federation, politics, making him known to Mikhail Gorbachev as a fresh, younger voice.[23]



KGB turncoat General Alexei Kondaurov, key Yeltsin backer, went on to a top role in Khodorkovsky's Yukos Oil, becoming very wealthy in the process. Today, he has immunity as a State Duma Communist Party member.

A third KGB general involved intimately with the Yeltsin operation was Alexander Korzhakov, Yeltsin's personal bodyguard since 1985 and the man who stood beside Yeltsin in August 1991 when he climbed on the tank outside the Russian White House, then housing the Supreme Soviet of Russia.[24] That tank stunt with Yeltsin was the turning point during the fake KGB coup attempt on Gorbachev that would propel Yeltsin to the forefront as Russia's "democracy" opposition leader, with the help of CNN and other mainstream US and Western media. It was all carefully orchestrated.[25]

Two months earlier, the corrupt CIA-tied KGB generals had arranged 50 percent of Yeltsin's campaign funding for his successful June 1991 presidential elections for the newly declared Russian Federation, defeating Gorbachev's preferred candidate, Nikolai Ryzhkov. That gave Yeltsin invaluable credibility as opposition to Gorbachev. Yeltsin rewarded Konanykhin by granting him a banking license to found the first Russian bank with an international currency-trading license, the Russian Exchange Bank. By 1992, Konanykhin would accompany Yeltsin to Washington to meet with President George H. W. Bush.[26]

Khodorkovsky's Menatep Bank was another front operation for the money-laundering operations run by rogue KGB Generals Philipp Bobkov and Alexei Kondaurov, operations sanctioned personally by President Boris Yeltsin.

Beginning in 1987, Gorbachev, who had desperately sought ways of reforming the Soviet economy, had been convinced by his KGB generals to allow a touch of Western market economy for KGB-selected young communist "entrepreneurs" chosen from the Communist Party's Komsomol youth organization. The young entrepreneurs began small companies in the USSR that were allowed to establish partnerships with Western businessmen. KGB officers usually headed the small companies, typically trading computers and such items bought from the West. Importantly, in terms of what was to happen after 1991, those enterprises had the rare privilege of getting hard currency cash, US dollars, from the Soviet State Bank.[27]

The relevant point was who those Western financial or business partners committing crimes for the rogue KGB generals were. In the beginning of the Yeltsin operations in the early 1990s, two banks played a major role. One was Riggs Bank in Washington, D.C. The second was the Republic Bank of New York of Edmond Safra, which joined the looting and money-laundering Russian operations some months later.[28]

Shadowy Figures of Riggs Bank

The key figures in setting up the financial structure to move Yeltsin "Family" funds out of Russia included a former Reagan–Bush administration deputy director of the National Security Council and former US Ambassador to NATO named Alton J. Keel Jr. In 1989, just as the corrupt Soviet KGB generals and their youthful protégés were setting up Menatep Bank and organizing the looting of Communist Party and Soviet assets, Keel began his term with Riggs Bank in Washington, a known CIA-tied bank since the 1960s' Cuba Bay of Pigs CIA operations.[29]

Former National Security Council deputy head Alton J. Keel was Riggs Bank's deputy chairman, responsible for Riggs's newly created International Banking Group, which was to include a new entity, Riggs Valmet S.A. Jonathan J. Bush, a "private banker" and brother of the US President, worked with Keel to set up the Riggs–Valmet money-laundering apparatus in Geneva, aiding Riggs in buying a major share of the Geneva Valmet S.A. to create Riggs Valmet S.A.[30]

Jonathan J. Bush at the time was head of J. Bush & Co., which provided "discreet banking services" for the Washington, D.C.–embassies of unnamed foreign governments. Jonathan Bush went on in 1997, in the midst of the Yeltsin plunder orgy, to sell his J. Bush & Co. to Riggs Bank in Washington. Bush was made CEO of a new entity called Riggs Investment, based in Connecticut, as the looting of the Russian Federation under Yeltsin's second term was in high gear.[31]

Also working directly with Keel in setting up the Riggs Bank Russian money-laundering operation was a CIA-trained banker named Carter Beese, who had been schooled at the CIA training facilities of the US Army War College. George H.W. Bush had also named Beese a commissioner at the US Securities & Exchange Commission in 1992, a highly useful post for obscuring investigations into Russian assets being laundered to US corporations.

Carter Beese was president of something called Riggs Capital Partners. At the same time he held the key Riggs post that was to be instrumental in laundering stolen Russian assets, Beese was chairman of a US private investment bank, Alex. Brown & Sons. In short, the same CIA-tied persons linked the Geneva-based Riggs Valmet S.A. together with Alex. Brown, later part of Bankers Trust and ultimately sold to Deutsche Bank in 1999.[32]

When Alex. Brown was bought by the New York Bankers Trust, Beese then became vice chairman of Bankers Trust, another bank that was deeply involved in Yeltsin's Russian financial scandals. Notably, Bankers Trust, beginning in 1982 through its Bankers Trust Zurich subsidiary, was also said to be the repository of large quantities of stolen Marcos gold.[33]

Together with Beese at Alex. Brown was a CIA consultant named Alvin Bernard "Buzzy" Krongard. When Bankers Trust acquired Alex. Brown, Krongard became vice chairman of Bankers Trust alongside Carter Beese. In 1998, as the Russian ruble collapsed, Buzzy Krongard "formally" joined the CIA, where he soon became the Executive Director, third most influential post at the CIA.[34]

Those four Riggs Bank CIA-linked shadowy figures—Beese, Krongard, Jonathan Bush, and Keel—would join with a secretive Geneva financial

operation called Valmet S.A. to form a Riggs joint venture called Riggs Valmet S.A.

Riggs Valmet SA

In 1988, George H.W. Bush and his old boys, the "retired" CIA network, with the aid of Bush's brother Jonathan, set up the Switzerland financial entity Riggs Valmet S.A., headquartered at 14 Chemin Rieu in Geneva. Riggs Valmet S.A., legally incorporated in the offshore Isle of Man, was established to set up shell companies and accounts to hide and launder money, initially for companies controlled by Bank Menatep's Khodorkovsky, Roman Abramovich, Boris Berezovsky, and other select "kids" of the corrupt Soviet KGB generals. The Geneva arm used the offshore bank's secrecy on the Isle of Man to further hide the paper trail.[35]

Without access to large Western banks, the new Yeltsin oligarchs could never have succeeded in moving tens of billions of dollars out of Russia and other newly independent former parts of the Soviet Union into Western offshore havens. For the Bush CIA network, the aim was to permanently drain the funds out of Russia into accounts in the West at their prechosen banks.

Valmet S.A., the Geneva predecessor of the Riggs joint enterprise, was a Gibraltar-registered, Geneva-based global trust business founded in 1975 by Christian Michel, who once described himself as a "self-made man."[36]

Menatep, Runicom, and RKB

By 1994, the closest partners, or "clients," of Riggs Valmet were Mikhail Khodorkovsky's Menatep Bank and Runicom S.A., a Swiss-registered arm of the giant Russian Sibneft Oil which, in turn, was then under the control of Roman Abramovich and his then partner, Boris Berezovsky, as well as the Moscow-based RKB bank.[37]

Conveniently, the large scandal-plagued US accounting firm Arthur Andersen was made the accountant for Runicom. Arthur Andersen itself later dissolved in a wave of corrupt accounting scandals involving companies such as the Enron Corporation of Ken Lay, another close Bush-family corporation, which was used to launder Russian energy assets.[38] The third major Russian client in 1994 of Riggs Valmet was the Moscow Rossiysky Kredit Bank, RKB.

Mikhail Khodorkovsky's Group Menatep Limited, with its Menatep Bank by the mid-1990s had ballooned into a $29 billion holding company involved in

numerous money-laundering scandals. From 1989 to 1991, Leonid Nevzlin was president of Bank Menatep and, until 1996, vice chairman of the board. In November 1995, Bank Menatep took part in a crooked mortgage auction that resulted in its takeover of the oil company Yukos, part of the Bush Operation Hammer plan to grab control of major Russian energy assets. In 1996, Nevzlin became vice president of Yukos, which was then 78 percent owned by Menatep.[39]

Another partner of Khodorkovsky's money-laundering Bank Menatep was Konstantin Kagalovsky, who was named deputy chairman of Bank Menatep in November 1994.

Conveniently, Kagalovsky was also Russia's representative to the International Monetary Fund between 1992 and 1995 and was married to Natasha Gurfinkel Kagalovsky, a former senior vice president of Edmond Safra's money-laundering Bank of New York. At the time, Safra's Bank of New York was being prosecuted in the US for a tax evasion scandal dealing with $7 billion dollars channeled out of Russia from 1996 to 1999.[40]

During the kleptocratic presidency of Boris Yeltsin, the Runicom S.A. company enjoyed an advantage that few rivals had. Along with Abramovich and Berezovsky, a third partner in Runicom S.A. was Leonid Dyachenko,[41] son-in-law to President Yeltsin.[42]

Toward the end of the 1990s, when billions of dollars of IMF funds sent to Russia—allegedly to avert a Ruble state default—disappeared, a Swiss judge revealed he had evidence that Berezovsky's Runicom and his Sibneft Oil were implicated in diverting billions of IMF emergency loans prior to the 1998 Russia state default.[43]

Stealing the Soviet Gold

One of the crucial operations of the Bush looting of the Soviet Union, as part of their four-part plan, was to grab the state gold reserves. This took place early in the looting process, in March 1991, just weeks before the dissolution of the Soviet Union. The theft would be critical in order to prevent a monetary defense of the ruble and, thus, to allow Washington's financiers—such as George Soros and friends—to destabilize and severely devalue the currency, making Russian ruble assets vastly cheaper for Soros and other dollar investors.

In November 1991, just three months after the fake August 1991 KGB generals' coup against Gorbachev was used to propel little-known Soviet official Boris Yeltsin to the fore as champion of democracy and of a new Russia, Viktor

V. Gerashchenko, Chairman of the Presidium of Gosbank, the state bank of the USSR, made a shocking brief announcement to the Russian Duma, or parliament. Of an estimated 2,000 to perhaps 3,000 tons of Gosbank state gold reserves then worth $35 billion at the market price, less than 400 tons could be accounted for. He told the shocked members of parliament that he had “no idea” what happened to the missing gold.[44] That, of course, was a lie.

After 1989, as head of Gosbank, Gerashchenko had created an offshore entity, Financial Management Co., known as FIMACO, based on the island of Jersey in the Channel Islands, situated in the English Channel near Normandy, to handle Russia’s foreign currency reserves. Jersey had a curious legal standing as not a part of the United Kingdom, nor of the Commonwealth of Nations or of the European Union, but instead are part of the British Empire. This made it exempt from European supervision, an ideal place to hide money dealings.

By one estimate, the FIMACO offshore fund managed $37 billion between 1993 and 1998. The firm was a subsidiary of the Eurobank of Paris or Banque Commerciale pour l’Europe du Nord, which was 78 percent owned by Gerashchenko’s Russian Central Bank. Gerashchenko’s FIMACO funneled billions of dollars of Russian hard currency (mainly dollar) reserves out of Russia during the Yeltsin era as the first chairman of the post-Soviet, independent Central Bank of Russia.[45]

Not missing a trick, the well-advised Yeltsin, following the fake KGB coup attempt of August 1991, along with the Ministry of Finance of the Russian Soviet Federated Socialist Republic (RSFSR), claimed authority over the Ministry of Finance of the entire USSR, the USSR State Bank, and the Bank of Foreign Economic Activity. This meant that the Soviet institutions could not carry out any orders without the consent of the RSFSR government, where Yeltsin was president. His finance minister was Vladimir Yefimovich Orlov. As of August 1991, Yeltsin and Orlov had control over the entire billions of dollars of Soviet gold.[46] (In the next chapter, we will learn the mysterious fate of that gold.)

To cover the trail of the missing gold and give his government the pretense of innocence, Yeltsin, on the advice of two former KGB generals, announced that he had hired the New York financial detective firm Jules Kroll Associates to track the whereabouts of the Soviet gold, as well as an estimated $14 billion in Soviet Communist Party and other assets. Kroll Associates, which was tied with the CIA-created AIG insurance group of Hank Greenberg and known in the US as a “private CIA,” was linked to the CIA, Mossad, and MI-6. Not surprisingly, a

few months later, Yeltsin's finance minister and shock therapy advocate, Yegor Gaidar, announced that Kroll was being discharged as there had been "no results" in the attempt to find the billions of dollars of missing Soviet Gosbank gold.[47]

Enter Safra, Soros, and Rothschild

As the scale of the looting operation in Yeltsin's Russian Federation became so mammoth, Riggs and Bush's CIA old boys decided to bring in another trusted group to help move the funds out of Russia.

Riggs Bank was quickly solidifying banking relations with a couple of the old CIA hands from the Iran–Contra arms-for-drugs operation, Swiss bankers Baruch "Bruce" Rappaport, a shady financier born in Haifa to Russian émigré parents, and Alfred Hartmann, his partner. Through this group, George Soros was also enlisted to open a new front against the ruble. In turn, Rappaport and Hartmann included the Bank of New York and, from Israel, the Eisenberg Group, tied to the Israeli Mossad.[48]

Rappaport, a business associate of Reagan's CIA director, Bill Casey—the man who created the idea of the private National Endowment for Democracy as a front for dirty CIA operations—also owned a major share of Edmond Safra's Bank of New York. Further, Rappaport created a joint Swiss venture with Safra called the Bank of New York–Inter Maritime Bank. That Bank of New York–Inter Maritime Bank operation was named in 1999 by US federal investigators as being "possibly one of the biggest money-laundering schemes in the United States."[49]

President George H.W. Bush knew Rappaport quite well from Rappaport's role in helping set up the notorious CIA money-laundering Bank of Credit and Commerce International (BCCI), registered in Luxembourg with head offices in Karachi and London.

In 1987, when Bush was still Reagan's Vice President, Rappaport was under investigation by the US Independent Counsel for alleged activities on behalf of CIA Director William Casey, including the purchase of an Antiguan farm in the West Indies for Israeli arms dealers who were significant customers of BCCI in Miami. The US investigation was also looking at the circumstances behind placing Alfred Hartmann, then a BCCI employee, on the board of directors of the Inter Maritime Bank of Geneva and New York. BCCI was a major offshore private bank operating from the 1970s until it was forced shut down in 1991 by UK and other financial regulators. It was known as the bank of CIA "black

operations," of the Medellin drug cartel, and even of the US National Security Council.[50]

Edmond Safra's Bank of New York took a 20 percent ownership of Rappaport's Bank of New York–Inter Maritime Bank in Geneva. Beginning in 1992 with the CIA's looting of Russia via handpicked oligarchs such as Khodorkovsky and Berezovsky, Safra's Bank of New York–Inter Maritime Bank was deep into money laundering billions for the select Yeltsin circle of oligarchs. In 1997, Rappaport was also conveniently named as Ambassador to Yeltsin's Russia by the government of Antigua, the scenic Caribbean Island where his Swiss American Bank, Ltd., had a banking license. Antigua became a major destination for Russian oligarchs' looted money.[51]

As with most all of the illegal plunder operations to rob billions from the chaotic Russian Federation during the Yeltsin years, President George H.W. Bush, a former CIA head, used old cronies from past illegal CIA operations, such as Rappaport, in the dark world where CIA, Mossad, and organized crime crossed paths as congenial colleagues in crime and intelligence intrigues.

George Soros, who had sponsored Harvard economist Jeffrey Sachs, architect of Poland's shock therapy, got on the inside track of obscenely profitable Russian privatization deals together with key Russian oligarchs who had opted to work with Bush and the CIA to loot their native Russia.

Soros was a major backer in the takeover of Russia's Svyazinvest telecommunications giant. In 1994, the London *Guardian* would comment, "Soros's extraordinary role, not only as the world's most successful investor but now possibly, fantastically, as the single most powerful foreign influence in the whole of the former Soviet empire, attracts more suspicion than curiosity."[52]

It was at this stage that Jacob Lord Rothschild, scion of the famous banking family, joined Soros, Rappaport, and the Menatep's Khodorkovsky as silent backers for major Russian privatization deals. In 2003, when the Russian state arrested Khodorkovsky for money laundering and tax evasion in the Menatep buyout of Yukos Oil, sending him to prison, Khodorkovsky revealed that he had signed over his shares in Yukos to Lord Rothschild just before going to prison. Rothschild, along with Henry Kissinger, sat on the international advisory board of Khodorkovsky's Open Russia, a "charitable" foundation used to fund anti-Putin, "human rights" NGOs in Russia.[53]

The Riggs Valmet and Bank of New York–Inter Maritime Bank looting nexus for Russian assets also involved a fugitive Swiss oil and aluminum trader named Marc Rich. Rich, reportedly a Mossad asset,[54] had developed business ties with

certain circles of the KGB involved in Western business beginning 1983, when he fled from the US to Zug, Switzerland, to avoid prosecution on an Iran oil embargo violation. When the US imposed a grain embargo on the Soviet Union that year because of their role in Afghanistan, Rich offered his high-level Soviet contacts to get grain for them from other sources. He gained top contacts in the KGB and Soviet hierarchy as a result, friends that he now would help in the great scheme to loot Russia after the breakup of the Soviet Union.[55]

International Foundation for Privatization and Private Investment

The rogue KGB generals and their CIA-linked cronies left nothing to chance in their plunder schemes. In September 1991, Vladimir Scherbakov, the last First Deputy Prime Minister of the Soviet Union, was told to form something called the International Foundation for Privatization and Private Investment with two other partners. In 1990, just before the dissolution of the USSR, Scherbakov, a mere forty years old, was also head of the Soviet economic planning agency, Gosplan, a strategic post to put it mildly.[56]

The second partner of Scherbakov's International Foundation for Privatization and Private Investment has never been revealed. The third partner was the now notorious Austrian firm Nordex Energy GmbH, connected to Yeltsin's "favorite banker," Oleg Boyko. Boyko and his OLBI Group had dealings with, among others, the Colombian cocaine cartel—who financed the "Democratic" Party organization of Yegor Gaidar, the Yeltsin shock therapy czar whom we meet in the following chapter.[57]

Scherbakov's International Foundation for Privatization and Private Investment would become identified as one of the major organizations involved in the Bank of New York's money-laundering scandal. Interpol reported that Marc Rich was one of the founders of Nordex Energy GmbH. Notably, in one of his final acts as president, Bill Clinton pardoned Marc Rich, some believe for Rich's services to the US in arranging for the collapse of the Soviet Union, although Clinton's reasons were never made public.[58]

This network of CIA-linked Western bankers, corrupt KGB generals, and their protégé, Boris Yeltsin, set the stage for the wholesale theft of what were now Russian Federation state assets under President Boris Yeltsin and his infamous finance minister, Yegor Gaidar. It was called shock therapy, and it was brought to

Russia by George Soros and Soros's hired hand, Harvard economist Jeffrey Sachs.

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CHAPTER FOUR:

SOROS AND THE HARVARD BOYS JOIN YELTSIN AND THE KGB

"We learned today that officers of the United States' CIA operated as consultants to Anatoly Chubais. But it is even funnier that upon returning to the US, they were prosecuted for violating their country's laws and illegally enriching themselves in the course of privatization in the Russian Federation."

—Vladimir Putin, 2013[1]

Soros' Harvard Boys Go for the Kill

As soon as the rogue ex-KGB generals and their handpicked protégés had looted the gold reserves of the now defunct Soviet Union and stolen the significant financial assets of the now conveniently banned Communist Party—all with the blessing and complicity of Boris Yeltsin and his inner circle—Bush's CIA old boys were ready to launch the next phase: the systematic takeover of strategic energy, raw materials, and military state industries in the Soviet Union via IMF-dictated privatization operations that were run by Yeltsin's finance minister, Yegor Gaidar, and his accomplice, Anatoly Chubais.

In November 1991, Chubais became a minister in the Yeltsin cabinet, where he managed the portfolio of *Rosimushchestvo*—the Federal Agency for State Property Management, which Yeltsin decreed to be the agency responsible for devising Russia's privatization of the state companies. Gaidar and Chubais worked in league with George Soros, the Wall Street speculator and "colleague" of the CIA front the National Endowment for Democracy (NED). Soros, in turn, brought Harvard's Jeffrey Sachs—architect of the Polish "economic shock therapy"—and other of his American "friends" to the Yeltsin circles.

George Soros and his Open Society Foundations had been linked to the CIA by Chinese intelligence and others. His Open Society institutions seemed to appear operational, of course just by coincidence, in every situation where the CIA's NED front and the US State Department sought regime change to a pro-Washington government.

Already as far back as 1987, while Gorbachev still headed the Soviet Union, Soros took advantage of the Soviet regime's efforts to reform by founding his Open Society Institute in Moscow. There he could give money to key researchers and others to support "market economy research."[2]

All actions of Yeltsin were guided by Yeltsin's CIA and KGB handlers, notably KGB Generals Philipp Bobkov, Alexei Kondaurov, and Yeltsin's personal bodyguard, General Alexander Korzhakov. This was the cabal which, in coordination with George H.W. Bush and his CIA old boys, staged the phony KGB "coup" attempt against Gorbachev that propelled Yeltsin, with the support of mainstream Western media, as the new Russian champion of democracy.

In December 1991, four months after that fake coup, Yeltsin, then president of the Russian Soviet Federative Socialist Republic—the largest federated "republic" within the Soviet Union—met with the presidents of Ukraine and Belarus and signed what was called the Belavezha Accords, declaring the dissolution of the USSR that had formally existed since 1922. It was the key note in the US-backed coup to open up the rape of Russia. By that time Gorbachev had been utterly discredited and had resigned in disgrace.

Russia's Shock Therapy

As part of the Belavezha Accords agreement, the newly created Russian Federation took legal title to all state assets of the former USSR, now nonexistent, and assumed all foreign debts of the USSR. Yeltsin was told to name a thirty-two-year-old friend of George Soros named Yegor Gaidar to become his economics czar. Gaidar, who formally was made finance minister of the new Russian Federation in February 1992, named another young economist, Anatoly Chubais, his director of state asset privatization.



Two young US-steered economists, Anatoly Chubais (l) and Yegor Gaidar (r), implemented the Harvard shock therapy program to loot Russia for themselves and their Western friends.

Gaidar was then taken to Poland by the Soros circles in order to study the Polish "shock therapy" model, the process that had been introduced by George Soros's young Harvard economist protégé, Jeffrey Sachs. Back in Moscow, Yegor Gaidar, using the Polish example of Sachs, convinced Yeltsin to "let prices rise to increase supply and to scrap trade barriers so that foreign commodities could begin to fill store shelves." [3]

It was a lie. The Soviet economy was self-sufficient in everything except perhaps bananas and coffee. The shops had been full until November 1991, when Yeltsin announced the exact date when price controls were to be lifted: December 31 of that year. Shop owners promptly hid their goods, waiting for the announced profit bonanza of price decontrol. Shops were suddenly empty. Within a week of Yeltsin's speech, rationing was imposed on Muscovites. It was just the beginning of almost a decade of economic horror for most Russian citizens.[4]

Harvard, the CIA and Larry Summers

Gaidar was instructed and guided by the US Treasury from a new Clinton Administration that had taken office in January 1993. The key person at the Treasury for the ensuing Gaidar–Chubais looting of Yeltsin's Russia was a former Harvard economist named Larry Summers. Summers used the powerful influence of the US Treasury to funnel International Monetary Fund (IMF) dollars to the cash-hungry Yeltsin government, advising Yeltsin and Gaidar that

Russia must open to unrestricted imports if they wanted to receive the IMF and other Western loans.

Gaidar soon delivered a policy that served the demands of Washington and of the KGB's new banking oligarchs around Mikhail Khodorkovsky's Menatep Bank and others. Under the Gaidar decrees, Russian manufacturing was to go bankrupt in the face of unrestricted foreign competition, but, curiously, domestic banking was to be protected from competition.[5]

After the November 1992 US election victory of Bill Clinton, Larry Summers, the new US Treasury deputy secretary responsible for Russian "reform"—himself a former Harvard economics professor—brought a group of his former Harvard colleagues, including George Soros's Polish shock therapy adviser, Jeffrey Sachs, and economics professor Andrei Shleifer to Moscow under the auspices of their Harvard Institute for International Development (HIID). That Sachs–Shleifer–Summers triangle essentially orchestrated all key aspects in the implementation of the Gaidar–Chubais "shock therapy" in the early Yeltsin years.[6]

In 1991, just months before joining the Clinton Treasury, Summers had been chief economist at the World Bank. There, Summers had named his former Harvard student Shleifer, a Russian-born American citizen, as World Bank "adviser" to the Yeltsin government. Soon after Summers became Deputy Secretary of the Treasury in the Clinton administration in early 1993, Shleifer would join Jeffrey Sachs's HIID in Moscow as Project Director.

HIID had been chosen by Summers as the key advisory agency to work with Gaidar and Chubais to organize the colossal looting known as Russian privatization. From his Washington US Treasury office, Summers named all key actors in the Chubais privatization rape of Russia in the early 1990s. They were what could be called a Harvard mafia.

Summers hired David Lipton from Harvard, a former consulting partner of Jeffrey D. Sachs & Associates, to be Deputy Assistant Secretary of the Treasury for Eastern Europe and the Former Soviet Union. Sachs was named Director of HIID in 1995. Sachs's HIID received USAID grants for the institute's "work" in Russia from his former partner, now at the Treasury, David Lipton. It was a tight-knit circle Summers had created.[7]

The USAID was known as a CIA front agency, keeping the CIA's role of regime change and such hidden behind the veil of a charitable US government agency spending for economic development. It was a key money link for the

directing of every step of the Chubais privatization operations through the Summers–Sachs Harvard boys.[8]

Harvard was a clever choice to be the CIA's hands-on operator for the Chubais privatization. CIA monies via a Harvard University front gave an aura of impartial academic respectability and of plausible deniability that the CIA and the US Treasury were actually responsible. Shleifer, a Russian-born émigré and protégé of Summers, was already a tenured professor of economics at Harvard in his early thirties. Shleifer became Sachs's head of the HIID's Russia project based in Moscow.

Then Summers brought in yet another Harvard boy, a former World Bank consultant of Summers named Jonathan Hay. In 1991, while still at Harvard Law School, Hay had also become a senior legal adviser to Chubais's GKI state privatization agency. In 1992, Hay, a lawyer, was made the HIID's General Director in Moscow. Hay assumed vast powers over contractors, policies, and program specifics. He not only controlled access to the Chubais circle but was its spokesperson as well.[9]

Both Jonathan Hay and Andrei Shleifer were identified later as CIA agents. President Vladimir Putin, in an April 2013 annual dialogue with Russian citizens —though he discreetly did not name the names—referenced Hay and Shleifer as identified CIA agents working with Chubais and Gaidar in the criminal Russian privatization:

> *We learned today that officers of the United States' CIA operated as consultants to Anatoly Chubais. But it is even funnier that upon returning to the US, they were prosecuted for violating their country's laws and illegally enriching themselves in the course of privatization in the Russian Federation. They did not have the right to do this as active CIA officers. In accordance with US law, they were not allowed to engage in any kind of commercial activity, but they couldn't resist—it's corruption, you see.*[10]

Both Hay and Shleifer were "protected" by Washington, despite having to pay multi-million dollar fines when, in 2006, the US District Court in Boston fined them personally $2 million and Harvard University $26.5 million for their Russian illegal activities. Summers—who by then had left Washington to become Harvard President—was forced to resign on the revelation of his role in the Moscow HIID scandals in 2006. Before he left, however, Summers managed to get Shleifer named to an endowed Harvard professorship chair. Hay later resurfaced as founder of the Ukrainian branch of the Polish "free market" Centre

for Social and Economic Research (CASE) during the CIA coup d'état in Kiev in 2014.[11]

Harvard's Criminal Russian Privatization

The criminal Russian privatization of state assets that Hay and Shleifer had created together with Anatoly Chubais and Yegor Gaidar after 1992 was done to the last detail by Chubais's new American advisers. When the announcement of the proposed vouchers-for-shares privatization received cold response from Russians already reeling from the economic shock of price de-freezing, Hay and Shleifer arranged for slick US public relations experts from Burson-Marsteller and the Sawyer Miller Group to devise an advertising campaign to be aired on the TV channels then owned by the newly created Russian oligarchs to convince Russians to accept the Gaidar–Chubais privatization scam.

The Harvard–Chubais privatization scheme which began in 1992 was as simple as it was criminally fraudulent. It was proclaimed by Yeltsin in August 1991 by presidential decree, bypassing a hostile Duma.

Anatoly Chubais, as head of the state GKI state property agency, issued 150 million "vouchers" to each and every Russian citizen. In turn, citizens could invest their voucher in a share in a Russian privatized state company or shop or sell it at an established market price pegged to the US dollar. As most Russians were concerned when, if ever, the next pension payment would be paid or where jobs could be found in the collapsing industrial economy that was a predictable result of the Sachs–Harvard–Chubais shock therapy, millions simply sold their vouchers for cash.

Vouchers could be bought or sold on every street corner in Russia in June 1992. They were traded at new Moscow "commodity exchanges" set up by Harvard's Jonathan Hay and the USAID monies channeled via the HIID. Voucher investment funds sprung up everywhere to gather citizens' vouchers by the millions. Gaidar, Chubais, and their Harvard advisers made certain those "investment funds" would be unregulated. The ruble was made domestically convertible to the US dollar on the advice of the Sachs HIID team, further weakening the ruble and dollarizing the economy.

In the twenty months that the voucher-for-shares program lasted, voucher prices swung from a high of $20 to a low of $4 a voucher. As they were made freely tradable, it was ripe for the billionaire oligarchs around Yeltsin to buy them up, which is precisely what they did.[12]

Nearly six hundred voucher funds obtained forty-five million vouchers. The largest, calling itself First Voucher, collected four million vouchers.[13]

At the stated price for the vouchers, Chubais and his Harvard boys had de facto valued the entire Russian economy—which included the world's largest nickel company; some of the world's largest oil and gas companies, including Sibneft and Gazprom; RUSAL, the world's largest aluminum company; vast gold mines and numerous high-tech defense companies—at a total that was less than the market value of the US General Electric company. In the privatization auctions, based on the number of total vouchers that were circulated, the entire Russian industrial system, including mines, oil companies, and factories, had a total valuation of under $12 billion. It was theft on a colossal scale. [14] The face value of each voucher was 10,000 rubles, which Chubais told the public was sufficient to buy two or even three Volga cars, at the time Russia's finest auto. It was a lie.

Creating CIA Oligarchs

Because they had been allowed by the Bush CIA networks that controlled the financial side of the Yeltsin mafia to be the first Russians with big money, select Yeltsin oligarchs were able to buy up hundreds of thousands of vouchers and redeem them for entire industries, which would later be stripped and sold. Although they were supposedly acting on behalf of the Russian state, the bank auctioneers of oligarch-owned banks rigged the process. This was how Bank Menatep's Mikhail Khodorkovsky got a 78 percent share of ownership in Yukos, worth about $5 billion, for a mere $310 million. It was how Boris Berezovsky got Sibneft, another oil giant worth $3 billion, for about $100 million. [15]



CIA-tied Russian oligarch Khodorkovsky manipulated Chubais's voucher privatization to literally steal the huge Yukos Oil Company in league with Jacob Lord Rothschild, Henry Kissinger, and other Western shadowy figures.

Using his Yeltsin connections, Khodorkovsky was able to purchase several factories in investment tenders and large blocks of shares in timber, titanium, pipe, and copper-smelting companies. In total, Khodorkovsky gained control of more than one hundred companies before getting control of the giant Yukos Oil.

Under growing pressure from the Duma parliament, then dominated by Communist Party deputies, Chubais agreed to prohibit voucher sales of state companies to foreign investors.

There were, however, two notable exceptions. In 1995, in the wake of the Yeltsin referendum victory financed by George Soros, the Harvard Management Company (HMC), which invests the university's large endowment, and George Soros, who brought Harvard's Sachs to work with Chubais, were the only foreign entities allowed to participate. Both HMC and Soros became major shareholders in Novolipetsk Steel, Russia's second-largest steel mill, and Sidanko Oil, which had estimated oil reserves exceeding those of Mobil Oil.

HMC and Soros also invested in Russia's high-yielding, IMF-subsidized, domestic GKO short-term bond market. And in 1997 Soros bought 24 percent of

Svyazinvest, the telecommunications giant, together with Uneximbank's Vladimir Potanin, the nominal spokesman of the new Russian oligarchs.[16]

Soros to Yeltsin's Rescue

This left many Russian citizens feeling cheated, royally screwed, and furious as their dreams of a promised share in "capitalist private property" vanished, along with their savings, during the Central Bank hyperinflation money printing, another part of George H. W. Bush's Operation Hammer.

By 1993, pressures were growing from all sides, including the Duma. The population were demanding action. The Supreme Soviet, the Russian upper house, was drafting a bill that would freeze the entire privatization process. The opposition was becoming so great that Chubais ultimately had to rely largely on Yeltsin's presidential decrees, not parliamentary approval, for implementation.

Harvard HIID's Moscow man, the CIA's Jonathan Hay, and his HIID associates drafted many of the decrees. As USAID's Walter Coles, whose office funded the Chubais privatizations via HIID, described it, "If we needed a decree, Chubais didn't have to go through the bureaucracy."[17] Russia's nascent efforts to establish some form of parliamentary democracy or even checks on dictatorial Presidential power were of little interest to Clinton, Summers, or other Washington officials.

At that point, as opposition threatened to get out of hand, Yeltsin felt forced to agree to a national referendum on the entire privatization process. The date was set for April 25, 1993.

The referendum contained four yes/no questions: (1) Do you support Yeltsin? (2) Do you support Yeltsin's economic policy? (3) Do you want early elections for president? And (4) Do you want early elections for parliament?[18]

Facing sure defeat, Chubais, most likely on advice from his Harvard mentors, arranged to secretly meet with US billionaire George Soros, who agreed to finance—on behalf of Yeltsin—the Yeltsin referendum campaign. Soros funneled $1 million, a huge sum in Russia at the time, to offshore accounts set up for Chubais's use to buy media exposure. Yeltsin survived the referendum by a slim 52 percent, and the privatization of major Russian industrial companies went forward.[19] Yeltsin was giving the crown jewels and much more to a cabal of CIA-backed Russian oligarchs.



Hungarian-born hedge fund speculator George Soros financed the 1993 Yeltsin referendum that kept the criminal Russian privatization alive.

From Washington, Larry Summers at the Treasury architected the Chubais–Gaidar privatization with Jeffrey Sachs and Andrei Shleifer, serving to directly convey the plans to Yeltsin's economic advisers. It was a theft on a scale unprecedented in any nation, even in wartime. The US–French–British Versailles reparations of 1919 were almost humanitarian, in comparison to what was done to Russia in the 1990s under Yeltsin's stewardship.

Oligarchs Buy Yeltsin's Reelection

By 1996, with the Russian economy deep into hyperinflation, Yeltsin faced certain defeat in scheduled national elections. The head of the Communist Party, Gennady Zyuganov, promising a return to stability, was far ahead in the polls. Some of Yeltsin's close advisers even suggested canceling the elections and declaring a de facto dictatorship.

By then, Yeltsin's daughter Tatyana Borisovna Yumasheva had become her father's closest adviser, together with Berezovsky, Gusinsky, and the other USAID–CIA-made oligarchs. Russian media labeled the clique controlling Russia, especially after Yeltsin's heart attack that year, "The Family," as in mafia family, not blood family.[20]

Following the Russian Communist Party's success in the December 1995 Duma elections the International Monetary Fund in Washington—de facto controlled by the US Treasury--made an extraordinary $10.2 billion loan to the Yeltsin government. In that loan, $1 billion was secretly intended for the campaign to keep Yeltsin president in the 1996 elections. Tape recordings later made public of conversations between President Bill Clinton and Yeltsin showed that in return for the US support, Yeltsin would exempt longtime Clinton supporter, campaign donor, and Arkansas-based Tyson Chicken's exports to Russia—then a $700 million annual business—from a threatened 20 percent import tariff increase. The corruption was seemingly unbounded.[21]

Berezovsky and Gusinsky, the Clinton–Summers–Harvard–Soros-backed new Russian oligarchs, fearing the loss of their stolen billions to the opposition communists, in turn formed what they called the "Group of Seven." The group included Berezovsky, Gusinsky, Khodorkovsky, Potanin, Vinogradov, Smolensky, and Friedman. With aid the of US Madison Avenue spin doctors, the Group of Seven—which then owned the two major TV stations, with the third still state owned (i.e., Yeltsin controlled), and their control of major press—ran a US-style media campaign assault for Yeltsin's reelection. At the same time, they blocked Zyuganov from buying media time.

Yeltsin posters carried the cynical Madison Avenue slogan, "Choose with Your Heart." Another ad featured Yeltsin's family in photos while Yeltsin recalled events in his childhood as an athlete, rebel, father, and grandfather. All the while, sentimental Russian music played in the background.[22]

The oligarchs hired Chubais, the man responsible for creating their fortunes, as Yeltsin's campaign manager. He created a private fund aptly called the Center for the Protection of Private Property--his and the Yeltsin oligarchs' private property in reality.

Chubais received $5 million from the Group of Seven for the campaign. Fake newspapers were created overnight, printing stories that claimed the "discovery of secret minutes" of a Communist Party leadership meeting where Zyuganov was alleged to have said, "We will not be able to give the people anything that we promised." Gaidar's re-election fund also funneled hundreds of thousands of dollars, a fortune in the time of hyperinflation of the ruble, to major Russian journalists to write fraudulent articles in praise of Yeltsin and discrediting Zyuganov.[23]

During the 1996 pre-election campaign, polls showed that Communist Party leader Gennady Zyuganov would defeat Yeltsin. The Russian population rightly

felt cheated and humiliated. Yeltin's support was less than 4 percent. Gaidar, Chubais, and the other "reformers" around Yeltsin began to panic.

Chubais and Yeltsin turned to the new Oligarchs—called by cynical Russians as "Russia's corporate politburo"—to save the day. Chubais called a press conference where he claimed that if the Communist Party returned to power, they would forbid the "free" press and put their political adversaries into prison, predicting a "big bloodshed in Russia." The fact that the Yeltsin oligarchs had gotten a near monopoly on Russian TV and print media made it possible to tilt the vote to Yeltsin 54 percent. The Russian corporate politburo was now firmly in the saddle, with Yeltsin and Chubais their horses, or so they believed.[24]

The Destruction of the Ruble

The next step in the rape of Russia for Washington and the secret CIA Operation Hammer was to create hyperinflation and ruin the ruble currency—state default.

By 1998, the casino of short-term debt in the state GKO bond market, at times paying interest of up to 290 percent or more, was reeling out of control. Billions of speculative hot dollars were pouring in from foreign hedge funds and other speculators. The improbable yields on three-month paper on the Russian market's GKO bonds were paid with US taxpayers' money via IMF loans.

By yielding those kinds of ultra-high returns, the bond market ensured that all the country's resources and all it was capable of attracting went to the support of the state, the state apparatus then controlled by Yeltsin's tight-knit mafia around Chubais and Gaidar.[25]

It also insured that the giant Ponzi scheme would soon topple. It did, triggered by an August 1998 op-ed in the influential London *Financial Times* by the US hedge-fund billionaire and Russian oligarch insider George Soros. By the time of the ruble crisis of August 1998, Russian industrial output had fallen by almost half and poverty had increased from 2 percent of the population to over 40 percent. Until August 1998, the ruble was overvalued, making it impossible for domestic producers to compete with imports.

The IMF did not want Russia to devalue, and it provided billions of dollars to prop up the exchange rate.[26] That was to no avail, however. The devaluation was forced deliberately, part of the Operation Hammer agenda to destroy Russia.

On pressure from the Clinton Treasury, especially from Deputy Secretary Larry Summers, the IMF made a $22.6 billion Russian bailout to save the financial assets of their bankers and oligarchs, not to save the ruble. With the IMF money in the pipeline, Soros wrote a prominent guest article in the London

Financial Times where he stated, “The meltdown in Russian financial markets . . . has reached terminal phase. Bankers and brokers who had borrowed against securities could not meet margin calls and forced selling swamped both the stock and bond markets.”[27]

Given Soros’s financial market reputation as an uncanny and unusually well-informed trader, Western investors led a panic exit from ruble GKO bonds and Russian stock shares. Trading on the Russian stock market was suspended amid growing fears of debt default, devaluation of the ruble, banking collapses, or a combination of all three.

Then on August 18 Prime Minister Sergey Kiriyenko and the Russian Central Bank jointly announced a devaluation of the ruble, a suspension of trading in government GKOs, and a ninety-day moratorium on the repayment of ruble-denominated foreign debt. Short-term debt due by the year end was $20 billion, with $6.5 billion owed to foreigners. Foreign reserves totaled a mere $17.5 billion and were vanishing at the rate of $1 billion a week to try to support the ruble–dollar peg.[28] That signaled the end of shock therapy and the Harvard Boys but the beginning of a dramatic change in fortunes of certain oligarchs.

The Silent Putsch

Following the Russian debt default and ruble crisis, the Yeltsin oligarch cabal in the Kremlin was forced to compromise in September 1998, when the Duma refused to approve the notoriously corrupt Viktor Chernomyrdin as Prime Minister. In a desperate bid to calm opposition, the Yeltsin cabal named a highly respected outsider to head the government, Yevgeny Primakov—a former head of the KGB foreign intelligence successor, SVR, and former foreign minister—as the new prime minister.

Primakov soon went after the most powerful Yeltsin oligarch, Boris Berezovsky. On April 5, 1999, prosecutors and armed men in camouflage and black masks raided Berezovsky’s companies in Moscow, and an arrest warrant was issued for Berezovsky for his involvement in a scam involving Aeroflot ticket sales. In May 1999, members of the state Duma tried to impeach President Yeltsin. The impeachment vote failed. It was rumored that votes had been bought by the Kremlin at $30,000 apiece.[29] Clearly the political tide was turning in Russia.

When Prime Minister Primakov learned of the illegal US bombing of Serbia in March 1999, he was aboard a Russian jet en route to Washington for meetings. He ordered the pilot to immediately return to Moscow in what came to be called

in the Russian media the “Primakov loop.” Back in Moscow, Primakov vehemently protested that Yeltsin and the Russian government must act to support the Serbs. Yeltsin responded by firing Primakov some weeks later, using the economy as excuse.

On June 11, 1999, the Russian military rejected the Kremlin’s capitulation to the NATO bombing of Serbia and ordered Russian troops to seize the airport in Pristina, Kosovo. Yeltsin had lost control over his own military. This was the beginning of what would become a silent coup. With little choice, Yeltsin’s administration agreed to require the foreign ministry to coordinate its activities with the military and security apparatus that Primakov had headed.

An Unknown Named Putin Takes Over

On August 10, 1999, Yeltsin fired Prime Minister Sergei Sephashin and replaced him with Vladimir Putin, an unknown former KGB officer who had spent the Cold War in Dresden in communist East Germany. Putin briefly had been head of the FSB and otherwise seemed to be a man with little prior political experience other than a short time as deputy mayor of St. Petersburg. Berezovsky, Gusinsky, and the other Yeltsin oligarchs believed they could “do business” with the novice Putin. They made a major error.[30]

According to informed reports, Putin gave Yeltsin the ultimatum to resign or face serious consequences, an offer he apparently could not refuse. Yeltsin resigned on December 31, 1999, naming Prime Minister Vladimir Putin as acting president until the March 2000 elections. By then, the CIA and their undesirable NGOs had wreaked untold damage on Russia and the Russian people.

Once in office as president on December 31, 1999, Vladimir Putin made clear to the oligarchs he was not intending to be their man. Following an electoral victory in June 2000, Putin called to the Kremlin the eighteen most powerful oligarchs, those who had made staggering fortunes at the expense of Russia. He denounced the shocked oligarchs by calling them creators of a corrupt state through backroom deals and insider ties. Soon after that, Putin’s Kremlin launched criminal cases against media and banking oligarch Vladimir Gusinsky of Media-Most, the financial–industrial group Interros headed by Vladimir Potanin, and Sibneft, an oil company controlled by Roman Abramovich, as well as businesses connected with Boris Berezovsky.[31]

Incalculable Human Economic Toll

The human cost of the US-imposed Russian shock therapy brought by Soros, Jeffrey Sachs, Larry Summers, and a stable of CIA-linked financial and legal operators, such as Jonathan Hay and Andrei Shleifer, was beyond belief. Between 1991 and 1997, the Russian GDP—the value of all goods and services that Russia produces—collapsed by 83 percent. Farm production had declined by a staggering 63 percent as state support for large farms ended. Investment into the economy decreased by 92 percent.

More than 70,000 factories were closed down. That led to Russia's producing 88 percent fewer tractors, 76 percent fewer washing machines, 77 percent less cotton fabric, 78 percent fewer TVs, and on and on. In a country that had been without unemployment under the Soviet era, thirteen million people lost their jobs under Yeltsin's "free market" Russia. Those who still had work had their wages cut in half. The average life span for men had been shortened by six years, down to the same level as in India, Egypt, or Bolivia. Alcoholism became epidemic as depression spread among the population. It was a shock therapy indeed, the kind of shock a country experiences only in a major war.[32]

The CIA and their fake democracy NGOs had more than Russia and the destruction and looting of the Soviet Union and Eastern Europe in their sights. The People's Republic of China was also being targeted for drastic regime change at the same time Washington brought the Soviet Union to collapse. Leading circles in the US and Britain had decided to try to destroy all state communist powers at the same time—a massive, if foolish ambition.

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CHAPTER FIVE:

THE CIA, NGOS AND THE MYTH OF TIANANMEN

"As far as can be determined from the available evidence, no one died that night in Tiananmen Square. A few people may have been killed by random shooting on streets near the square, but all verified eyewitness accounts say that the students who remained in the square when troops arrived were allowed to leave peacefully."

—Jay Mathews, US journalist present in June 1989 at Tiananmen Square[1]

CIA and Washington NGOs Orchestrate Tiananmen

For most of the world, the events in Tiananmen Square in Beijing in Summer 1989 appeared to be a spontaneous student democracy protest that was brutally ended by a cold-blooded Chinese military massacre of hundreds, if not thousands, of innocent, unarmed students.

The reality of the events in Tiananmen in June 1989 was far different from BBC or CNN and other Western media accounts. It was anything but "spontaneous." Rather it was an intimate part of a larger regime-change template for upheaval launched by the same Washington and CIA circles, along with the newly developed "fake democracy" nongovernmental organizations (NGOs), including the National Endowment for Democracy (NED), George Soros's foundation, and Gene Sharp's Albert Einstein Institution.

President George H.W. Bush, who had been sworn into office that January, along with the leading circles of the US establishment, had decided to launch a total assault on the flailing communist regimes from Moscow to Belgrade to Beijing, all in the first months of his presidency. At the same time that covert Bush–CIA old boy networks were taking down the Soviet Union, Washington

was also preparing a brutal dismemberment of communist Yugoslavia in the Balkans, once called by Churchill the “soft underbelly” of Europe. For Bush, however, the destruction of the communist regime in Beijing had a very special meaning.

Zhao Reforms

The central figure from the reformist faction of the Chinese Communist Party was Zhao Ziyang, premier of the People’s Republic of China from 1980 to 1987, as well as then General Secretary of the Communist Party of China until his ouster and arrest during the Tiananmen Square student protests in June 1989.

As prime minister, Zhou, himself not economically trained, implemented a series of successful regional, then national, agrarian economic reforms that boosted national food production over several years by an impressive 50 percent.

On the death of Mao, Zhou became a “principal architect” of the sweeping pro-market changes that followed. China’s supreme leader at the time, Deng Zhou-Ping, recognized the effectiveness of the limited reforms of Zhou that had dramatically boosted industrial and food output in Sechuan Province, where Zhou had been the responsible leader during the 1970s.

Most of the initiatives that came to be associated with Deng’s 1979 “Socialism with Chinese Characteristics,” the opening to Western market reforms, originated with Zhao, whom Deng promoted to full Politburo member in 1979. In 1984, Zhao was invited to the White House to meet US President Ronald Reagan when Zhao was premier of the State Council. Washington had their eyes on the liberal reformer quite early.[2]



In January 1984, Zhou was the guest of President Reagan at the White House.

In May 1988, as head of the Communist Party, still enjoying the full backing of Deng, Zhao Ziyang introduced radical market-price reforms that led to a major inflation shock and growing popular unrest. Zhou also broke a major Chinese Communist Party taboo by advocating separation of the state from the Communist Party.[3] Both policies fanned widespread student and worker activation. Very little more was needed to light the fires of widespread protest.

Bush, the CIA, and Yale Opium Lords

A critical background to the US role in encouraging Zhou Ziyang, and also covertly organizing a massive national student protest against the Chinese Communist Party in spring 1989, was understanding the common roots of three US ambassadors to the People's Republic of China: George H.W. Bush, Winston Lord, and James R. Lilley.

At Bush's personal request, President Gerald Ford named George H.W. Bush to be de facto US ambassador to China in 1974—five years before the US officially recognized the People's Republic of China. Bush served in Beijing for a year, making critical contacts with Chinese leadership until he was named to head the CIA in December 1975, where he was until January 1977, when President Jimmy Carter, a Democrat, chose a new CIA director.

The call to Bush to return to Washington from Beijing to head the CIA was sent in a joint diplomatic telegram to Bush in Beijing signed by both President

Ford and Secretary of State Henry Kissinger. It was Kissinger who, on orders of then president Richard Nixon, had made a secret trip to Beijing to meet with the top Chinese leadership to prepare for Nixon's 1972 visit and the opening of China to the West.

That China experience of George H.W. Bush would prove highly useful a little more than a decade later, when James R. Lilley, Bush's close friend and decades-long fellow CIA officer, was named US ambassador to Beijing. Bush and Lilley had been close friends since the early 1970s when Lilley was the head of station for the CIA in Beijing and Bush was the Chief of Mission de facto the US ambassador. In 1975, as Bush was returning to Washington from Beijing to head the CIA, Lilley was appointed as the CIA's National Intelligence Officer for China, the highest-ranked expert on China in the American intelligence community.[4]

Bush brought Lilley back to Beijing in April 1989, this time as ambassador, to oversee the Tiananmen CIA destabilization attempt in China against the Communist Party central rule.

Lilley had been preceded by Winston Lord, who had been Beijing ambassador from 1985 until Lilley became US China ambassador in April 1989 at the start of the Tiananmen Square student protests.

The earlier naming of George H.W. Bush as US ambassador, as well as Winston Lord, James Lilley, and almost every US ambassador since the Nixon–Kissinger opening to China in 1971, with one exception, went back to a secretive and ultra-influential society at Yale University with the foreboding name Skull and Bones. Bush, Lord, and Lilley were all three members of that same, very select secret society at Yale—a very interesting, significant, and little-known fact about the shared background of the architects of US–China relations of the past three or more decades.



The Yale University secret society Skull and Bones, said to be one of the most influential organizations for nurturing American patriarchs, was founded by the US opium-trading Russell family and has included all Bush family presidents, as well as many ambassadors to China.

After 1840 the British, along with American New England shipping merchant families such as Yale University patrons the Russells of Skull and Bones, had flooded imperial China with opium to force the opening of China to the West. In 1989, the CIA and British intelligence, aided by their democracy NGOs, tried once more to force the "reform and opening" of Communist China to Western looting and plunder much as they were doing in Poland and Russia under Yeltsin.

Skull and Bones, one of the most secretive and influential incubators of future Washington policy makers, had been founded by William Huntington Russell, head of Russell and Co., the most influential American trading house in China for most of the second half of the nineteenth century, subverting China with opium from Turkey during the Opium Wars, which began in 1840.[5]

The Order of Skull and Bones was incorporated as the Russell Trust in 1856 at the height the Russell family's fortune-making alongside the British in the Opium Wars against China.

Skull and Bones was first called the "Brotherhood of Death." It has been documented that this very secret Yale society, which has perhaps only 500 to 600 members active at any time, is at the core of the American patriarchy, those self-appointed oligarchs who treat their country, as well as the population, as their personal property. Historian Anthony Sutton described the Skull and Bones this way:

The membership list of about 2,500 initiates in The Order has very obvious features: Most members are from the Eastern seaboard United States. As late as 1950 only three members resided in Los Angeles, California, but 28 members resided in New Haven, Connecticut. Members are all males and almost all WASPS (White Anglo Saxon Protestant). In great part they descended from English Puritan families, their ancestors arrived in North America in the 1630-1660 period. These Puritan families either intermarried with financial power or invited in sons of money moguls, e.g., Rockefellers, Davisons, and Harrimans, whose sons became members of The Order.[6]

China, Lord and NED

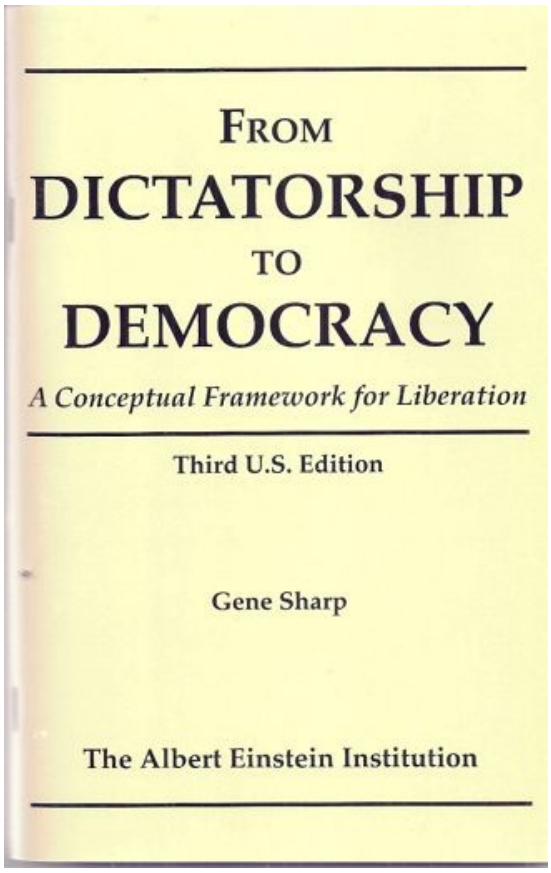
Winston Lord, the US ambassador to China from November 1985 until just prior to outbreak of the Tiananmen protests on April 23, 1989, went on some months later to become chairman of the NED. He later became chairman of the highly influential New York Council on Foreign Relations, the leading American foreign-policy think tank.[7] In brief, the key State Department figures named to Beijing were part of a very specific and very knowledgeable China policy group in the USA. No Iowa farmers these.

As president, the only trip to China George H.W. Bush was to make was in February 1989, two months before the CIA detonated its Tiananmen destabilization protests. In Beijing, Bush met first with China's supreme leader Deng Zhou-Ping, at that point still the strongest backer of the reforms of Zhou Ziyang. The Bush–Deng talk was followed by an almost two-hour meeting of Bush and Ambassador Winston Lord, along with senior Bush Cabinet officials, with Zhou. China's economic reforms were discussed among other matters. It was likely a personal profiling assessment by CIA man Bush of Zhou Ziyang and his ability to lead the de facto "democracy" revolution against the Chinese Communist rule Washington was about to unleash.[8]

"Nonviolence as a Weapon of Warfare"

During the April 1989 outbreak of carefully staged student protests at the major open square in the heart of Beijing known as Tiananmen Square—perhaps the most significant and symbolic political site in the history of the People's Republic of China—several of the leading operatives, or actors, of the new US "democracy NGO" apparatus were on the scene in Beijing.

They included Gene Sharp, the architect of the CIA's strategy of "nonviolence as a weapon of warfare," who was once referred to as the "the Clausewitz of nonviolent warfare."[9] Sharp was the founder of the Albert Einstein Institution in Cambridge Massachusetts and author of *From Dictatorship to Democracy*, the handbook used in every major US government-backed color revolution since 1993.[10]



Gene Sharp wrote the handbook used in almost every CIA and NED regime change since the 1980s, including at Tiananmen Square in 1989.

Gene Sharp, a recipient of NED monies, was personally present in Tiananmen Square in the days before the demonstrations ended on June 4. He admitted as much years later in an interview with Amitabh Pal, editor of *The Progressive*.[11] In fact, in early June 1989, he and his assistant, Bruce Jenkins, went to Beijing two weeks before the Tiananmen events. They were both expelled by Chinese authorities before the end of the protests, perhaps one reason why the US destabilization failed.

In 1983, Sharp, together with Peter Ackerman, founded the Albert Einstein Institution (AEI) to advance an agenda of toppling dictators who happened to also be on the hit list of Washington. The name, as Sharp admitted, was opportunistically chosen, a PR gimmick to give the operation a tone of gravitas and had no relation to Albert Einstein, the famed physicist. Ackerman later went on to head the board of Freedom House, another CIA "democracy" front funded by the NED whose director at one time was former CIA director James Woolsey.[12]

That year—1983, when Sharp and Ackerman founded AEI—was the same year that Washington's CIA "democracy" NGO the NED was created. By 1987, Sharp's AEI was receiving funds from the US Institute for Peace, another of the "democracy" NGOs created in the 1980s by the US Congress, one holding close ties to the Pentagon and CIA.[13]

Major General Edward B. Atkeson, USA (Ret.), senior fellow at the Institute of Land Warfare, an association of the US Army, was on the advisory board of Sharp's AEI. The CIA then brought Colonel Robert Helvey, former dean of the US Embassy's Military Attachés Training School, into Sharp's organization as an expert in clandestine actions. Thomas Schelling, a CIA consultant, also joined the administrative council of the Albert Einstein Institution, which was receiving money by then from the International Republican Institute (IRI), one of the four branches of the NED.[14]

The nonviolent handbook of Sharp stressed the successful nonviolent tactics of India's Mahatma Gandhi, including the use of hunger strikes to gain popular sympathy. Gene Sharp and his crew were no naïve peaceniks or idealists for democracy; they were part of a US State Department destabilization of the Chinese Communist Party, the heart of the Chinese state.

Soros's Fund for the Reform and Opening of China

Another player in the CIA-backed Tiananmen Square destabilization of China was the Fund for the Reform and Opening of China. It was the Chinese foundation of billionaire George Soros, the same Soros who was at the same time behind the rape of Russia and Polish shock therapy. Soros's Fund for the Reform and Opening of China, according to Chinese reports, was supported by and worked closely with Communist Party chief Zhao Ziyang.

As early as 1986, Soros gave his Fund for the Reform and Opening of China one million dollars—a considerable sum for China those days—to promote "cultural exchanges" to the USA and do research projects on free-market

reforms with Zhao Ziyang's Institute for Economic Structural Reform. The Chinese government banned Soros's Fund following the Tiananmen Square events after interrogating its Chinese director, Liang Congjie, in August 1989, charging that the Fund had links to the CIA.[15]

The NED and Voice of America

The NED, also with the support of Zhou Ziyang, had been active in funding operations in China from outside the country since the first year of NED operations in 1984. Their efforts included a quarterly magazine, *The Chinese Intellectual*, and support for Chinese students in the West who were being seductively recruited into the CIA "fake democracy" networks.

The Chinese Intellectual, with offices first in New York and then in Beijing until Tiananmen Square, promoted the open discussion of "democratic values," aimed at influencing mainland Chinese students studying in West. A year before the Tiananmen protests, the NED-financed magazine began direct distribution in China, and its Beijing center hosted discussions on "democracy" beginning 1988.[16] It was the preparation for the launch a few months later of Tiananmen student protests.

At the same time, beginning in 1988, the NED had two offices in China that gave regular seminars on democracy. The NED sponsored select Chinese writers and publications. It was reported that the NED and CIA recruited numerous Chinese students studying in US at the time.[17]

When the Tiananmen Square student protests erupted in late April, the NED sent or helped fax thousands of letters from Washington to recipients in China. They inflamed Chinese public opinion against the Beijing government via Voice of America (VOA) shortwave radio broadcasts into all China. US Ambassador Lilley's Embassy also arranged for hundreds of student dissidents to flee to the West after the Chinese government published its "Wanted Leaders of Autonomous Union of Peking College Student" list on June 13, 1989. They were smuggled out of China via then British colony Hong Kong with the aid of the CIA and British MI6 intelligence, along with the French Embassy via a CIA underground railroad called Operation Yellowbird.[18]

In short, the US State Department was up to their eyeballs in the attempted student destabilization called Tiananmen Square. The department's propaganda arm, the VOA, beamed radio programs and support for the protestors in Mandarin Chinese across China in the days of the protests. In Nanjing, university students had boom-boxes turned high as the VOA described events in

China. As the protest gathered more than one million students from all over China into Tiananmen Square by late May 1989, the VOA stepped up programming in Mandarin to eleven hours a day. The VOA, which claimed it usually had sixty million regular listeners in China, said they estimated that in the peak of the protests it may have reached as many as 400 million Chinese listeners. In early June, VOA cameras started beaming the service's first TV news program via satellite to about 2,000 dish antennas in China.[19]

The preparations for the massive student protests that began in April 1989 were being carefully laid by the Bush administration and its intelligence networks.

The Massacre That Was Not

The thousands of students were being steered by student operatives trained in NED and AEI workshops in techniques of nonviolence as a method of warfare.

Initially, strangely enough, the protests were not focused on any specific list of grievances other than protesting issues like government price inflation—itself a result of Zhou's 1988 price decontrols—or vague complaints such as limited preparedness of graduates for the new economy and restrictions on political participation. The students called for democracy, greater accountability of the state, freedom of the press, and freedom of speech. Following the May 4 protests, the demonstrations lost momentum and students were beginning to return to class.

At that point, several key student leaders proposed a turn to nonviolent methods from the textbook of Gene Sharp—mass hunger strikes. On May 13, a group of student leaders called for students to stage a hunger strike. They published the Hunger Strike Manifesto. It read:

We are doing this:

- *to protest the government's indifference to the student demonstrations*
- *to protest the government's failure to enter into a dialogue with students*
- *to protest the government's unfair characterization of the student democratic movement as "turmoil" and the further distortion of it in newspaper coverage.*

We request:

- *an immediate and equal dialogue of substance between the government and the students*
- *an acknowledgment by the government of the legitimacy of the student democratic movement.*[20]

They were hardly demands worth starving to death for, let alone risking getting shot. Nonetheless the hunger strike tactic taken from the handbook of Gene Sharp had a galvanizing effect not only across China but around the world as well. In a kind of mass-hysteria contagion, some 3,100 students joined a hunger strike. A student, Chai Ling, was elected commander-in-chief of the Hunger Strike Committee.

Beijing at the time was filled with international media who were there to cover the arrival of Soviet leader Mikhail Gorbachev. The hunger strike had been deliberately coordinated with the day of Gorbachev's arrival to ensure maximum world-media attention. It was enormously successful, as reporters took photos of students fainting. Student posters stating they were willing to die for "democracy" filled the papers and television screens.[21]



At end of May 1989, between three and five million students and workers were on the streets of Beijing demanding reform, few suspecting the hand of the NED and CIA behind the protests to topple the China Communist regime in favor of a Polish-style economic free market.

Zhou Ziyang's Politburo agreed to allow local Beijing Communist Party–controlled media to honestly cover the protests. That resulted in an alarming outpouring of citizen support for the students. By late May 1989, somewhere between three and five million people, many of them unemployed workers, were roaming Beijing streets, angrily denouncing the government for double-digit inflation and mishandling the economy through corruption. Beijing, the capital of China, was sliding into anarchy.[22]

On May 20, Communist Party authorities declared martial law and mobilized some 300,000 troops to Beijing. Ambassador James Lilley's "second" China revolution looked very much like it was about to materialize.

On June 3, events reached a climax. Western journalists and select student leaders reported to Western media that the Chinese People's Liberation Army had begun a massacre of students at Tiananmen. The *New York Times* reported a quote from an alleged Chinese Tsinghua University student who dramatically described machine guns mowing down students in front of the Monument to the People's Heroes in the middle of Tiananmen Square. No evidence was ever found to confirm the account, nor could anyone even verify the existence of the alleged witness.

Wu'erkaixi, another one of the central student leaders, told Western media he had personally seen 200 students cut down by gunfire. It was later proven that he had left the square several hours before the events he described allegedly occurred.[23]

In a recorded statement of what she saw on the night of June 3 into the early morning, Chai Ling stated that she had witnessed government soldiers in a massacre of twenty students on the square. It was later demonstrated that she and her husband had fled the square long before the troops moved in and were on a train out of Beijing.[24]

In the early morning hours of June 4, 1989, Tiananmen Square was peacefully cleared of student demonstrators. A Spanish TV film crew filmed the final peaceful departure of the last several thousand students just before dawn. The student leaders and the military had negotiated safe conduct if the students would leave peacefully.

Deng Xiaoping had declared he wanted no deaths to result from breaking up the student demonstrators and clearing Tiananmen Square. The army was commanded that soldiers should not turn their weapons on innocent civilians, even if provoked.

Incredible as it was, there never was a government massacre of thousands or even tens of students at Tiananmen Square on June 4. It was a fiction manufactured by US Ambassador James Lilley, the CIA, and their fake democracy apparatus. Respected Dutch journalist Willem Van Kemenade, Beijing correspondent for the *NRC Handelsblad*, wrote that the initial media reports of 2,600 to 3,000 casualties in Tiananmen Square were prompted by the CIA.[25]

US Ambassador James R. Lilley fed the massacre story, claiming he had done a tour of Beijing hospitals in the days after June 4 and estimated that "hundreds" of students had been massacred. The myth of the Tiananmen Square massacre was firmly in the minds of the world public, fed by a CIA propaganda operation that would then be used to pressure the Chinese Communist regime with military and other sanctions.

Washington Post Beijing correspondent Jay Mathews, who had been present at Tiananmen Square on June 3, reported in a later account published in the *Columbia Journalism Review* that

> *as far as can be determined from the available evidence, no one died that night in Tiananmen Square. A few people may have been killed by random shooting on streets near the square, but all verified eyewitness accounts say that the students who remained in the square when troops arrived were allowed to leave peacefully*.[26]

Mathews added:

> *The Chinese government estimates more than 300 fatalities. Many victims were shot by soldiers on stretches of Changan Jie, the Avenue of Eternal Peace, about a mile west of the square, and in scattered confrontations in other parts of the city, where, it should be added, a few soldiers were beaten or burned to death by angry workers*.[27]

Fang Lizhi, an internationally renowned Chinese astrophysicist and key organizer of several of the most prominent student leaders—who encouraged them to stage the April–June Tiananmen Square protests—was involved in the March 1989 founding of the Human Rights in China NGO with money from the US NED and George Soros's foundation.[28] On June 5, after the end of the protest, US Ambassador Lilley gave Fang Lizhi and his wife sanctuary in the US Embassy, with his release to the USA secured in a secret negotiation with Beijing authorities by former Secretary of State Kissinger in 1990.

Key student leaders Chai Ling and Wu'erkaixi, both of whom fed the CIA myth of the student massacre as alleged eyewitnesses, were smuggled out of China into then-British Crown colony Hong Kong by the CIA's Operation Yellowbird underground network. Wu'erkaixi then was flown to Paris and on to the US, where he was admitted to Harvard University. He later went to Taiwan, where he advocated independence from China. Chai Ling was sent to the US, where she was invited to attend the prestigious Princeton University and, upon graduation in 1993, went to work for consulting company, Bain & Co., in Boston.[29]

Lilley's Declassified Telegram

WikiLeaks, the website that received hundreds of thousands of pages of intercepted diplomatic correspondence from the US State Department, released a classified diplomatic cable from then Beijing Ambassador James Lilley to Washington dated July 12, 1989, more than four weeks after the events**.** In his report, Lilley wrote the following true version of events:

> ***OF JUNE 3-4 EVENTS ON TIANANMEN SQUARE***
> ***1. CONFIDENTIAL - ENTIRE TEXT.***
> *2. SUMMARY- DURING A RECENT MEETING, A LATIN AMERICAN DIPLOMAT AND HIS WIFE PROVIDED POLOFF AN ACCOUNT OF THEIR MOVEMENTS ON JUNE 3-4 AND THEIR EYEWITNESS ACCOUNT OF EVENTS AT TIANANMEN SQUARE. ALTHOUGH THEIR ACCOUNT GENERALLY FOLLOWS THOSE PREVIOUSLY REPORTED, THEIR UNIQUE EXPERIENCES PROVIDE ADDITIONAL INSIGHT AND CORROBORATION OF EVENTS IN THE SQUARE.* ***THEY WERE ABLE TO ENTER AND LEAVE THE SQUARE SEVERAL TIMES AND WERE NOT HARASSED BY TROOPS. REMAINING WITH STUDENTS BY THE MONUMENT TO THE PEOPLE'S HEROES UNTIL THE FINAL WITHDRAWAL, THE DIPLOMAT SAID THERE WERE NO MASS SHOOTINGS OF STUDENTS IN THE SQUARE OR AT THE MONUMENT. END SUMMARY.*** (emphasis added)

Lilley, in his memo, goes on to name the Latin American couple as Chilean Embassy Second Secretary Carlos Gallo and his wife who had been dining near the square and went to observe events. As foreign diplomats, they managed to

move in the crowd without difficulty. They said the People's Liberation Army (PLA) had evidently been ordered not to interfere with foreigners. They reported hearing shots and that wounded students were brought to a Red Cross tent for care. Then, US Ambassador Lilley reported to Washington:

> *8. GALLO EVENTUALLY ENDED UP AT THE RED CROSS STATION, AGAIN HOPING THAT TROOPS WOULD NOT FIRE ON THE MEDICAL PERSONNEL THERE. HE WATCHED THE MILITARY ENTER THE SQUARE AND DID NOT OBSERVE ANY MASS FIRING OF WEAPONS INTO THE CROWDS, ALTHOUGH SPORADIC GUNFIRE WAS HEARD. HE SAID THAT MOST OF THE TROOPS WHICH ENTERED THE SQUARE WERE ACTUALLY ARMED ONLY WITH ANTI-RIOT GEAR—TRUNCHEONS AND WOODEN CLUBS…*

Then, in a subsequent meeting with the US Embassy's political officer, Gallo reported a most remarkable development, which was entirely blocked out of sensational Western media. The student leaders and the PLA had reached an agreement that the protestors would be allowed to leave peacefully if they disbanded their sit-in:

> *10. ALTHOUGH GUNFIRE COULD BE HEARD, GALLO SAID THAT APART FROM SOME BEATING OF STUDENTS, THERE WAS NO MASS FIRING INTO THE CROWD OF STUDENTS AT THE MONUMENT. WHEN POLOFF MENTIONED SOME REPORTEDLY EYEWITNESS ACCOUNTS OF MASSACRES AT THE MONUMENT WITH AUTOMATIC WEAPONS, GALLO SAID THAT THERE WAS NO SUCH SLAUGHTER. ONCE AGREEMENT WAS REACHED FOR THE STUDENTS TO WITHDRAW, LINKING HANDS TO FORM A COLUMN, THE STUDENTS LEFT THE SQUARE THROUGH THE SOUTHEAST CORNER. ESSENTIALLY EVERYONE, INCLUDING GALLO, LEFT. THE FEW THAT ATTEMPTED TO REMAIN BEHIND WERE BEATEN AND DRIVEN TO JOIN THE END OF THE DEPARTING PROCESSION. ONCE OUTSIDE THE SQUARE, THE STUDENTS HEADED WEST ON QIANMEN DAJIE WHILE GALLO HEADED EAST TO HIS CAR.*[30]

Unlike the CIA–Bush administration's 1989 rape of Russia through the breakup of the Soviet Union, the simultaneous attempt to bring down the Communist Party state apparatus in China failed.

The third such fake “democracy” revolution, the directed dismembering of communist Yugoslavia, which the Bush administration also began in 1989, was, from Washington’s point of view, more “successful.” It unleashed a ten-year civil war, the deaths of an estimated 133,000 people, and the destruction of much of the former country. As well the war opened Kosovo to the largest foreign US military base since Vietnam.

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CHAPTER SIX:

WASHINGTON AND THEIR NGOS DISINTEGRATE YUGOSLAVIA

"The war in Bosnia was America's war in every sense of the word. The United States administration helped start it, kept it going, and prevented its early end."

—Sir Alfred Sherman, Balkan Expert and Adviser to Prime Minister Margaret Thatcher[1]

The Threat of an Independent EU

In November 1989, one of the most dramatic events of the century took place in Berlin. The Berlin Wall, which divided the communist-controlled German Democratic Republic in the east of the city from the Federal Republic of Germany in the western part of Berlin, fell. Thousands poured over the wall into the west dancing and singing. It signaled that the Soviet Union had raised the white flag of surrender in the East–West Cold War. It was not long after their humiliating defeat in Afghanistan.

After more than four decades, the Cold War was over, or at least so many had hoped and believed.

Reality was to prove otherwise. For its part, Washington was just warming up to launching what would become an unending series of wars, destabilizations, confrontations, and color revolutions, all aimed at extending the power of the USA, the self-proclaimed "sole superpower" after the defeat of the Soviet Union. The year 1989 was decisive for US policy actions. The Bush administration's policy was to launch regime change and dismemberment operations in China, the Soviet Union, and now in communist Yugoslavia, all simultaneously.

From its creation, Yugoslavia was an artificial entity, an ethnically explosive mix of Orthodox Christian Serbs, Roman Catholic Slovenes and Croats, and a minority of Muslim peoples, called Bosniaks, in Bosnia-Herzegovina. It had been pasted together by victorious allies, notably the British and French, after their victory of the First World War in 1918. The victor powers carved out a new state, later named Yugoslavia, by taking Slovenia and Croatia away from the Austro–Hungarian Empire. In 1945, Marshall Josef Tito declared the establishment of the Socialist Republic of Yugoslavia, composed of six nominally equal federated republics: Croatia, Montenegro, Serbia, Slovenia, Bosnia-Herzegovina, and Macedonia.

With the Soviet Union a chaotic shambles and the military Warsaw Pact gone, Washington faced an entirely new challenge. Suddenly, the rationale for permanent US military and political control over the nations of the EU was under existential threat. Europe was beginning to sense its true independent power in the world as leading circles there contemplated life after NATO—Europeans would no longer have to bow to countless US dictates merely because of a real or imagined threat of the Soviets.

In March 1990, the Italian magazine *30 Days* interviewed Gianfranco Miglio, an Italian professor with close ties to Washington. Miglio told the journal:

> *The US saw that to avoid falling into a decline similar to that of the Soviet Union, it had to keep pace with potential adversaries of the future. They include Japan and the Continent of Europe, united around German economic power. . . The United States could not accept the idea of Europe as it is today, a Continent that not only can manage quite happily without America, but one which is economically and technologically more powerful.*[2]

At that point, Washington began secretly planning for a new war in the heart of Europe, one that could and would be used, among other things, to establish permanent US military bases in Europe, as well as to justify not only the retaining of NATO, an organization controlled by Washington, but also actually expanding NATO into the states of the former Warsaw Pact as the embodiment of a new American Century, President George H.W. Bush's self-described "New World Order."[3]

By the end of the 1980s, Washington was aware that Europe's leaders were hard at work drafting new rules of association that would later become incorporated into what was called the Maastricht Treaty. In November 1989, the

Berlin Wall came down and the Soviet Union opened to the West. Within months, the Soviet Union itself dissolved, and France and Italy began pressing for adoption of what became the Maastricht Treaty. The treaty was the planned cornerstone of what was called by its proponents a “United States of Europe,” a future EU to replace the old European Economic Community.

At the end of the 1980s, European elites had privately regarded the US as an empire in terminal collapse. America’s industry was technologically outmoded or obsolete in most vital areas, from steel to automobiles to machine tools to aerospace. Its major banks—such as Citigroup, Chase, and Wells Fargo—were in severe crisis, de facto bankrupt had it not been for covert government and Federal Reserve support.

Leading Europeans viewed America as a declining empire, much as Britain had been before 1914. They were determined to fill the ensuing global power vacuum with their new European Union. The Maastricht Treaty, in addition to the provision to create a European Central Bank for a monetary union, also included a little-discussed pillar for the creation of a common European Defense and Security Policy, an independent European “NATO” with separate command structure run by the EU countries and not by Washington. The common European Defense was a pillar that Washington saw as a direct threat to America’s global power.[4]

War in the Heart of Europe

Washington’s response was to covertly trigger events in Yugoslavia that would explode in a violent war in the heart of Europe. It would shatter the illusion that European wars were a thing of the past, no war ever again would divide Europe, and European countries were able to live together in peace and prosperity. It would be used to insist on the retention of NATO after the reason for its creation —the Soviet Union—had long ceased to exist.

The events in and around Yugoslavia would be used to push the extension of NATO to the very steps of Moscow and beyond as far away as Afghanistan.

From 1960 until 1980, Yugoslavia’s economy was one of the strongest of any Eastern communist country with a mixed-state, socialist-market economic model, the so-called Yugoslav model. Yugoslavia had been, in its heyday, a regional industrial power and an economic success. From 1960 to 1980, the annual gross domestic product (GDP) growth averaged above 6 percent, medical care was free, literacy was 91 percent, and life expectancy was 72 years according to the World Bank.

By the late 1980s, Washington nongovernmental organizations (NGOs), led by the National Endowment for Democracy (NED), were hard at work setting the stage for the destruction of Yugoslavia, the Balkanization of the country into separate small nations—Slovenia, Croatia, Bosnia-Herzegovina, Serbia (and later Montenegro), and finally Kosovo.

The administration of George H.W. Bush deployed the International Monetary Fund (IMF) to impose impossible economic conditions on Yugoslavia, which, in the late 1980s, was in negotiations over repayment of their large foreign-dollar debts. Using the debt as the club, US interventions deliberately brought Yugoslavia to financial and economic catastrophe. In 1988, the country had a staggering $21 billion in foreign debts. Almost half of all foreign currency earnings went to service that debt. Much of it had been incurred during the 1970s and 1980s to pay for oil imports during the two global oil crises of 1973–74 and 1979.

In 1988, Washington had already sent in advisers to Yugoslavia from the NED to quietly prepare the groundwork for the social explosions to come. The NED, with funds from the US government, began handing out generous doses of US dollars in every corner of Yugoslavia, financing opposition groups, buying up hungry young journalists with dreams of a new life, and financing everyone from trade union opposition to Belgrade pro-IMF opposition economists such as the G-17 and human rights NGOs.[5]

Speaking in Washington in 1998, ten years later and one year before NATO began bombing Belgrade, NED Director Paul McCarthy boasted, “NED was one of the few Western organizations, along with the Soros Foundation and some European foundations, to make grants in the Federal Republic of Yugoslavia, to work with local NGOs and independent media throughout the country.”[6]

The severe economic “shock therapy” that Washington imposed on Yugoslavia —via the IMF and the interference into internal Yugoslav opposition groups using US-backed NGOs like the NED or the Soros foundation—was part of a classified, top-secret Reagan–Bush Administration policy toward Yugoslavia.

NSSD-133

Already in 1984, President Reagan had signed National Security Decision Directive 133 (NSDD 133), classified as “secret sensitive.” Titled “US Policy Toward Yugoslavia,” it advocated “expanded efforts to promote a ‘quiet revolution’ to overthrow Communist governments and parties” in Yugoslavia, as well as other Eastern European communist countries, while reintegrating the

countries of Eastern Europe into a “market-oriented” economy, a euphemism for US-led globalization and free-market plunder by Western multinationals.[7]

The Washington NGOs and the IMF laid the groundwork for the economic crisis of Yugoslavia that led to the breakup, with heavy outside help from the German Foreign Ministry and German BND intelligence, as well as from France and Britain. The US was orchestrating all the key events in the background.

Under the IMF demands for privatization of state companies, the Yugoslav GDP sank in 1990 by 7.5 percent and by another 15 percent in 1991. Industrial production plunged 21 percent. The IMF had, as well, demanded the wholesale privatization of state enterprises. The result was the bankruptcy of more than 1,100 companies by 1990 and more than 20 percent unemployment.

The economic pressure on the various regions of the country created an explosive cocktail. Predictably, amid growing economic chaos, each region fought for its own survival against its neighbors. Leaving nothing to chance, the IMF ordered all wages to be frozen at 1989 levels while inflation rose dramatically as a consequence of IMF demands to eliminate state subsidies. That predictably led to a fall in real Yugoslav earnings of 41 percent in the last six months of 1990. By 1991, inflation was over 140 percent, a hyperinflation.

In this situation, the IMF ordered full convertibility of the dinar and the freeing of interest rates. The IMF then prevented the Yugoslav government from obtaining credit from its own central bank, crippling the ability of the central government to finance social and other programs. This freeze created a de facto economic secession well before the formal declaration of secession by Croatia and Slovenia in June 1991.[8]

Bush Administration Lights the Match

All that was needed was a well-placed match to light the fire of war in Yugoslavia.

The Bush administration lit the match in November 1990, when the US Congress passed the Bush administration’s proposed 1991 Foreign Operations Appropriations Act 101-513. The new US law provided that any part of Yugoslavia failing to declare independence within six months of the act would lose all US financial support, a crippling economic blow. The US law demanded separate elections, supervised by the US State Department, in each of the six Yugoslav republics. It also stipulated that any aid go directly to each republic and not to the central Yugoslav government in Belgrade, forcing economic decentralization.[9]

There was one final provision. Only groups that the US State Department defined as “democratic forces” would receive funding. This, in fact, meant an influx of funds to small right-wing nationalist parties in a financially strangled region suddenly thrown into crisis by the overall funding cutoff. The impact was, as expected, devastating.[10]

The US’s 1991 Foreign Operations Appropriations Act 101-513 threw the Yugoslav federal government in Belgrade into existential crisis. It was unable to pay the enormous interest on its foreign debt or even to arrange the purchase of raw materials for industry. Credit collapsed and recriminations broke out on all sides.

Before that US law, there had been no civil war in Yugoslavia. No republic had seceded, and there was no sign of a public dispute between Washington and Yugoslavia. The world was focused instead on the war coalition Bush was organizing against Iraq in the looming war over Saddam Hussein’s invasion of Kuwait.

The Bush administration had demanded the self-dissolution of the Yugoslav Federation in order to deliberately light the fuse to an explosive new series of Balkan wars. Sir Alfred Sherman, a Balkan expert and former adviser to British Prime Minister Margaret Thatcher, remarked in 1997, “The war in Bosnia was America’s war in every sense of the word. The United States administration helped start it, kept it going, and prevented its early end.”[11]

Using groups such as the Soros Foundation of US billionaire hedge fund speculator George Soros and the NED, Washington’s financial support was typically channeled into extreme nationalist or former fascist organizations that would guarantee a violent and bloody dismemberment of Yugoslavia.

By February 1991, under Washington pressure, the Council of Europe dutifully followed the US with its own political demands and explicit economic intervention in the internal affairs of the Yugoslav federation. Their demand was similar: Yugoslavia hold multiparty elections or face economic blockade. Right-wing and fascist organizations not seen since the defeat of the Nazi occupation by Tito’s anti-fascist partisan movement were suddenly revived and began receiving covert support. These fascist organizations had been maintained in exile by the CIA, as well as British and NATO intelligence, in the US, Canada, Germany, and Austria. Now they became the main conduit for funds and arms into select Yugoslav republics.[12]

Reacting to this combination of IMF shock therapy and direct Washington destabilization, the Yugoslav president, Serb nationalist Slobodan Milošević,

organized a new Communist Party in November 1990 dedicated to prevent the breakup of the federated Yugoslav Republic.

The horrific memories of the experience of World War II fueled the Serb mobilization. From 1941 to 1945, almost a million primarily Orthodox Serbs, as well as Jews, Romani, and tens of thousands of others, died in Croatian death camps. By far the most notorious was Jasenovac, run by the Croatian Ustaše regime, known as the "Auschwitz of the Balkans."[13]

On May 5, 1991, the precise date of the six-month deadline imposed by US Foreign Operations Law 101-513, Croatian separatists staged violent demonstrations and laid siege to a Yugoslav military base in Gospić. The Yugoslav federal government in Belgrade, its troops under attack, ordered the army to intervene. The civil war had begun. Slovenia and Croatia declared independence on June 25, 1991, and the German government of Helmut Kohl, led by Foreign Minister Hans-Dietrich Genscher, immediately recognized both Croatia and Slovenia as independent states.[14]

As the largest nationality and the one that opposed the breakup of the Yugoslav federation, the Serbs became the target and the excuse for Western intervention. Western propaganda began portraying Serbs as the new Nazis of Europe. The stage was set for a gruesome series of regional, ethnic wars that would last a decade and result in the deaths of more than 133,000 people, with some estimates of over 200,000 dead.

The CIA stepped into this chaotic and highly volatile situation, along with US military special forces, to fuel the wars, using its battle-hardened veteran Islamic Mujahideen cadre from the CIA's Soviet–Afghan War to incite further chaos among the Islamic populations of Bosnia-Herzegovina, and later in Kosovo, to finish off the Yugoslav Republic.

Jihad Comes to Bosnia

The success of the CIA's Mujahideen operation in Afghanistan had created the idea in Washington of actively backing similar jihads, or holy wars, using veterans of the Mujahideen in Afghanistan as the core terrorist or guerilla force to further weaken or destroy other regimes where a large Muslim population existed.

As early as 1980, Zalmay Khalilzad, a close adviser to President Carter's national security adviser, Zbigniew Brzezinski, and one of the architects of the 1980s US Mujahideen strategy in Afghanistan, advocated that the US should aggressively deploy political Islam as a weapon not only against Soviet control

in Afghanistan but also directly “behind enemy lines” in Soviet–Muslim Central Asia, including Chechnya, Uzbekistan, and beyond.[15]

Khalilzad was an Afghan-born Sunni Muslim who became a Reagan administration senior State Department official advising on the Soviet war in Afghanistan and the 1980s’ Iran–Iraq War. From 1990 through 1992, Khalilzad served under President George H. W. Bush in the Pentagon as Deputy Under Secretary of Defense for Policy Planning. That was the time when the Bush administration decided to bring the Mujahideen terror-war model into Yugoslavia and the into the former Soviet Union itself after the collapse of the Warsaw Pact in 1991.[16]

By 1992, the internal civil war between the various federal states of Yugoslavia had spread to minority Muslim Bosnia-Herzegovina, situated between Catholic Croatia and Orthodox Serbia. The war in Bosnia, which lasted until 1995, gave the missing piece of the puzzle of how Khalilzad’s Afghan Mujahideen transformed into a global jihad force, later using the name al-Qaeda.

Izetbegović’s Coup

On March 18, 1992, in Lisbon, the EU put forward a plan drafted by Britain’s Lord Carrington and Portuguese Ambassador José Cutileiro. It was an attempt to prevent a bloody civil war inside Bosnia-Herzegovina between Muslim, Orthodox, and Catholics, calling for partition of the country by religious concentrations. All three leaders in Bosnia-Herzegovina signed on that day—Serb, Croat, and Alija Izetbegović signed the agreement on behalf of the Bosnian-Herzegovina Muslims or Bosniaks as they had been known historically since the Ottoman occupation.

Only days after the agreement was signed, the then US ambassador to Yugoslavia, Warren Zimmermann, flew to Sarajevo to meet with Alija Izetbegović, leader of the Bosnian Muslims. Zimmermann, according to Sherman, gave Izetbegović assurances of US support for a full independent nation under his control. Zimmermann promised Izetbegović all political, diplomatic, and, notably, military aid if he would agree to renege on the Lisbon treaty. Not one to miss an opportunity for aggrandizement, Izetbegović did just that.[17]

Acting US Secretary of State and former Ambassador to Yugoslavia Lawrence Eagleburger had given the instruction to Zimmermann to immediately fly to Sarajevo to persuade Izetbegović to renege. That EU Lisbon agreement, in the minds of many, could have avoided a Bosnian war between Orthodox Christian

Serb, Bosnian Muslims, and Croatian Catholics living in Bosnia-Herzegovina. Avoiding such a war was precisely what Washington wanted to prevent from happening. They wanted the Bosnian war for their larger geopolitical strategy in Europe and beyond.[18]

Washington had decided to play the radical Islam strategy once more, and Izetbegović, a distinguished-looking, gray-haired Sunni professor of philosophy —affectionately called "Grandpa" by Bosniaks—was to be their man.

Days after meeting Zimmermann, Izetbegović withdrew his signature and renounced the peace plan he had just agreed to in Lisbon, declaring his opposition to any type of ethnic division of Bosnia. Within weeks, a full-blown war developed in Bosnia.[19]

Izetbegović had won a rotating presidency of the Bosnian federation in 1990 through dubious means, eliminating a far more popular rival, Fikret Abdić. Once president, Izetbegović managed to "suspend due to extraordinary circumstances" the agreed provision that the Bosnian presidency rotate on a yearly basis between Bosnian Croat, Bosnian Serb, and Bosnian Muslim candidates. He seized power for himself alone, with help from Washington, de facto excluding rotation to Serb and Croatian minorities.[20]

That was the first step on the road to a US-backed Muslim Bosnia-Herzegovina state. It was also a major step in triggering the ethnic civil war in Yugoslavia that raged with such atrocities for almost a decade. At the time, the Bosnia-Herzegovinian population was almost equally divided between a third Bosnian Muslim, a third Serbian Orthodox, and a third Croatian Catholic. Soon the outside world would be fed the idea that the overwhelming majority of Bosnians were Muslims. They were not.

SS Handschar Revived

Alija Izetbegović was a controversial choice for the US to back as president of Bosnia. During World War II, he had been a member of a Bosnian Muslim youth organization modeled on Egypt's Muslim Brotherhood called *Mladi Muslimani*, or "Young Muslims."

The Bosnian *Mladi Muslimani*—and Izetbegović personally—had been involved during the war in working with the Nazis and the Croatian Ustaše in their campaign to exterminate Jews, orthodox Serbs, and communists in Yugoslavia on behalf of Heinrich Himmler's Waffen-SS.

When Nazi Germany occupied Yugoslavia in 1941, they set up the puppet state of Croatia—officially the Independent State of Croatia, which included

Bosnia and Herzegovina, as well as parts of Dalmatia. Hitler installed Ante Pavelić's pro-Nazi Ustaše in power. In Pavelić's Catholic-based Ustaše movement, Hitler found an ideological ally as the Ustaše forces of Pavelić, with the de facto blessing of the Vatican, unleashed a savage genocide in their new country.[21]

Bosnian Muslims recruited by Izetbegović played a decisive part in that genocide against Orthodox Serbs, Jews, and others during the Second World War. Between 1941 and 1945, Bosnia was part of the Independent State of Croatia, in which Serbs, among others, were being persecuted as fiercely as Jews by the Nazi Bosnian Muslim Waffen-SS *Handschar* division organized by the Grand Mufti of Jerusalem, Amin al-Husseini, a Himmler and Hitler friend, to carry out a savage genocide.[22]

Izetbegović had joined the *Mladi Muslimani* organization in Sarajevo in March 1943, where he allegedly recruited young Muslims for the SS Handschar division in collaboration with the German intelligence services Abwehr and Gestapo.[23]



During World War II, Izetbegović recruited for the Nazi Muslim SS Handschar division in fascist Croatia,

In the spring of 1943, as a leader of the *Mladi Muslimani* in Sarajevo, he personally welcomed Nazi collaborator Amin al-Husseini, the Grand Mufti of Jerusalem, to Sarajevo. In 1946, after the war, Izetbegović was arrested and sentenced to three years in prison for his wartime activities, something the US State Department press officers chose to forget in 1992 when they promoted him as a democratic hero.[24]

In 1970 Izetbegović had authored a manifesto entitled the *Islamic Declaration*, where he laid out his views on relationship between Islam, state, and society. There he wrote, among other things,

> *There can be no peace or coexistence between the "Islamic faith" and non-Islamic societies and political institutions. . . Islam clearly excludes the right and possibility of activity of any strange ideology on its own turf. Therefore . . . the state should be an expression and should support the moral concepts of the religion.. . .*[25]

Izetbegovic was as fanatical a jihadist as Egypt's Hassan al-Banna and his friends in the Muslim Brotherhood. He advocated a return to the era in the 1800s, when Bosnia was a part of the Islamic Ottoman Empire ruling through strict Sharia law and subjecting Christian citizens to their total domination.

A Bodyguard of Lies

When Izetbegović's Islamic Declaration was published in Yugoslavia in 1970, the authorities interpreted it as a call for introduction of Sharia law in Bosnia, and banned the publication. In 1983, Izetbegović and several other fundamentalist Muslims were put in prison charged with plotting a coup and disseminating "Islamic propaganda."[26]

During the Bosnian war after 1992, Izetbegović called Muslims who had died in the war *shaheed*, "martyrs for the faith," indicating it was a holy war, or jihad, not a struggle for multi-ethnic democracy as Izetbegović's Washington PR firm, Ruder Finn, so skillfully portrayed the Bosnian war to Western media.[27]

Ruder Finn did a masterful job at manipulating the propaganda war in Washington and the West. James Harff, director of Ruder Finn's Global Public Affairs section working for Izetbegović, boasted about his success against Serbia: "Nobody understood what was going on in (former) Yugoslavia . . . The great majority of Americans were probably asking themselves in which African country Bosnia was situated."[28]

Ruder Finn took advantage of that ignorance. Their first goal was to persuade influential US Jewish organizations to oppose the Serbs—not an easy task given the history of the Croatian fascist Ustaše and the Bosnian Muslim Waffen-SS Handschar division atrocities against Jews during the Second World War.

Harff continued, "The Croatian and Bosnian past was marked by a real and cruel anti-Semitism. . . Tens of thousands of Jews perished in Croatian camps.

So there was every reason for intellectuals and Jewish organizations to be hostile towards the Croats and Bosnians."

Harff used a report in the New York *Newsday* about Serbian prisoner detention camps, called concentration camps, to persuade Jewish groups to demonstrate against the Serbs. Harff boasted:

> *This was a tremendous coup. When the Jewish organizations entered the game on the side of the Bosnians, we could promptly equate the Serbs with the Nazis in the public mind. By a single move, we were able to present a simple story of good guys and bad guys which would hereafter play itself. We won by targeting Jewish audience, the right target. Almost immediately there was a clear change of language in the press, with the use of words with high emotional content, such as "ethnic cleansing," "concentration camps," etc., which evoked inmates of Nazi Germany and the gas chambers of Auschwitz. The emotional change was so powerful that nobody could go against it.*[29]

With their propaganda machine in Washington effectively demonizing Serbs as Nazis and portraying Bosnian Muslims as the hapless victims of Serb atrocities, real or imagined, the way was clear to blame the Serb forces in Bosnia for every imaginable crime.

Osama's 'Bosnian' Mujahideen

With Alija Izetbegović, a veteran jihadist autocrat as their man in Bosnia-Herzegovina, US intelligence began to secretly redeploy veterans of the Afghan Mujahideen war against the Soviets and other jihadist volunteers around the world to fight on the side of Izetbegović's Muslim forces against the Serbs.

Volunteers were secretly smuggled by US and other NATO intelligence, largely via Croatia, into Bosnia-Herzegovina. Islamic countries sent trainers and "volunteers" to fight with Muslim forces in Bosnia and established secret training camps there. In addition to Afghanistan, they came from Saudi Arabia, Turkey, Pakistan, Sudan, Iran, and Syria—the veritable seed crystal of the emerging global jihad terrorist network created under the name Al Qaeda.[30]

The US encouraged and covertly facilitated the smuggling of arms to the Muslims via Iran, Turkey, and Eastern Europe, a fact which Washington denied at the time, even in the face of overwhelming evidence. The Clinton administration used NATO and the UN Protection Force (UNPROFOR) as its

policy instruments and blocked all peace moves, of which there were several between 1992 and 1995, until Washington was good and ready.[31]

Reliable estimates put the number of foreign Islamic jihadists who fought alongside and within Izetbegović's Bosnian Army against Serbs in the war between 1992 and its forced end in 1995 at between 4,000 and 20,000 fighters, most of them Saudi veterans of Afghanistan or Yemeni, Algerian, Egyptian, or Pakistanis. They were smuggled in mainly through Zagreb, Croatia, the so-called "Croatian pipeline."[32] Croatian President Franjo Tuđman was also arming the Bosnian–Croatian minority population and saw an armed Muslim force as a de facto ally in his drive to remove as many Serbs as possible from Croatia's Krajina region, as well as Croatia's Bosnian border regions.[33]

While their numbers were relatively small in comparison with the size of the Bosnian Army, the battle-hardened Mujahideen played a catalytic role in spreading fanatical jihad radicalism to the regular Bosnian Army during the war. The Izetbegović regime revamped its entire security and military apparatus to reflect the Mujahideen–Islamic revolutionary outlook. He created Mujahideen units throughout the army; some members of these units were designated *shaheed* ("martyr" or suicide bomber), with special white garb symbolizing a shroud. The foreign Muslim jihadist fighters were given Bosnian citizenship, allowing the Clinton administration to claim that very few of the fighters were "foreigners."[34]

During the war, there were three principal Mujahideen units in the Bosnian army, the first two of which were headquartered in the American IFOR/SFOR zone—the 7th Muslim Liberation Brigade of the 3rd Corps, headquartered in Zenica; and the 9th Muslim Liberation Brigade of the 2nd Corps, headquartered in Travnik. The 4th Muslim Liberation Brigade of the 4th Corps was headquartered in Konjic in the French zone.[35]

In addition to those three Mujahideen units in the Bosnian Army of Izetbegović, there was the elite Handžar ("scimitar") division—a 6,000-strong special unit that gloried in a fascist culture imitating the SS Handschar, or Handžar, division—formed by Bosnian Muslims in 1943 to fight for the Nazis against the Serbs, Jews, and Gypsies. The most officers of the Handschar were Albanian, whether from Kosovo, then a Serb province where Albanians were the majority, or from Albania itself. They were trained and led by veterans from Afghanistan and Pakistan Mujahideen.[36]

Violent political Islamic fundamentalism was suddenly at the heart of Europe and Washington made it happen. It had little or nothing to do with religious

belief and much to do with Washington geopolitics. From 1992 to 1995, the Pentagon and CIA covertly assisted movement of thousands of Mujahideen and other Islamic jihadists from Central Asia, the Arab, and other Muslim countries into Europe to fight alongside Bosnian Muslims against the Serbs.

Pentagon Jihadist Alliance

As part of the Dutch government's inquiry into the Srebrenica massacre of July 1995, Professor Cees Wiebes of Amsterdam University compiled a report published in April 2002 entitled *Intelligence and the War in Bosnia*.[37]

Wiebes documented the secret alliance between the Pentagon and radical Islamic groups from the Middle East to assist Bosnia's Muslims. By 1993, there was a vast amount of weapons-smuggling through Croatia to the Muslims—in gross violation of a UN Security Council arms embargo to Bosnia. It was organized by "clandestine agencies'" of the USA, Turkey, and, curiously enough, "arch-enemy of the US," Iran. Wiebes documented that it involved Islamic groups that included Osama bin Laden's Afghan Mujahideen networks and the pro-Iranian Hezbollah [38]

From 1992 to 1995, the Pentagon assisted with the movement of thousands of Mujahideen and other Islamic elements from Central Asia into Europe to fight alongside Bosnian Muslims against the Serbs.[39]

Arms bought by Iran and Turkey with the financial backing of Saudi Arabia were airlifted from the Middle East to Bosnia under the direct involvement of the Pentagon. Significant aid in the form of jihadists and generous sums of money came from Saudi Arabia, Egypt, Syria, Malaysia, Libya, Sudan, and other Islamic countries, enabling Izetbegović's US-trained Bosnia-Herzegovinian Army to fight a long war.[40]

A principle financial conduit to buy and smuggle arms to the Muslim forces in Bosnia was the Third World Relief Agency (TWRA), run by a Sudanese doctor and close friend of Bosnia's Izetbegović named Dr. Fatih al-Hasanayn. The TWRA established an office in Zagreb that was used as the conduit for jihadist fighters and arms into Bosnia. An estimated $2.5 billion from Saudi and other Islamic states came into the coffers of the Bosnian jihad, much of it through al-Hasanayn's TWRA.[41]

A then little-known Saudi, Osama bin Laden, who had worked with the CIA in Afghanistan through his Afghan Services Bureau, or Maktab al-Khidamat (MAK), to funnel Arab Sunni jihadist volunteers and money into Afghanistan's war against the Soviet occupation in the 1980s, worked closely with the TWRA

in Bosnia. *Der Spiegel* Belgrade-based journalist Renate Flottau reported seeing Bin Laden in person several times at the presidential office of Izetbegović in Sarajevo from 1993 to 1994, the time of the Bosnian war. Flottau met the Saudi jihadist.[42]

Egyptian intelligence, at the time, identified Osama bin Laden as a key player in the Bosnian jihad, noting he carried a Bosnian passport. At the time of the Bosnian "jihad," bin Laden was in exile in Khartoum, Sudan, where the head of the Sudanese Muslim Brotherhood, Hassan al-Turabi, ensured a safe haven for the Saudi Afghan veteran. Al-Turabi was also a close associate of fellow Sudanese jihadist Fatih al-Hasanayn and his TWRA.[43]

Through the Zagreb offices of TWRA, the "Croatian pipeline," arms transactions were carried out, funds collected, and intelligence gathered under its cover. The TWRA had additional offices in Sarajevo, Budapest, and Istanbul, as well as direct personal links with the Bosnian government and Izetbegović personally.

The airfield used to secretly smuggle the arms to the jihadist forces had been built by the Pentagon near Sarajevo and run by Islamist Izetbegović confidante Hasan Čengić, a fanatical jihadist who had spent time in the 1980s in prison along with Izetbegović. Čengić, also a member of the TWRA supervisory board, was Bosnian deputy defense minister and chief liaison officer for the American military aid program. Based mainly in Vienna during the war, Čengić was in charge of procuring weapons smuggled into Bosnia, including from Iran, with the blessing of the Clinton administration and US Ambassador to Zagreb Peter Galbraith. At the end of April 1994, the Croatian prime minister, Nikica Valentić, and the Bosnian deputy prime minister visited Teheran for consultations with President Ali Akbar Rafsanjani. A tripartite agreement was drawn up there for arms supplies and humanitarian assistance to Bosnia.[44]

The longer the war in Bosnia-Herzegovina raged, the better it was for Washington's attempt to revive the role of a US-led NATO in the Balkans and Europe. The tentacle of a coordinating network for the global jihad was emerging from the Bosnia war, and it was getting its nutrition with the assistance of the CIA and Pentagon.

Srebrenica

While US propaganda machinery turned out endless fake stories of Serbian bombings of civilian villagers and hospitals, attacks on UN so-called "safe zones," and fabricated accounts of tens of thousands of rapes of Muslim women

in what the Western media, led by the *New York Times*, claimed were Serb-run "rape camps," the Muslim jihadist mercenaries working alongside Izetbegović's army created appalling atrocities against Bosnian Serbs that were blacked out of US and Western media.[45]

The same Western media, led by the *New York Times*, CNN, and other US media working intimately with the Clinton administration, demonized the Serbian Army for what has come to be known as the Srebrenica massacre of innocent Bosnian Muslims in the US "safe zone" of Srebrenica in eastern Bosnia-Herzegovina, near the Serbian state border. In one egregious case, CNN's Sarajevo correspondent, Christiane Amanpour, who was sharply criticized for her lopsided pro-Bosnian Muslim bias, was married to Jamie Rubin, who was assistant secretary of state and spokesman for the State Department during the Clinton administration.[46]

After considerable military fighting between Izetbegović's Muslim jihadist forces and Bosnian Serb secessionists in the autonomous Republika Srpska—the Serb part of Bosnia-Herzegovina that sought to link up with Serbia by removing the border along the River Drina that separated them from Milošević's Serbian state—Bosnian Muslim forces in the enclave of Srebrenica carried out grave violations of UN "safe zone" conditions and waged countless attacks on Bosnian Serb civilians in surrounding villages.[47]

On July 12, 1992, on the holy day when Orthodox Serbs celebrate Saints Peter and Paul, Muslim forces from Srebrenica raided the Serbian villages of Zalazje, Sase, and Biljača. Sixty-nine civilians and soldiers were killed. Out of twenty-two captured Serbs, only ten bodies were recovered. The attacks began in the summer of 1992 and lasted until early 1993. They resulted in the destruction of fifty-five out of fifty-nine Serbian villages in the larger Srebrenica municipality, resulting in the deaths of 550 villagers. According to the Serbian sources, the number of Serbian victims to the Muslim jihad in the Srebrenica region exceeded 3,000.[48]

The Bosnian Muslim jihadists were using the UN Srebrenica "safe haven" as an illegal base for attacks on Serbian civilians, in direct violation of the UN humanitarian rules for a "safe haven." The UN later admitted that Bosnian forces were violating the no-fly zone around Srebrenica and smuggling weapons into the area, per an International Criminal Tribunal for the former Yugoslavia (ICTY) testimony by David Harland, civil affairs officer and political adviser to the UNPROFOR commander in Bosnia and Herzegovina.[49]

In charge of the Bosnian Muslim forces in Srebrenica was Naser Orić. French General Philippe Morillon, commander of the UN's UNPROFOR troops in Bosnia from 1992 to 1993, described Orić's role during his testimony before the ICTY in the Hague court:

> *Naser Orić engaged in attacks during Orthodox holidays and destroyed villages, massacring all the inhabitants. This created a degree of hatred that was quite extraordinary in the region. . . There were terrible massacres committed by the forces of Naser Orić in all the surrounding villages. . . I think you will find this in other testimony, not just mine. Naser Orić was a warlord who reigned by terror in his area and over the population itself. I think that he realized that those were the rules of this horrific war, that he could not allow himself to take prisoners. According to my recollection, he didn't even look for an excuse. It was simply a statement: One can't be bothered with prisoners.*[50]

Izetbegović's Bosnian Muslim jihadists, such as Naser Orić, and their foreign Mujahideen were savage in their attacks. The jihadists deliberately carried out their attacks on the Christian holy days: St. George, St. Vitus, St. Peter and Paul's Day, and Christmas. Victims, including women, the elderly, and even children, were tortured before being killed. As his family was fleeing the massacre, an eleven-year-old boy named Slobodan Stojanović returned to the village to get his dog. He was later found shot dead, his ear cut off and his stomach cut open in the shape of a cross.[51]

Even pro-Sarajevo accounts conceded that Muslim jihad forces under Naser Orić in Srebrenica murdered over 1,300 Serbs and "ethnically cleansed" a vast area.[52] Other accounts give far larger numbers of deaths at the hands of Orić's army in Srebrenica. Muslim General Sefer Halilović, testifying at the Hague Tribunal, confirmed there had been at least 5,500 Bosnian Muslim Army soldiers in Srebrenica. More importantly, these fighters had slaughtered more than 3,500 Christians prior to the fall of Srebrenica, including young children, women, and the elderly in surrounding villages.[53]

Even worse, the "safe haven" meant that Bosnian Muslim forces would attack outside of the main area of central Srebrenica, kill Orthodox Christians, then return to Srebrenica in order to be protected and to reinforce their stronghold—this applies to rearming and so forth.[54]



Here we see a smiling and defiant Naser Orić at the Hague war crimes trial.

In 2006, at the Hague ICTY, Orić was indicted for the torture and cruel treatment of eleven and killing of seven Serb men detained in the Srebrenica police station in 1992 to 1993. He was also accused of having ordered and led numerous guerilla raids into as many as fifty Serb-populated villages in 1992 to 1993, particularly in the municipalities of Bratunac and Srebrenica. In the course of combat, Bosnian Serb buildings, dwellings, and other property in predominantly Serb villages were burned and destroyed, hundreds of Serbs were murdered, and thousands of Serbs fled the area. Orić was sentenced to two years in prison for not preventing atrocities against Bosnian Serb prisoners, a most mild sentence that was later dismissed on appeal. He apparently had friends in high places.[55]

When later questioned if he was aware of these atrocities being committed by Bosnian Muslim Mujahideen forces against Serb civilians, then US Ambassador to Croatia Peter Galbraith, the man who facilitated the illegal and secret arming of Izetbegović's forces, lied. He stated that Washington was aware of "small numbers of atrocities" being committed by the foreign Mujahideen in Bosnia. However, Galbraith dismissed the atrocities as being, "in the scheme of things, not a big issue."[56]

The ferocity of the Muslim Mujahideen treatment of Serbs prior to the Srebrenica massacre of Muslim men in July 1993 was not unlike later video scenes from al-Qaeda fighters against Syrian President Assad in 2013, when an al-Qaeda jihadist was filmed cutting out a Syrian government soldier's heart and savagely eating it in front of the camera for the world to see.[57]

One of countless such instances of jihadist barbarity against Bosnian Serbs before the Srebrenica massacre was documented in a later court trial against

Bosnian Muslim Army Commander in Chief Rasim Delić by the ICTY.

It came out in trial that Bosnian Muslim soldiers under his command, which Delić claimed were foreign Mujahideen, carried out a summary execution and decapitation of a Serb prisoner named Gojko Vujičić. After the beheading, the Mujahideen displayed Vujičić's severed head to other Serb prisoners. The Hague court's judgment describes the scene as follows:

> *Back in the house, a Mujahideen entered the detainees' room carrying Gojko Vujičić's head on an s-shaped butcher's hook. Blood dripped from the head. The Mujahedin threw Vujičić's head onto Krstan Marinkovic's lap, then took the severed head from one detainee to another, forcing them to "kiss your brother." The Mujahedin then hung Vujičić's head on a hook in the room where it remained for several hours.*[58]

All of that was proudly videotaped by the jihadists. The Mujahideen were clearly not concerned about Geneva Conventions of war and humane treatment of prisoners.

The savage Mujahideen atrocities committed against Serbs, many of them women and children or elderly, created a rage and fury for revenge among the Bosnian Serb soldiers fighting to take control of Srebrenica away from the Bosnians. In his Hague testimony, French General Philippe Morillon said of the Bosnian Serbs after Orić's savage attacks,

> *They were in this hellish circle of revenge. It was more than revenge that animated them all. Not only the men. The women, the entire population was imbued with this. It wasn't the sickness of fear that had infected the entire population of Bosnia-Herzegovina, the fear of being dominated, of being eliminated. It was pure hatred.*[59]

Morillon stated that Orić had secretly pulled his jihad troops out of Srebrenica a week before it fell:

> *I said that [Bosnian Serb Army Commander] Mladić had entered an ambush in Srebrenica, a trap, in fact. He expected to find resistance, but there was none. He didn't expect the massacre to occur but he completely underestimated the amount of hatred that accrued. I don't believe that he ordered the massacres, but I don't know. That is my personal opinion.*

The Serbs finally reacted to Orić's provocations. When they took Srebrenica far more easily than they thought they would, they took their revenge on the men they found there. But unlike Naser Orić and the Mujahideen, they let the women, children, and the elderly go to safety before they began shooting the men.[60]

According to the Dutch government inquiry after the massacre, not only was knowledge of the looming attack by Serb forces on an unarmed Srebrenica known prior to the attack the US intelligence and military, but German and French intelligence services also withheld information regarding the VRS attack. Highly important intercepts revealing prior knowledge of the attack were supposedly not passed on to UNPROFOR and not even to NATO allies, including the United Kingdom and the Netherlands.[61] In short, Washington wanted the Srebrenica massacre as casus belli it could use against the Serb population.

Major General (Ret.) Lewis Mackenzie, the Canadian general who was in command of Srebrenica just prior to the massacre, before being replaced by the Dutch, wrote in the largest Canadian newspaper, *Globe and Mail*, of July 14, 2005, an op-ed titled "The real story behind Srebrenica." Mackenzie stated:

> *As the snow cleared in the spring of 1995, it became obvious to Naser Orić, the man who led the Bosnian Muslim fighters that the Bosnian Serb army was going to attack Srebrenica to stop him from attacking Serb villages. So he and a large number of his fighters slipped out of town. Srebrenica was left undefended with the strategic thought that, if the Serbs attacked an undefended town, surely that would cause NATO and the UN to agree that NATO air strikes against the Serbs were justified. And so the Bosnian Serb army strolled into Srebrenica without opposition.*[62]

Orić's calculation proved correct. On August 30, after the Serb taking of Srebrenica and the one-sided Western demonization of the Serbs as the sole party responsible for atrocities, the Secretary General of NATO announced the start of Operation Deliberate Force, widespread airstrikes against Bosnian Serb positions supported by UNPROFOR rapid-reaction force artillery attacks.

On September 14, 1995, the NATO air strikes were suspended to allow the implementation of an agreement with Bosnian Serbs for the withdrawal of heavy weapons from around Sarajevo.

The Clinton administration got what they wanted—the pretext for NATO to continue its existence as the controlling US-run military organization in Western Europe. It also got a permanent 80,000-man NATO occupation force in Bosnia-

Herzegovina to enforce “peace.” The war formally ended with the signing by all parties of the Dayton Agreement in Paris on December 14, 1995. US special forces and global Mujahideen jihadists started moving on to the next jihad against Serbian Yugoslavia—namely, the Serb province of Kosovo bordering Albania.

The KLA and Heroin in Kosovo

The actual fighting in Bosnia-Herzegovina ended with the signing of the Dayton Accords in Paris on December 14, 1995, putting an end to the three-and-a-half-year long Bosnian War and opening the NATO occupation of the country. Bosnia-Herzegovina, once a multiethnic federal state, was established as a de facto Muslim state, in effect a client state under control of the IMF and NATO.

Even before the Bosnian fighting ceased, Washington had shifted its attention to Kosovo, whose Albanian ethnic population was also predominantly Muslim and which had been part of Serbia more or less since the Middle Ages. The second front was being prepared against Serbia. The Clinton administration had learned at the time of vast oil and gas reserves in the Caspian Sea and wanted to secure a pipeline through the Balkans to control that oil and, above all, keep it from the Russians.[63]

A retired Croatian Army major privately told this author in Zagreb in 2006 of a private conversation he had had in 1995, just after the abrupt end of the Bosnian war. The Croatian military man asked a senior CIA officer he knew from the Bosnian War why it was that the US was suddenly ending the fighting in Bosnia. The CIA man replied to the effect that, at that point, Washington found it far more important to secure a permanent military base in Kosovo in order to be able to militarily control the entire region, including the Middle East and the Caucasus.[64]

The Clinton administration’s Pentagon had farmed out the training of what would come to be called the Kosovo Liberation Army (KLA) to a private mercenary group made up of former US Pentagon special forces and retired military. According to US Army Colonel David Hackworth, retired US military officers working for the private US military contractor Military Professional Resources Incorporated (MPRI) not only trained KLA personnel but even fought alongside them against Yugoslav forces.[65]

Former NSA official Wayne Madsen charged that what the US and Western media called the KLA was, in fact, a grouping of mafia clans in Kosovo who were known drug traffickers well before working for the US. Madsen noted that

covert support to the KLA was established around 1996 in the wake of the NATO Bosnia occupation as a "joint endeavor between the CIA and Germany's *Bundesnachrichtendienst* [BND]." The task to create and finance the KLA was initially given to Germany: "They used German uniforms, East German weapons, and were financed in part by drug money," according to intelligence analyst John Whitley.[66]

The Clinton administration had no interest in backing moderates in Kosovo who would be open to a diplomatic solution with Belgrade. KLA leaders were accused of assassinating moderate Kosovo Albanians, including some of those who agreed to the Rambouillet Accords for peace. According to Albanian State Television, the KLA had sentenced to death in absentia Ibrahim Rugova, the democratically elected president of the Republic of Kosovo. During the Rambouillet peace talks, Washington deliberately froze out the Kosovo moderates in favor of the jihadists of the KLA mafia, who were guaranteed *not* to go for peace.[67]

By 1998, as the KLA "matured" under training from Pentagon contractor MPRI, the US and Germany recruited Mujahideen mercenaries from Afghanistan, Saudi Arabia, Bosnia, and elsewhere to train the KLA in guerrilla and diversion tactics, financed by Saudi Arabia and Kuwait.[68] One of the leaders of an elite KLA unit during the Kosovo conflict was Mohammed al-Zawahiri, brother of Egyptian jihadist, the Afghan and Bosnia veteran, Ayman al-Zawahiri, Osama bin Laden's lieutenant.

In May 1999, in the midst of the NATO "humanitarian" bombing of Yugoslavia—by then essentially Serbia and Montenegro—the *Washington Times* newspaper published documentation that Clinton administration officials were well aware that their preferred Kosovo allies, the KLA, were trafficking in heroin. The sensational report was ignored by mainstream media. The *Washington Times* reported from the documents it had obtained that:

> *Drug agents in five countries, including the United States, believe the KLA has aligned itself with an extensive organized crime network centered in Albania that smuggles heroin and some cocaine to buyers throughout Western Europe and, to a lesser extent, the United States. The documents tie members of the Albanian Mafia to a drug smuggling cartel based in Kosovo's provincial capital, Pristina. The cartel is manned by ethnic Albanians who are members of the Kosovo National Front, whose armed wing is the KLA. The documents show it is one of the most*

> *powerful heroin smuggling organizations in the world . . . movement of drugs over a collection of land and sea routes from Turkey through Bulgaria, Greece and Yugoslavia to Western Europe and elsewhere is so frequent and massive that intelligence officials have dubbed the circuit the "Balkan Route."*[69]

In 1998, a year before the illegal NATO bombing of Yugoslavia to "prevent ethnic cleansing" of the Kosovo population by Serbia, the US State Department listed the KLA as an international terrorist organization, stating that the KLA had bankrolled its operations with proceeds from the international heroin trade and loans from known Mujahideen terrorists, including Osama bin Laden. "They were terrorists in 1998 and now, because of politics, they're freedom fighters," said one angry top US drug official, who asked not to be identified.[70]

A US government Drug Enforcement Administration (DEA) report on the KLA and their heroin trafficking noted at the time that the majority of heroin seized in Europe was transported over the Balkan Route. It said that drug-smuggling organizations composed of Kosovo's ethnic Albanians were considered "second only to Turkish gangs as the predominant heroin smugglers along the Balkan Route." Further, the US DEA report said, "Kosovo traffickers were noted for their use of violence and for their involvement in international weapons trafficking."[71] It was an ideal pool of "democratic freedom fighters" for Washington purposes.

Leading KLA members were trained in camps run by Osama bin Laden and his number two, Ayman al-Zawahiri. The heroin the KLA smuggled into the West came from Afghanistan, where bin Laden and the Mujahideen were in control after the 1989 expulsion of the Soviets. Annually, the KLA Kosovo mafia networks ran some $2 billion in heroin from Afghanistan to the West.[72]

The US knew exactly who they were backing with the KLA.

Ethnic Cleansing, but of Serbs

With the jihadist-trained Muslim KLA fighters turned against Serb targets for assassination, the US aim was to provoke Milošević's army into a major response in order to justify a new NATO bombing of Yugoslavia. In February 1996, the KLA, ready to test its new terror skills given them by the Saudi Mujahideen and US advisers, made a series of attacks against police stations and Yugoslav government officials in Kosovo, then part of Yugoslavia.

Agim Çeku, the military commander of the KLA, came from the Krajina Croatian ethnic cleansing, which had driven an estimated 350,000 ethnic Serbs from their homes into the Serb part of Yugoslavia. The same Pentagon contractor, MPRI, who trained Çeku's KLA, had trained the Croatian Army for what was called Operation Storm and Strike.[73] The role of the Pentagon and CIA in the KLA operation was dominant.

The US-directed KLA kidnapping of Yugoslav security forces resulted in a significant increase in Yugoslav government casualties. That, in turn, led to major Yugoslav reprisal operations. By the beginning of March 1996, these terrorist and counterterrorist operations had led to the Serb inhabitants of numerous Kosovo villages fleeing or being dispersed to other villages, cities, or to the hills to seek refuge. "[The] KLA provocations, as personally witnessed in ambushes of security patrols which inflicted fatal and other casualties, were clear violations of the previous October's agreement [and UN Security Council Resolution 1199]" noted Roland Keith, a field office director of the OSCE's Kosovo Verification Mission.[74]

A report from the US Committee for Refugees stated, "[the] Kosovo Liberation Army . . . attacks aimed at trying to 'cleanse' Kosovo of its ethnic Serb population." The UN High Commissioner for Refugees estimated that 55,000 refugees had fled their Kosovo homes to Montenegro and Central Serbia, most of whom were Kosovo Serbs: "Over ninety mixed villages in Kosovo have now been emptied of Serb inhabitants and other Serbs continue leaving, either to be displaced in other parts of Kosovo or fleeing into central Serbia." The NATO North Atlantic Council stated that KLA was "the main initiator of the violence" and that it had "launched what appears to be a deliberate campaign of provocation."[75]

By 1998, the KLA escalated their attacks on Belgrade government officials. At that time, the KLA had a mere 500 trained fighters. Then the US, Germany, and Great Britain sent arms shipments and provided training to the KLA, building it up into a major guerrilla army with as many as 30,000 members.[76] Western intervention turned a small conflict into a major crisis. As a pretext, NATO relied on the crisis it had created in order to justify waging a war of aggression against Yugoslavia.

By 1999, the Clinton administration was ready to push a reluctant NATO to launch what would be only the second air strikes in NATO history, the first being that the NATO air strikes in Bosnia-Herzegovina four years earlier. Clinton's bombing was done in violation of the UN Charter, the UN Security Council, and

the NATO Charter itself, which only permits military action in event of a strike against a NATO member country.

Using the unproven pretext that Milošević's Serb Army was engaging in a massive ethnic cleansing of Kosovo Albanian Muslims that threatened a humanitarian catastrophe, the Clinton administration ordered air strikes against civilian, as well as government targets across what today is Serbia in what it called Operation Noble Anvil.

Astonishing to many, Clinton's near-unilateral decision to bomb Belgrade, a decision that had earlier been strongly opposed by the Helmut Kohl government in Germany, found support from a newly elected "Red-Green" coalition in Germany of Social Democrat Chancellor Gerhard Schroeder and Green Foreign Minister Joschka Fischer. Fischer had managed to arm-twist his traditionally antiwar party into backing the illegal NATO bombing, giving Clinton a badly needed foreign ally.[77]

Clinton brazenly lied, claiming to the American people that the events of the Serbs in Kosovo were comparable to the Holocaust. CNN reported,

> *Accusing Serbia of "ethnic cleansing" in Kosovo similar to the genocide of Jews in World War II, an impassioned President Clinton sought Tuesday to rally public support for his decision to send U.S. forces into combat against Yugoslavia, a prospect that seemed increasingly likely with the breakdown of a diplomatic peace effort.*[78]

Clinton's State Department claimed Serbian troops had committed genocide. In May 1996, US Defense Secretary William S. Cohen suggested that there might be up to 100,000 Albanian fatalities. However, five months after the end of the NATO bombing, no more than 2,108 bodies could be found.[79]

The air bombing strikes lasted seventy-nine days, from March 24, 1999, to June 10, 1999. Belgrade was devastated, and on the understanding that the UN would enforce order in Kosovo were he to remove Yugoslav troops, Milošević withdrew and the decade-long war in Yugoslavia ended.

By then, Washington had what it wanted—Kosovo as a new US military bastion in the Balkans and the breakup of Yugoslavia as a sovereign, stable state. The next phase in the total destruction of what had been Yugoslavia was the elimination of Serbia's nationalist-elected President Slobodan Milošević. Here, the CIA and their fake democracy NGOs played the key role in toppling the president.

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CHAPTER SEVEN:

OTPOR! – FAKE DEMOCRACY IN SERBIA

"The operation—engineering democracy through the ballot box and civil disobedience—is now so slick that the methods have matured into a template for winning other people's elections . . ."

—Ian Traynor, *London Guardian*, November 26, 2004

Otpor! Topples Milošević

Despite a decade of civil war, economic devastation, and a savage ten-week-long NATO bombing of the Serb capital Belgrade from March to June 1999 in what the Pentagon cynically named "Operation Noble Anvil," former Yugoslav President Slobodan Milošević remained firmly entrenched as president of the Republic of Serbia and Montenegro called the Federal Republic of Yugoslavia after the US-forced breakup of the old Yugoslavia in 1992.

Milošević was quietly backed by Moscow. His ties to the Russian Federation were historical, owing partly to a shared religious culture and history. In the aftermath of NATO economic sanctions and bombings, Milošević drew even closer to Moscow. Serbia's ambassador to Moscow from 1998 until Milošević's ouster in October 2000 was Borislav Milošević, brother of Slobodan Milošević, an indication of the importance the president placed on ties with Russia.[1]

At the UN, the Russian Federation condemned the NATO bombing of Serbia as illegal and in violation of the UN Charter. Hundreds of retired Russian soldiers, including Spetsnaz elite troops, went to Serbia as volunteers to fight alongside the Milošević forces against the NATO-backed Kosovo Liberation Army (KLA).[2]

At the same time, Milošević's military was receiving vital support from China through the office of the People's Liberation Army (PLA) via their military attaché at the Chinese embassy in Belgrade. The Chinese support to Milošević

was deemed so effective that Washington risked international condemnation and future relations with China to precision bomb the embassy offices of the China military attaché in November 1999, alleging afterwards that it was a “mistake” caused from using an old map. It wasn’t a mistake.[3]

By 1999, it was clear to Washington that the stubbornly popular Milošević had to go if they were to bring forward their agenda of NATO military domination of post-Soviet Europe. Washington was determined to construct a huge military air base in Kosovo, then an integral part of Serbia, in order to secure their control of the entire region of Southeast Europe and put the vital Russian Black Sea Fleet at Crimea within striking distance of a US air attack.

A Template Refined

In the year 2000, Washington tested a new political template in Belgrade. It signaled a profound change in the course of US covert warfare. Unlike the regime-change operations of the National Endowment for Democracy (NED) in the Soviet Union, Poland, or China at the end of the 1980s, Washington had now perfected a more refined template that targeted the very election process itself in countries where the duly elected government opposed Washington’s strategic agenda.

On the surface, the new template purported to call for supporting a spontaneous and genuine grass roots democratic political “movement.” In reality, it was the product of CIA and Pentagon techniques for removing “uncooperative” regimes. The template had been under study and development in the US for several decades.

In Belgrade, the US embassy operation to bring down the popular nationalist Slobodan Milošević utilized several of the new Washington-backed nongovernmental organizations (NGOs): the NED and two of its offshoots, the International Republican Institute (IRI), tied to the US Republican Party, and the National Democratic Institute (NDI), tied to the Democratic Party.

The heart of the CIA and NED operation to get rid of Milošević was a student-based opposition NGO Washington trained and brought into being with the Serb name *Otpor!*, which meant “resistance” in Serbian language.

Otpor! was supported and trained in techniques of nonviolence as a method of warfare by the Albert Einstein Institution of Gene Sharp, the NED, the CIA, and the Freedom House–linked International Center on Nonviolent Conflict Resources.

Presenting themselves to the Serb youth and other opposition as private NGOs, *Otpor!* activists were, in fact, financed by the US Congress, the CIA, and the US State Department. Armed with tens of millions in US taxpayer dollars, the US-trained student activists, led by Srđa Popović, were moved into place to create a synthetic movement for "nonviolent change."[4]

Manipulating an election

Following the economic devastation to the country in Spring 1999, caused by the illegal US bombing of Belgrade and other cities of then Yugoslavia—which, by then, was reduced to the Federal Republic of Yugoslavia (Serbia-Kosovo plus Montenegro)—the Washington "democracy" NGOs went into high gear to topple Milošević.

Washington Post writer Michael Dobbs provided a first-hand description of what took place in Belgrade. The beginnings went back to a secret closed-door meeting in October 1999, more than a year earlier:

> *Belgrade—In a softly lit conference room, American pollster Doug Schoen flashed the results of an in-depth opinion poll of 840 Serbian voters onto an overhead projection screen, sketching a strategy for toppling Europe's last remaining communist-era ruler.*
>
> *His message, delivered to leaders of Serbia's traditionally fractious opposition, was simple and powerful. Slobodan Milošević—survivor of four lost wars, two major street uprisings, 78 days of NATO bombing and a decade of international sanctions—was "completely vulnerable" to a well-organized electoral challenge. The key, the poll results showed, was opposition unity.*
>
> *Held in a luxury hotel in Budapest, the Hungarian capital, in October 1999, the closed-door briefing by Schoen, a US Democrat, turned out to be a seminal event, pointing the way to the electoral revolution that brought down Milosevic a year later. It also marked the start of an extraordinary US effort to unseat a foreign head of state, not through covert action of the kind the CIA once employed in such places as Iran and Guatemala, but by modern election campaign techniques* [5]
>
> *While the broad outlines of the $41 million US democracy-building campaign in Serbia are public knowledge, interviews with dozens of key players, both here and in the United States, suggest it was much more extensive and sophisticated than previously reported…*

> *Regarded by many as Eastern Europe's last great democratic upheaval, Milošević's overthrow may also go down in history as the first poll-driven, focus group-tested revolution. Behind the seeming spontaneity of the street uprising that forced Milošević to respect the results of a hotly contested presidential election on September 24 was a carefully researched strategy put together by Serbian democracy activists with active assistance of Western advisers and pollsters.*[6]

The *Washington Post*'s Michael Dobbs reported that the entire operation was run out of the offices of US Ambassador Richard Miles, with specially trained agents coordinating networks of naïve or unknowing students who were convinced they were fighting for a better world, for the "American way of life."[7]

The *Washington Post* further noted that,

> *US-funded consultants played a crucial role behind the scenes in virtually every facet of the anti-drive, running tracking polls, training thousands of opposition activists and helping to organize a vitally important parallel vote count. US taxpayers paid for 5,000 cans of spray paint used by student activists to scrawl anti-Milošević graffiti on walls across Serbia.*[8]

In the Serbian language, the slogan "He's Finished!" was "Gotov Je!." As many as 2.5 million printed stickers with the slogan *"Gotov Je!"* were plastered all over Serbia. It became the revolution's catchphrase.

Dobbs's remarkable first-hand account, from a leading journalist at one of America's leading establishment newspapers revealed what had been at work in Serbia to topple Milošević. Initially, Washington had supported Milošević during the early 1990s until the 1995 Dayton Accords, but later, US official propaganda demonized Milošević as the "heir to Hitler" in terms of atrocities. The complete reversal suggested a hidden Washington dark agenda.

Guiding *Otpor!*'s Milošević ouster US Ambassador to Serbia Richard Miles was a specialist in regime change, far more so than in classical diplomacy. The US Agency for International Development (USAID), widely known as a CIA front,[9] had channeled the Serb funds through commercial contractors and through the so-called NGOs: the NED, the NDI, and the IRI.[10]

According to Dobbs, the IRI paid for some two dozen *Otpor!* leaders who attended the training seminar on nonviolent resistance at the Hilton Hotel in Budapest. There, the handpicked Serbian students received training in such matters as how to organize a strike and how to communicate with symbols, such

as the clenched fist that became their logo. They learned how to overcome fear and how to undermine the authority of a dictatorial regime.

The principal lecturer was Gene Sharp's associate, retired US Army Col. Robert Helvey, a former Defense Intelligence Agency analyst who trained and then used the *Otpor!* activists to distribute 70,000 copies of a manual on nonviolent resistance in Serb translation. Helvey had worked with Gene Sharp, founder of the controversial Albert Einstein Institution, in Boston, where the Pentagon learned to conceal its coup d'états under the guise of nonviolence. Sharp was described by Helvey as "the Clausewitz of the nonviolence movement," a reference to the renowned Prussian military strategist.[11]



Washington PR agencies carefully selected symbols as "brands" for their regime-change "color revolutions," such as the fist of Otpor!.

"Swarming of Bees . . ."

The nonviolent tactics of Srđa Popović and his *Otpor!* activists in Serbia were based, in part, on RAND corporation analyses of the warfare methods of Genghis Kahn, upgraded with modern networking technologies that connected people like swarming bees.[12] Using GPS satellite images, special US agents could direct their handpicked, specially trained *Otpor!* leaders on the ground to maneuver "spontaneous" hit-and-run protests that always eluded the police or military. Meanwhile, CNN and other State Department–friendly media would be carefully and conveniently prepositioned to project images around the world of these fearless, defiant, youthful, nonviolent protestors.

What was new in the Belgrade operation against Milošević was the use of the Internet—particularly its chat rooms, instant messaging, and blog sites—along with cell phones, including text messaging. It was STILL four years before the CIA and the Pentagon's DARPA would perfect Facebook and related social media, which would refine the template for CIA-backed regime change even more for future regime change operations.[13]

Using these high-tech communications capabilities that had emerged by the mid-1990s, a handful of trained leaders could rapidly steer rebellious and suggestible "Generation X'" youth in and out of mass demonstrations at will, confusing National Police, and making the regime appear clumsy and impotent.[14]

Otpor!, the US hand behind the Belgrade coup d'état of 2000, was the first successful civilian application of what would become the template for US Defense Department, State Department, and CIA "democratic revolutions" to topple noncompliant regimes. Destroying the illusion of regime power was at the heart of the US methods.

Reliance on new communications networking technologies to rapidly deploy small groups was the civilian counterpart of the Pentagon's Revolution in Military Affairs (RMA) doctrine—the deployment of highly mobile, weaponized small groups directed by real-time intelligence and communications.

A perceptive US analyst of the process described the relationship:

> *Squads of soldiers taking over city blocks with the aid of 'intelligence helmet' video screens that give them an instantaneous overview of their environment, constitute the military side. Bands of youth converging on targeted intersections in constant dialogue on cell phones, constitute the doctrine's civilian application.*[15]



One of the Otpor! "Swarming Bees" protests in Belgrade that the CIA orchestrated to topple Milošević in 2000.

If the US invasion of Iraq in 2003 was the violent form of the Pentagon's military doctrine, then Serbia's toppling of Milošević was an example of the nonviolent, civilian application of the doctrine. As the US military debacles in Iraq and Afghanistan deepened, many US strategists were increasingly convinced that the "civilian" application was far more effective than the overtly military.

It was no accident that there was such a similarity between the civilian and military models for regime change. Andrew Marshall, former RAND strategist and the reclusive head of the Pentagon Office of Net Assessments—where he was the longest-serving Pentagon war strategist from 1973 to 2015—had overseen the development of both models from his Pentagon office.

Through slick Madison Avenue marketing techniques and careful study of genuine protest movements, the US government had, in effect, perfected techniques for "democratically" getting rid of any opponent while convincing the world they were brought down by spontaneous outbursts of well-meaning citizens marching for their freedom. It was a brilliantly conceived and dangerously effective new weapon in Washington's arsenal.

The Serbian *Otpor!* revolution had been founded, guided, and financed covertly by the US government via select NGOs, as well as directly from the CIA, according to *Otpor!* co-founder Siniša Šikman.[16] It marked the modern perfection of techniques which, according to Jonathan Mowat, had been under study for years in the Pentagon and its various think-tanks, most notably the RAND corporation in Santa Monica, California.[17]

From the Beatles to Tavistock and RAND

In 1967, the head of the Tavistock Institute of Human Relations in London was a man named Dr. Fred Emery, an expert on the "hypnotic effects" of television.

Emery had been particularly struck by what he observed of crowd behavior at rock concerts, which were a relatively new phenomenon at that time. Emery referred to the audiences as "swarming adolescents," such as could be seen in the 1960s' Beatles concerts he noted.

Emery was convinced that this mob behavior could be refined and used to bring down hostile or uncooperative governments. He wrote an article about this for the Tavistock Institute's journal, *Human Relations,* which he confidently titled "The Next Thirty Years: Concepts, Methods, and Anticipations." The article detailed ways in which to channel or directly manipulate what he termed "rebellious hysteria." This is precisely what the RAND studies later modified and incorporated as "swarming" tactics in Belgrade and after.[18]

Following World War I, British Military Intelligence had created the Tavistock Institute to serve as its psychological warfare arm. The institute received its name from the Duke of Bedford, Marquess of Tavistock, who donated a building to the institute in 1921 to study the effect of shell shock on British soldiers who had survived World War I. Its purpose was not to help the traumatized soldiers, but instead to use the soldiers as human guinea pigs in order to establish the breaking point of men under extreme stress. The program was placed under the direction of the British Army Bureau of Psychological Warfare. For a time, Sigmund Freud worked with Tavistock on psychoanalytical methods applied to individuals and large groups.

After World War II, the Rockefeller Foundation moved in to finance and, in effect, co-opt the Tavistock Institute for the US and for its emerging psychological warfare activities.[19]

The Rockefeller Foundation provided an infusion of funds for the financially distressed Tavistock, newly reorganized as the Tavistock Institute for Human Relations. Its Rockefeller agenda was to undertake, "under conditions of peace,

the kind of social psychiatry that had developed in the army under conditions of war."[20]

That was to be a fateful turn.

Tavistock immediately began work in the US, sending its leading researcher, German-born psychologist Kurt Lewin, to the Massachusetts Institute of Technology (MIT) in 1945 to establish the Research Center for Group Dynamics. Lewin studied the processes that influence individuals in group situations and is widely credited as the founder of "social psychology." After Lewin's death, the center moved to the University of Michigan in 1948, where it became the Institute for Social Research.[21]

Tavistock's work over the next two decades was to co-opt legitimate psychological insights into social groups in order to refine techniques of social manipulation and social control, or, as they termed it, "group dynamics."

Paris: May 1968

Fred Emery's 1967 insights about "swarming" of crowds appeared validated by massive student uprisings in Paris and across French universities during May 1968. Hundreds of thousands of "swarming adolescents" grew into a movement of millions, destabilizing the French government and eventually toppling President Charles de Gaulle, who had become a major international thorn in the side of Washington.[22]

That apparently spontaneous outpouring was closely studied by Tavistock and by various US intelligence agencies for the methods, patterns, and tactics that would be developed, refined, and implemented over the ensuing three and a half decades by the US intelligence community to get rid of unfriendly governments or regimes.

Rock Videos in Katmandu

In late 1989, another piece of Washington's new regime-change program emerged out of a conference at Case Western Reserve University in Ohio. The university's Program for Social Innovations in Global Management featured Dr. Howard Perlmutter, a professor of "social architecture," a curious new academic field located at the Wharton School of Finance in Philadelphia. Perlmutter, a disciple of Tavistock's Emery, announced to a shocked audience that "rock video in Katmandu" was the paradigm for destabilizing traditional cultures, enabling powerful states to create what Perlmutter called a "global civilization."[23]

According to Perlmutter, two things were necessary for such destabilizing transformations: “Building internationally committed networks of international and locally committed organizations”—the equivalent of today’s human rights or democracy NGOs—and “creating global events through the transformation of a local event into one having virtually instantaneous international implications through mass-media.”[24]

Perlmutter’s idea contained the core blueprint for the new US-made regime change, the modern form of US-staged coup d’état. His core blueprint for destabilization was supplemented in the mid-1990s by more groundbreaking research at the RAND Corporation on the application of the information revolution to the covert fomenting of regime change.

In 1997, RAND researchers John Arquilla and David Ronfeldt published their work on exploiting the information revolution for the US military objectives under the title *In Athena’s Camp: Preparing for Conflict in the Information Age*. By taking advantage of network-based organizations linked via email and cell phones to enhance the potential of swarming, they argued that IT techniques could be transformed into key methods of warfare.[25] This was first tested by the CIA and US State Department in Belgrade in 2000 Slobodan Milošević.

Bringing Down Milošević

On October 5, 2000, President Milošević was forced by his own military to concede an election to his US-backed opponent, Vojislav Koštunica. On April 1, 2001, Milošević was arrested by Yugoslav authorities, though not charged officially with any crime. The US had pressured the Yugoslav government to extradite Milošević to the specially created International Criminal Tribunal for the Former Yugoslavia (ICTY), set up in The Hague, on charges of “war crimes and crimes against humanity committed in Kosovo.” Washington threatened to cut off urgently needed financial aid to Serbia from the IMF and World Bank if the extradition was refused.[26]

In The Hague tribunal Milošević was initially accused of “violating the laws or customs of war, grave breaches of the Geneva Conventions in Croatia and Bosnia, and genocide in Bosnia and Kosovo.” He was formally indicted for a host of crimes including genocide, complicity in genocide, deportation, murder, inhumane acts/forcible transfer, extermination, imprisonment, torture, willful killing, unlawful confinement, willfully causing great suffering, and persecutions on political, racial, or religious grounds.

On March 11, 2006, after almost five years of imprisonment in The Hague, Milošević was found dead in his cell in the UN detention center under suspicious circumstances. Officially, it was ruled a heart attack. The death conveniently eliminated an embarrassing witness to the actual US and NATO role in dismembering Yugoslavia.

A decade later, on March 24, 2016, long after the world had forgotten the war, a related trial of Bosnian Serb leader Radovan Karadžić, the ICTY in The Hague concluded there was not enough evidence to find Milošević guilty of the war crimes or crimes against humanity in which he had allegedly been complicit during the Bosnian War of 1992-1995.[27] The exoneration of Milošević, demonized by US State Department propaganda as a beast worse than Hitler at the time of his arrest, was duly ignored by Western mainstream media.

With Milošević now removed from power in Belgrade, the way was clear for the Pentagon to construct Camp Bondsteel—its second largest base in Europe and the largest overseas military base since the Vietnam War—near the village of Ferizaj in the eastern part of Serbian Kosovo. The US Army staffed the base with as many as 7,000 soldiers and support personnel, allegedly to help control Serbia. In reality, it was to provide the Pentagon a control point with Black Hawk and Apache helicopters and Abrams tanks, as well as a base from which it could control strategic reserves of oil in the Caspian Sea and target Russia's Black Sea Fleet in Crimea. According to senior British military sources, the main reason for the US-led 1999 bombing of Serbia was not because of allegations of Serb genocide against Kosovo Albanians—charges which were never proven—but rather it was to justify the artificial division of Kosovo using the US-trained KLA in order to establish its permanent US military base in Kosovo.[28]

Adding Color to the Revolutions

The US success in removing the tenacious Slobodan Milošević as Serbia's president in 2000 proved to the US State Department and intelligence community that their new model for covert regime change via nonviolent coup d'états worked. It seemed to be the ideal model for eliminating regimes opposed to US policy. It did not matter if a regime had been popular or democratically elected. Any regime was potentially vulnerable to the Pentagon's new methods of warfare—"swarming"—and the advanced techniques of RAND.

Within months of his success in overseeing the creation of the Serb *Otpor!* Revolution, Ambassador Richard Miles, US chief of mission to Belgrade, was

sent to his next assignment, the tiny Republic of Georgia, bordering to the Russian Federation in the Caucasus mountains of Central Asia, the birthplace of Josef Stalin and part of the Soviet Union until 1991.

The dramatic success of Miles *Otpor!* operations in Serbia led Washington to try an even more risky regime change on the very borders of the Russian Federation. It was also the beginning of Washington regime-change operators adding specific colors to each of the destabilization operations, leading to the name "color revolutions."[29]

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22 A curious tiny group named Situationist International played in inordinately large role behind the student uprisings in May 1968, leading some researchers to posit that it was backed or steered by US intelligence. Even the powerful French Communist trade union, CGT, attempted to quell the student unrest to no avail. De Gaulle was considered a “friend” of the Soviet Union for his opposition to US-run NATO.

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CHAPTER EIGHT:

A COLD WAR ENDED NOT

"We gave categorical assurances to Gorbachev back when the Soviet Union existed that if a united Germany was able to stay in NATO, NATO would not be moved eastward."

—US Ambassador in Moscow, 1987-1991, Jack Matlock[1]

NATO Marches East

For Washington and the US military–industrial complex, the Cold War in no way ended in 1991 with the dissolving of the Warsaw Pact military alliance, along with the disintegration of the Soviet Union. On the contrary, Washington stepped up efforts to push NATO expansion to the very door of Moscow, taking advantage of the catastrophic economic chaos they had created in the Russian Federation during the Yeltsin era.

In February 1990, during highest-level talks between Moscow and US Secretary of State James Baker III, the US made Mikhail Gorbachev, then President of the Soviet Union, an offer. According to transcripts of meetings in Moscow on February 9, 1990, US Secretary Baker suggested that in exchange for cooperation on unification of Germany, East and West, into NATO, Washington would make "iron-clad guarantees" to Moscow that NATO would not expand "one inch eastward."[2]

As with many of its promises in those days, Washington broke it.

PNAC: Rebuilding America's Defenses

In September 2000, just weeks before the contentious November 2000 US presidential election that saw the US Supreme Court unconstitutionally determine the victory of the Bush–Cheney Republicans, an influential Washington think tank named the Project for a New American Century (PNAC)

issued an extraordinary report based on the 1992 Defense Planning Guidance prepared by Dick Cheney, then President George H.W. Bush's Secretary of Defense. The members of the PNAC included Cheney, his earlier assistant at the Pentagon, Paul Wolfowitz, Don Rumsfeld, and other key members of what would be the Bush–Cheney neoconservative presidency.

The PNAC report, financed by the Bradley Foundation and the John M. Olin Foundation,[3] both linked with the US military industry, was prepared as a military blueprint for the incoming administration. The report called for a most aggressive US military agenda at a time when many were asking if the world even needed NATO following the end of the Cold War and Russian moves to build down her nuclear force. Among PNAC report recommendations were

- *Remove Saddam Hussein, by war if necessary.*
- *Deploy global missile defense "to provide a secure basis for US power projection around the world."*
- *Control space and cyberspace, and create a "new military service—US Space Forces—with the mission of space control."*
- *Exploit the Pentagon's "revolution in military affairs," including moving to high-tech, unmanned weaponry, such as drones.*
- *Develop a new family of more effective nuclear weapons.*
- *The US "should seek to establish a network of 'deployment bases' or 'forward operating bases' to increase the reach of current and future forces." It must move beyond western Europe and northeast Asia to increased permanent military presence in southeast Asia and east Asia "to cope with the rise of China to great-power status."*
- *Redirect the US Air Force "toward a global first-strike force."*
- *End the Clinton administration's "devotion" to the Anti-Ballistic Missile treaty with Russia.*
- *"Preserve Pax Americana" and a "unipolar 21st century" through securing and expanding "zones of democratic peace, deter rise of new great-power competitor, defend key regions (Europe, East Asia, Middle East), and exploit transformation of war."* [4]

Virtually every item of that PNAC report was realized after 2000 during the George W. Bush presidency. Dick Cheney, Don Rumsfeld, Paul Wolfowitz, and the team around Bush senior who had drafted the so-called Wolfowitz Doctrine

in 1992 implemented that doctrine through the presidency of Bush's son. They named it the War on Terror.

Among the members of that high-powered PNAC military think tank were key neoconservative war hawks that would soon serve in key positions in the new administration of George W. Bush and Dick Cheney, as well as run Bush's War on Terror after September 11, 2001

In addition to Cheney—who, as Bush's vice president, de facto ran foreign policy, much as George H.W. Bush did for Reagan two decades before—the PNAC members included Zalmay Khalilzad, an Afghan American who became George W. Bush's special envoy to Afghanistan after the US invasion in 2001 and later ambassador to US-occupied Iraq. It included I. Lewis "Scooter'" Libby, who became chief of staff for Vice President Dick Cheney.

Also in PNAC was Peter W. Rodman, who in 2001 became the Bush administration's Assistant Secretary of Defense for International Security Affairs. The PNAC also included Donald H. Rumsfeld, soon-to-be secretary of defense for the Bush–Cheney presidency. The PNAC members signing the September 2000 report included Paul D. Wolfowitz as well, as Rumsfeld's undersecretary of defense. Wolfowitz had authored the controversial 1992 Pentagon Defense Planning Guidance, dubbed the Wolfowitz Doctrine, that called for US "preemptive" wars against any potential challenger to America's "sole superpower hegemony."[5]

NATO's Fake Democracy Promotion

Among the more interesting little-noticed members of the 2000 PNAC was Vin Weber. Weber, a former Minnesota congressman, was a registered lobbyist for Lockheed Martin, then the world's largest defense conglomerate. At the same time, Weber was also chairman of the National Endowment for Democracy (NED), the US government–financed, "fake democracy" nongovernmental organization (NGO) that was installing chosen pro-NATO regimes, one after the other, in former Communist Eastern Europe.[6]

Vin Weber, the person responsible for the NGO that ostensibly brought democracy into former Communist states, was, at the same time, a select member of the PNAC, which drafted the precise military foreign policy of not only the George W. Bush–Cheney administration but also the Obama–Biden administrations. The same Vin Weber was a paid lobbyist for the world's largest military–industrial conglomerate, Lockheed-Martin. Little wonder that the

“democracy” operations of the NED paralleled the eastern expansion of NATO and its military agenda.

That eastern expansion of NATO was a campaign politically led in Washington by Bruce P. Jackson, from 1993 to 2002, a vice president for strategy and planning at Lockheed Martin Corporation, the same company that Vin Weber, NED “democracy promoter” was a paid lobbyist for. Further, Weber and Jackson both sat on the board of the PNAC, the think tank devising the military strategy of the Bush–Cheney presidency. Bruce Jackson also founded something he named the US Committee on NATO in 1996 to promote the expansion of the North Atlantic alliance eastward. Its motto was “Strengthen America, Secure Europe, Defend Values, Expand NATO.”[7]

As Lockheed-Martin Vice President Bruce Jackson was busy in the 1990s creating one after another well-funded newspaper front group to promote the NATO and US military–industrial complex agenda for arms buildup. He did that despite the fact that in the 1990s, the former states of the Soviet Union, especially the Russian Federation, were in economic ruin and in no way a threat to NATO.

A cofounder with Lockheed-Martin’s Bruce Jackson of these lobbyist newspaper organizations from the US Committee on NATO was someone named Julie Finley. In 2003, as NATO’s eastward expansion was going forward with dramatic speed, Finley and Jackson together created a successor to the no-longer-needed US Committee on NATO, calling itself the Project for Transitional Democracies, where Jackson was president and Finley chairman of the board. At the same time Finley sat on the Project for Transitional Democracies board, she was a board member and treasurer of Vin Weber’s NED.[8] It was a tight-knit circle promoting NATO side by side with Washington’s NGO-led fake democracy in former Communist Eastern Europe.

NATO Moves East

By 1999, Washington was ready to begin its provocative expansion of NATO eastward, violating those solemn assurances given the Soviet leader Gorbachev in 1990. After almost a decade of Yeltsin’s looting of Russia’s economy, as well as his nonpayment of pensions and other social benefits, the Russian Federation could do little to stop NATO other than protest feebly.

To call the policy reaction of the Yeltsin government to the US-led expansion of NATO to former communist countries of Eastern Europe “confused” would be

to put it mildly. In the 1990s, Moscow had shown clear willingness to cooperate with Washington in mutual nuclear arms reduction.

On January 3, 1993, just days before leaving the presidency to incoming President Bill Clinton, US President George H. W. Bush went to Moscow, where he and Boris Yeltsin signed the Treaty on Further Reduction and Limitation of Strategic Offensive Arms, popularly called START II. A skeptical Russian Duma refused to ratify Start II. That same year, Washington proposed a Partnership for Peace (PfP) as a loose diplomatic dialogue initiative and invited Russia to join, which Russia did.

After Washington money and support of the US-tied Russian oligarchs had secured Yeltsin's reelection in 1996, Washington brazenly escalated its moves to formally expand NATO, secure in the conviction the corrupt Yeltsin would not react. In 1999, Poland, Hungary, and the Czech Republic joined the NATO organization over the feeble protests of the Yeltsin regime.

For reasons of their financial dependency on US and Western banks and financiers, the circle around Yeltsin tended to favor Washington on most issues. However, the NATO issue was extremely unpopular among the vast majority of Russians, who, rightly, saw no reason a decade after the end of the Soviet Union for NATO to exist at all, let alone move eastward in the direction of Russia's borders.

Yeltsin himself, at different times, made contradictory statements on the NATO expansion. At one point, he called the NATO expansion "a strategic mistake." Later, he tried to minimize the danger for Russian security noting, falsely, "the negative consequences of NATO's enlargement will be reduced to the minimum through the NATO-Russia deal."[9]

For Washington and the US military–industrial complex, it was a huge strategic victory. The eastward expansion of NATO allowed the US to dominate and effectively sabotage the EU's attempts to create an independent-from-NATO EU defense pillar, partly by locking the former communist states of Eastern Europe into long-term US military equipment purchases as part of NATO, in effect making them US client states.

US Missile "Defense"

NATO's expansion into the countries of the former communist Warsaw Pact in Eastern Europe was by no means the only Washington move that raised alarm bells in Moscow. In December 2000, just weeks after the admission of Poland, Hungary, and the Czech Republic into NATO and just days before Donald

Rumsfeld became Secretary of Defense, the Pentagon released a *Strategy Report for Europe and NATO*. The report contained a section on "Theater Missile Defense." As an official US Defense Department policy paper, it was worth careful study. It stated:

> ***Theater Missile Defense**: As part of broader efforts to enhance the security of the United States, Allied and coalition forces against ballistic missile strikes and to complement our counter-proliferation strategy, the United States is pursuing opportunities for TMD (Theater Missile Defense) cooperation with NATO Partners. The objectives of United States cooperative efforts are to provide effective missile defense for coalition forces...against short to medium range missiles. In its Strategic Concept, NATO reaffirmed the risk posed by the proliferation of NBC (Nuclear, Biological, Chemical) weapons and ballistic missiles, and the Alliance reached general agreement on the framework for addressing these threats. As part of NATO's DCI, Allies agreed to develop Alliance forces that can respond with active and passive defenses from NBC attack. Allies further agreed that TMD is necessary for NATO's deployed forces.*[10]

Two years earlier Rumsfeld, a former Secretary of Defense and NATO Ambassador, had headed a presidential commission to look into the desirability of reinvigorating the moribund US missile defense effort that had been largely set aside after the collapse of the Soviet nuclear threat. The Rumsfeld Commission vigorously advocated a revived US missile defense program.

Missile defense projects first emerged in the 1980s, when President Ronald Reagan proposed developing systems of satellites in space, as well as radar bases as listening stations, and interceptor missiles around the globe, all designed to monitor and shoot down hostile nuclear missiles before they hit their intended targets.

The Reagan program was dubbed "Star Wars" by its critics as science-fiction fantasy, but the Pentagon had officially spent more than $130 billion on developing the system after 1983. President George W. Bush, beginning in 2002, increased that amount significantly to $11 billion a year. That was double the amount allocated during the Clinton years. And another $53 billion for the following five years was budgeted, not even counting the untold billions which were being diverted to missile defense under secret and unaudited Pentagon "black box" budgets.

With even a primitive missile defense shield, the US could theoretically attack Russian missile silos and submarine fleets with far less fear of effective retaliation; the few remaining Russian nuclear missiles would be unable to launch a sufficiently destructive response. That, at least, was the idea behind US missile defense. It was not defensive in any way, rather extraordinarily offensive.

Upturning MAD

During the Cold War, the ability of both sides—the Warsaw Pact and NATO—to mutually annihilate one another had led to a nuclear stalemate dubbed by military strategists as MAD—mutually assured destruction. It was scary but, in a bizarre sense, more stable than what would come later with a unilateral US pursuit of nuclear primacy. MAD was based on the prospect of mutual nuclear annihilation with no decisive advantage for either side; it led to a world in which nuclear war had been "unthinkable."

Now, after 2000 and the collapse of the threat from the Soviet Union and Warsaw Pact, the US was pursuing the possibility of nuclear war as thinkable. That was really and truly "mad," as in insane. The first nation with a nuclear missile "defense" (NMD) shield would de facto have "first strike ability." Quite correctly, Lt. Colonel Bowman, who had himself been director of the US Air Force Missile Defense Program during the Reagan era, called missile defense "the missing link to a First Strike."[11]

For the time being, at the beginning of the Bush–Cheney administration, little was discussed about Rumsfeld's December 2000 defense policy document proposing a new US ballistic missile defense effort. Moscow watched nervously.

However, in one of its first official moves, in December 2001, just three months after the September 11 World Trade Center and Pentagon attacks, the Bush–Cheney administration announced its decision to unilaterally withdraw from the US-Russian Anti-Ballistic Missile (ABM) Treaty.

On June 13, 2002, as the original treaty was up for renewal, the Bush–Cheney administration let it expire to the alarm of Moscow, who rightly asked what Washington now planned. Washington was now free to aggressively pursue missile defense. In his official statement announcing the US withdrawal from the ABM Treaty, President George W. Bush lied and claimed it was necessary after the September 11, 2001, terror attacks. Back then, anything and everything was justified as part of the Washington War on Terror.[12]

That ABM Treaty had been signed by Washington and the Soviet Union in 1972 to slow the nuclear arms race. The ABM Treaty barred both powers from

deploying national defenses against long-range ballistic missiles and from building the foundation for such a defense. Washington was preparing to launch an incredibly aggressive missile defense shield aimed directly at Russia. The ABM Treaty had to go.

The withdrawal from the ABM Treaty was a critical step if Washington seriously planned to implement a working global network of “missile defense” capability as the key to US nuclear primacy. Moscow protested that, contrary to assurances from Washington that it was aimed at Iran, North Korea, or “rogue terrorists,” the only serious target with remaining nuclear long-range missile delivery capability was the Russian Federation. It was to be several more years before it became clear how aggressive Washington’s missile defense deployments would be.



By 2002, Washington was ready to bring NATO to the borders of Russia in Ukraine and Georgia.

Then, in November 2002, half a year after US revocation of the US–Russia ABM Treaty, Washington and NATO invited Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia to begin formal NATO membership talks, which were culminated in June 2004 at the Istanbul NATO Summit. More than a few people inside the Kremlin, by then under the presidency of Vladimir Putin, were becoming alarmed at possible Washington motives.

Rumsfeld’s CONPLAN 8022

In that same month, June 2004, US Defense Secretary Donald Rumsfeld approved a “top secret” order for US Armed Forces to implement something called CONPLAN 8022, “which provides the president a prompt, global strike capability.”[13]

The term “CONPLAN” was Pentagon shorthand for contingency plan. What “contingencies” were Pentagon planners preparing for? A preemptive conventional strike against tiny North Korea or even Iran? Or a full-force preemptive nuclear assault on the last formidable nuclear power not under the thumb of US full-spectrum dominance—Russia?

The two words “global strike” were notable. It was Pentagon-speak for a specific preemptive US military attack that, for the first time since the earliest Cold War days, included a nuclear option. This was directly counter to the traditional US military notion of nuclear weapons being used only in defense to deter attack.[14]

CONPLAN 8022 was unlike traditional Pentagon war plans that had been essentially defensive. Like the aggressive preemptive 2002 Bush Doctrine, CONPLAN 8022 was purely offensive. It could be triggered by the mere “perception” of an imminent threat and be carried out by presidential order without consulting Congress or obtaining its constitutionally required authorization for war. The constitutional “checks and balances” which the US founding fathers had taken such care to embed into the Constitution were gone. The president, on his own, could detonate nuclear war preemptively.

Lt. Gen. Bruce Carlson, commander of the 8th Air Force, boasted to the press that his fleet of B-2 and B-52 bombers were ready to carry out such missions: “We’re now at the point where we are essentially on alert. We have the capacity to plan and execute global strikes.” He added the disturbing remark that his bombers, including nuclear, could execute an attack “in half a day or less.”[15]

“Global Strike” was the new military term of art to describe a specific preemptive attack. *Washington Post* military specialist William Arkin remarked, “When military officials refer to global strike, they stress its conventional elements. Surprisingly, however, global strike also includes a nuclear option, which runs counter to traditional US notions about the defensive role of nuclear weapons.”[16] Most Americans were blissfully ignorant of what their mad politicians and military were playing with.

The Russian air defense was clearly aware of CONPLAN 8022 and hardly delighted. Again, recovering from the economic devastation of the Yeltsin decade of the 1990s, there was little that Russia under the first term of President

Vladimir Putin could do other than hope for the best. In 2003 to 2004, Russia was in no way able to match Washington in a new arms race.

Then Washington made a provocation atop all else that Moscow could not digest. For the first time since the collapse of the Soviet Union in 1991, Washington moved to install pro-Washington and pro-NATO vassal regimes in the Republic of Georgia and in Ukraine, two former parts of the Soviet Union before 1991 and two states directly at the borders of the Russian Federation.

To create such a coup on Moscow's doorstep, Washington deployed the full resources of its fake democracy apparatus so successful in former Yugoslavia in ousting Slobodan Milošević. This time, Washington and their PR consultants decided to combine the logos of a clenched fist together with a color theme. In Georgia, the chosen color was rose, and in the Ukraine, it was orange—the Rose Revolution and the Orange Revolution, as the Western mainstream media called the US regime-change fake-democracy operations. Moscow called both color revolutions a catastrophe for future Russian security.

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CHAPTER NINE:

NATO Banging on Moscow's Door: Georgia and Ukraine Color Revolutions Shake Russia

"American meddling was far more subtle ... and effective. The $65 million plus went to pro-Yushchenko think tanks, civic organizations, political training, and work with strategically placed professionals, such as journalists and judges. It paid for some questionable exit polls and election monitors, many of them Ukrainian expatriates who were far from impartial."

—Steve Weissman, December, 2004[1]

"The policy of guiding the evolution of Islam and of helping them against our adversaries worked marvelously well in Afghanistan against the Red Army. The same doctrines can still be used to destabilize what remains of Russian power."

—Graham E. Fuller, CIA Mujahideen specialist[2]

Georgia's "Revolution of Roses" Had Bloody Thorns

Normally a post in the newly independent Republic of Georgia—a small former Soviet Union state on the Black Sea, the birthplace of Joseph Stalin, and, in 2003, run by an autocratic Soviet era veteran, Eduard Shevardnadze—would have been considered a step downward in a typical State Department career path. Not so for US Ambassador Richard Monroe Miles.

Richard Miles had spent his diplomatic career managing to be posted in precisely those places where Washington wanted regime change. Regime change rather than diplomatic finesse seemed to be his forte. Before coming to Tbilisi, he had been ambassador to Azerbaijan from 1992 to 1993 during the US-backed coup that brought Heydar Aliyev to power. Then he was chief of mission to Serbia-Montenegro from 1996 to 1999 as the CIA and State Department prepared the bombing of Belgrade and the breakaway of Kosovo and the *Otpor*! Color Revolution that forced Slobodan Milošević out of office.

Now in 2003 Miles was sent to make a new Color Revolution, a Washington fake democracy, this time as US ambassador to Georgia from 2002 to 2005. His assignment was to unseat tough Soviet-era survivor Eduard Shevardnadze, and replace him with a Washington-loyal pawn.

The 1993 Azeri coup was about US and British oil-pipeline geopolitics. Richard Miles's later appointment to Tbilisi in May 2002 was about the same oil-pipeline agenda, an Anglo-American oil pipeline continuing from Azerbaijan via Georgia on to Turkey, as well as being about the NATO encirclement of Russia.

Caucasus Pipeline Geopolitics

In the early 1990s, Halliburton Corporation, Dick Cheney's giant oilfield services company, had surveyed the offshore oil potentials of Azerbaijan, Kazakhstan, and the entire Caspian Sea Basin. It was the first direct opportunity for US and British oil companies to determine the true dimensions of Soviet-era oil resources. Halliburton estimated the Caspian region to be "another Saudi Arabia," worth several trillion dollars on today's market.[3] Such a treasure could not ever be allowed to remain in Russian hands as Washington strategists saw it.

Their surveys had suggested potentially 200 billion barrels of oil were to be found in the Caspian Basin. By comparison, at the time, BP estimated Saudi oil reserves at around 247 billion barrels. For the Anglo-American oil majors and their intelligence services, the battle for control of Caspian oil, and making certain that the Russian Federation could not keep the control, would become called by some in Washington as the "New Great Game," a reference to the nineteenth-century British wars and intrigues against Czarist Russia over control of Afghanistan and the passage to India.

In a June 1998 speech in Washington to a conservative Republican think tank, the Cato Institute, Halliburton CEO Dick Cheney could scarcely hide his glee. He told his audience, "I can't think of a time when we've had a region emerge as

suddenly to become as strategically significant as the Caspian. It's almost as if the opportunities have arisen overnight." At the time, Cheney sat on the oil advisory board of the Kazakhstan government, where he brokered the deal to give Kazakh Caspian Basin oil rights to Condoleezza Rice's former company Chevron Oil.[4] The US and UK oil majors and their intelligence services were determined to keep that oil bonanza from Russian control by all means necessary.

The first target of Washington was to stage a coup in Azerbaijan against the elected President Abulfaz Elchibey, Azerbaijan's first democratically elected, noncommunist president. In his first months as Azerbaijan President, Elchibey had moved to create a gold-backed currency and other major reforms to stabilize the economy. He was an Azeri nationalist determined to build up his country, something Washington found very unacceptable for many reasons.

Washington and its NGOs made the coup in order to install a president who would be friendlier to a US-controlled Baku–Tbilisi–Ceyhan (BTC) oil pipeline, "the world's most political pipeline," in order to bypass an existing Russian oil pipeline and bring Baku Caspian oil from Azerbaijan through Georgia to Turkey and the Mediterranean.[5]

On October 3, 1993, Heydar Aliyev, seventy at the time and a former Brezhnev Soviet politburo member, was "elected" as president of Azerbaijan with "99 percent of the votes." It was de facto a coup backed by London, Washington, and the Anglo-American oil majors of BP, Amoco, and others. A classified Turkish intelligence report leaked to the London *Sunday Times* stated, "two petrol giants, BP and Amoco, British and American respectively, which together form the AIOC (Azerbaijan International Oil Consortium), are behind the coup d'état."[6]

The CIA and Chechen War

At that time, the only existing oil pipeline from Baku was a Soviet-era Russian Federation pipeline that ran through the Russian Chechen capital, Grozny, taking Baku oil north via Russia's Dagestan province, and across Chechnya to the Black Sea Russian port of Novorossiysk. The pipeline was the only competition, a major obstacle to the very costly alternative route of Washington and the Anglo-American oil majors.[7]

President George H.W. Bush gave his old pals at the CIA the mandate to destroy that Russian Chechen pipeline and create such chaos in the Caucasus that no Western or Russian company would consider using the Grozny Russian

oil pipeline. That came to be known as Russia's First Chechen War. The Chechen terrorist war against Moscow was a CIA operation from the very start.



When the Soviet Union dissolved in 1991, the US deployed Mujahideen to grab the vast oil assets of Azerbaijan and the Caspian Sea in the Caucasus. CIA Coups in Azerbaijan and in Georgia were central to US oil-pipeline geopolitics.

Graham E. Fuller, an old colleague of Bush, senior and former Deputy Director of the CIA's National Council on Intelligence, had been a key architect of the CIA's Mujahideen strategy in Afghanistan from 1979 to 1989, code-named "Operation Cyclone." Fuller described the CIA strategy in the Caucasus in the early 1990s: "The policy of guiding the evolution of Islam and of helping them against our adversaries worked marvelously well in Afghanistan against the Red Army. The same doctrines can still be used to destabilize what remains of Russian power."[8]

The Bush administration and the CIA used a "dirty war" veteran going back to the Vietnam War, General Richard Secord, for the Azerbaijan operation. Secord was a veteran of the CIA's dirty war in Laos, where the US government got involved in the heroin trade.[9]

Major General Secord was in charge of the CIA's Air American Laotian operations when they were accused of flying opium and heroin on behalf of

Laotian Hmong (Meo) leader Vang Pao. In the 1980s, Secord had been convicted for his central role in the CIA's Iran–Contra illegal arms and drugs operations. In short, he was a seasoned veterans of George H. W. Bush's CIA old boys network.[10]

In 1991, the Bush administration wanted an oil pipeline from offshore Baku in Azerbaijan routed across the Caucasus to Turkey. That year, Secord, a former deputy assistant secretary of defense, landed in Baku and set up a front company, MEGA Oil. In Azerbaijan, Secord setup an airline to secretly fly hundreds of al-Qaeda Mujahideen from Afghanistan into Azerbaijan. By 1993, MEGA Oil had recruited and armed 2,000 Mujahideen, converting Baku into a base for Caucasus regional jihadist terror operations.[11]

Secord's first deployment was to support the Azeri Army in their bitter fight with Moscow-friendly Armenia over the future of Nagorno-Karabakh.[12]

According to Jeffrey Silverman, an American investigative journalist based in Tbilisi who covered the events at the time, the Mujahideen mercenaries fought alongside Chechen jihadists and Azeri army regulars. Among the Afghan Mujahideen fighters whom Secord flew in was the notorious Afghan commander and heroin warlord Gulbuddin Hekmatyar, known in Afghanistan as the "Butcher of Kabul." The Armenians were stopped with backdoor help from Washington, preventing Azerbaijan from being split and its oil pipeline route from being blocked.[13]

General Richard Secord's covert Mujahideen operation in the Caucasus also contributed to the military coup that toppled elected president Abulfaz Elchibey that year and installed a more pliable US puppet, Heydar Aliyev. The Aliyev coup took place, as noted, while Richard Miles was Washington's ambassador in Baku.

Saudi Intelligence head, Turki al-Faisal, arranged that his agent, Osama bin Laden, the wealthy Saudi jihadist whom al-Faisal had sent to Afghanistan at the start of the Afghan war in the early 1980s, would use his Afghan organization Maktab al-Khidamat (MAK) to recruit "Afghan Arabs." for the new Caucasus wars. The CIA's "jihad" was rapidly becoming a major destabilization of the entire former Soviet Caucasus region. Bin Laden's mercenaries were used as shock troops by the Pentagon to coordinate and support Muslim offensives in Azerbaijan, Nagorno-Karabakh, Chechnya, and Dagestan.[14]

According to Yossef Bodansky, then director of the US Congressional Task Force on Terrorism and Unconventional Warfare, Washington was actively involved in "yet another anti-Russian jihad, seeking to support and empower the

most virulent anti-Western Islamist forces." Bodansky revealed the entire CIA Caucasus strategy in detail in his report, stating that US government officials participated in

> *a formal meeting in Azerbaijan in December 1999 in which specific programs for the training and equipping of Mujahideen from the Caucasus, Central/South Asia and the Arab world were discussed and agreed upon, culminating in Washington's tacit encouragement of both Muslim allies (mainly Turkey, Jordan and Saudi Arabia) and US 'private security companies' . . . to assist the Chechens and their Islamist allies to surge in the spring of 2000 and sustain the ensuing jihad for a long time... Islamist jihad in the Caucasus as a way to deprive Russia of a viable pipeline route through spiraling violence and terrorism.*[15]

The Anglo-American oil majors and the CIA's operatives were happy with their Chechen terror operations. They had what they wanted: the destruction of a Russian pipeline for Azeri Baku and other large Caspian oil resources.

Georgia and a NATO Pipeline

The next step in Washington's pipeline wars would be to install a CIA-controlled vassal regime in Georgia, one of the Caucasus republics of the former Soviet Union, so that a costly new Anglo-American oil pipeline could safely transport millions of barrels of Caspian oil to Western markets under the watchful eye of NATO member Turkey. The chosen Anglo-American pipeline would go from Baku through Tbilisi in Georgia and on to Ceyhan on the Turkish Mediterranean coast. Turkey was a key pillar then of NATO. With Heydar Aliyev, the handpicked, corrupt dictator in power in Azerbaijan, the CIA now turned its attention to Georgia, the missing link to the oil pipeline coup of the West.

The British and American oil majors led by BP, with the US and UK governments backing them, had formed the BTC Pipeline Company in London on August 1, 2002. The Baku–Tbilisi–Ceyhan pipeline was originally proclaimed by BP and others as "the project of the century."

Zbigniew Brzezinski was a consultant to BP in the 1990s, urging Washington to back the BTC project. In 1995 Brzezinski went to Baku, unofficially, on behalf of President Clinton to meet with then Azeri President Heydar Aliyev in order to negotiate new independent Baku pipeline routes, including what became the BTC pipeline.

At the time Brzezinski sat on the board of the influential US–Azerbaijan Chamber of Commerce (USACC). The chairman of the USACC in Washington was Tim Cejka, president of ExxonMobil Exploration. Other USACC board members included Henry Kissinger and James Baker III, who, in 2003, personally went to Tbilisi to tell Shevardnadze that Washington wanted him to step aside in favor of a US-trained Georgian President-to-be Mikheil Saakashvili. Brent Scowcroft, former national security adviser to George H.W. Bush, also sat on the board of USACC, along with Dick Cheney, who was CEO of Halliburton before he became US vice president in January 2001. A more high-powered Washington team of geopolitical fixers would be hard to imagine. The BTC oil pipeline was a strategic priority of Washington geopolitics, to put it mildly.

The BTC pipeline cost some $3.6 billion, making it one of the most expensive oil-pipeline projects in history. The main backer was BP, whose chairman Lord Browne was a close adviser to Britain's then Prime Minister Tony Blair. BP built it in a consortium including Unocal of the US, Turkish Petroleum Inc., and other partners.

The British–American oil pipeline, almost 1,800 kilometers long from Azerbaijan's Azeri–Chirag–Gunashli oil field in the Caspian Sea to Ceyhan in Turkey on the Mediterranean Sea, required a very secure land route.



The Anglo-American Caspian Oil Pipeline required a pro-NATO coup in Georgia.

With Armenia drawing closer to Russia after the Nagorno–Karabakh war, the Caucasus Republic of Georgia was chosen as the preferred Washington route. That, however, meant the need of a Tbilisi government absolutely beholden to Washington.

US Ambassador Miles was sent to Tbilisi in May 2002 to organize a pro-NATO coup on Russia's very doorstep. Bringing Poland or Hungary into NATO was one matter. Bringing a former integral part of the Soviet Union into NATO was quite another matter as far as Moscow viewed its national security vulnerability.

Miles, US NGOs and their Rose Revolution

Once in Tbilisi, Richard Miles met with his star Georgian pupil, Mikheil Saakashvili, a product of Columbia University Law School, George Washington University Law School, and a former US State Department Fellow, where his US intelligence handlers had ample time to profile and groom him. In 2002, Saakashvili had returned to Tbilisi to be Georgia's justice minister under President Eduard Shevardnadze. In Tbilisi, Miles would coach Saakashvili in how to bring down his boss in a repeat of Miles' operation against Milosevic in Belgrade.

Miles got ample assistance for the regime-change project from US government–financed nongovernmental organizations (NGOs), especially the National Endowment for Democracy (NED), the organization that was present in every major US coup or regime-change operation since the 1980s. The country was flooded with foreign NGOs just then, as laws regulating their creation or financing were nonexistent at the time. Among the most important of the NGOs was the Open Society Institute of George Soros, which openly backed Mikheil Saakashvili, Washington's pick. The student activist organization *KMARA!* ("Enough!") was trained by the CIA-backed *Otpor!* in Belgrade, a training arranged by Ambassador Miles, who had been involved in the *Otpor!* operations as Belgrade Ambassador in 1999.[16]



The Georgian Otpor!-trained KMARA! (l.) even used the same logo as the Serb Otpor! (r.), and was also guided by the same US Ambassador, Richard Miles.

After widespread opposition claims of voter fraud in the November 2, 2003, parliamentary elections in Georgia, weeks of carefully orchestrated protests led by US-trained and US-financed activists of *KMARA!* culminated in the protestors storming Parliament. They were led by the thirty-seven-year-old Mikheil Saakashvili. Each protestor bore a red rose, conveniently lending the name to the Rose Revolution. They ultimately forced the resignation of President Eduard Shevardnadze.

Ousted President Shevardnadze was considered a risk given that he had tried to gain both from his ties to Moscow and was reportedly considering to privatize energy pipelines that could have given Russian companies control of the Caspian oil flows.[17]

Following the removal of Shevardnadze, presidential elections were held in Georgia on January 4, 2004. Mikhail Saakashvili, leader of the United Opposition Group, was elected President of Georgia.

This lovely picture of the "democratic" Georgia election of Saakashvili was painted for most of the world by the mainstream US and European media. Behind the scenes the US had applied its entire arsenal of "fake democracy" NGOs and controlled media to ensure that the revolution was successful.[18] It was labeled by world media as the Rose Revolution.

George Soros and US Ambassador Richard Miles openly called on President Shevardnadze to resign, an extraordinary internal intervention for a professional diplomat. KMARA!, the Georgian imitation of Belgrade's *Otpor*!, even using the same clenched fist logo, were trained and advised by Srđa Popović' *Otpor*!, and

funded by the Open Society Institute (OSI) of George Soros. KMARA! were allied with Saakashvili's United National Movement.[19] The elements of the coming Rose Revolution NGO coup, orchestrated by Ambassador Miles in Tbilisi, were in place.

Then, to create economic stress against the Georgian government, Washington cut its financial aid to the financially strapped Shevardnadze government by 50 percent and pressured the International Monetary Fund (IMF) to suspend its financial aid.

With Shevardnadze and his regime under severe financial stress, Washington NGOs moved to secure control of the election process itself, a new element in the Washington Color Revolution template. The CIA-linked US Agency for International Development (USAID) put up $1.5 million to computerize Georgia's voter rolls, making computer fraud easy. USAID and the CIA-tied Eurasia Foundation supported the main anti-Shevardnadze TV station in Tbilisi, Rustavi-2. The TV repeatedly aired a documentary video of the *Otpor!* color revolution that toppled Milosevic in 2000. Then it was the US-supported Rustavi-2 that broadcast the exit poll of the 2003 parliamentary election, which found Saakashvili's National Movement Party "victorious" over the pro-Shevardnadze bloc.[20]

George Soros' Open Society Institute, together with the US government and its "private" NGOs, financed the critical Georgia vote tabulation process and the exit polls that convinced Georgians that Shevardnadze had committed fraud, forcing his resignation in favor of Washington's choice, Saakashvili.[21] Washington controlled what was a de facto coup down to the finest details.

While securing a NATO-protected oil pipeline from Baku through the Caucasus to Turkey was a driving motive for the US-instigated Rose Revolution in Georgia in 2003, Washington had additional geopolitical reasons for its next color revolution, the Ukraine Orange Revolution that put a pro-NATO dictator, Viktor Yushchenko, in place in Kiev as President of Ukraine.

Ukraine's Orange Revolution

One of the behind-the-scenes architects of US geopolitical policy in the post-Soviet world during the 1990s, as noted above, was former Presidential National Security Adviser Zbigniew Brzezinski, a long-time protégé and collaborator of David Rockefeller.

In 1997, Brzezinski wrote a triumphal book on the geopolitical imperatives for the US to maintain its global sole superpower position and block any potential

challengers to that hegemony. It was written following the devastating collapse of the Soviet Union as great power rival to American hegemony. The book was titled *The Grand Chessboard: American Primacy and Its Geostrategic Imperatives*. In the book, Brzezinski discussed the geographic and special geopolitical importance of a newly independent Ukraine directly on the border to Russia.

Brzezinski declared,

> *Without Ukraine, Russia ceases to be a Eurasian empire. Russia without Ukraine can still strive for imperial status, but it would then become a predominantly Asian imperial state, more likely to be drawn into debilitating conflicts with aroused Central Asians, who would then be resentful of the loss of their recent independence and would be supported by their fellow Islamic states to the South.*[22]

Ukraine and Russia were so intertwined economically, socially, and culturally, especially in the east of the country, that they were almost indistinguishable from one another. Five of a then total of twelve gas pipelines from Russian gas fields went through Ukraine on their way to the markets of the EU. In military strategic terms, Ukraine in NATO would pose a fatal security blow to Russia, her Black Sea Fleet, and her Soviet-era military component production then coming from Ukraine. In the age of advanced US nuclear weapons and anti-missile defenses, that was just what the Bush administration wanted.

A look at a map of Eurasian geography revealed a distinct pattern to the Washington-sponsored color revolutions in formerly Communist Eastern Europe after 2000. They were clearly aimed at isolating Russia and ultimately, at cutting her economic lifeline—her networks of pipelines that pumped Russia's huge reserves of oil and natural gas from the Urals and Siberia to Western Europe and Eurasia—straight through Ukraine.

The transformation of Ukraine from an independent former Soviet republic to a pro-NATO US satellite was accomplished by the so-called "Orange Revolution" in 2004. This one was overseen by John E. Herbst, appointed US Ambassador to Ukraine in May 2003. The US State Department euphemistically described the activities of Ambassador Herbst in Kiev:

> *During his tenure, he worked to enhance US-Ukrainian relations and to help ensure the conduct of a fair Ukrainian presidential election. In Kiev, he witnessed the Orange Revolution. Prior to that, Ambassador John*

Herbst was the US Ambassador to Uzbekistan, where he played a critical role in the establishment of an American base to help conduct Operation Enduring Freedom in Afghanistan.[23]

The man whom Washington decided to back in its orchestrated regime change in Ukraine was Viktor Yushchenko, a fifty-year-old former governor of Ukraine's Central Bank.

Yushchenko's wife, Kateryna, was an American citizen born in Chicago. She had been an official in both the Reagan and George H.W. Bush administrations in the US State Department and other US government agencies. She had come to Ukraine as a representative of the US–Ukraine Foundation, whose board of directors at the time included Grover Norquist, one of the most influential conservative Republicans in Washington, and William G. Miller, former US ambassador and member of the Council on Foreign Relations. Norquist was known as "the managing director of the hard-core right" behind the George W. Bush presidency.[24]

The central focus of Yushchenko's slick, US-directed campaign for president was to advocate membership for Ukraine in NATO and the EU. His campaign used huge quantities of orange-colored banners, flags, posters, balloons, and other props, leading the media, as planned, to dub it the "Orange Revolution." Washington-financed "pro-democracy" student groups, played a central role organizing huge street demonstrations that helped him "win" the rerun of a disputed election.

In Ukraine, the pro-Yushchenko movement worked under the slogan *Pora!* ("It's time!"), and they brought in the people who had helped organize the "Rose Revolution" in Georgia: Chair of Georgia's Parliamentary Committee on Defense and Security Givi Targamadze, a former member of the Georgian Liberty Institute, and members of Georgia's US-financed youth group, *KMARA!* The US-trained Georgian KMARA! leaders advised Ukrainian opposition leaders on techniques of nonviolent struggle taken from the handbook of Gene Sharp. Georgian rock bands Zumba, Soft Eject, and Green Room, which had supported the Georgia Rose Revolution, organized a solidarity concert in central Kiev to support Yushchenko's campaign in November 2004.[25]

A Washington-based PR firm called Rock Creek Creative also played a significant role in branding the Orange Revolution by developing a pro-Yushchenko website around the orange logo and color theme.[26] Rock Creek Creative's official client list also included projects for NATO and the CIA. Their

US-designed Yushchenko website was supported by the Washington-based and CIA-connected German Marshall Fund and by the pro-NATO *Konrad-Adenauer Stiftung* in Germany.[27]

On the ground, several elements worked in concert to create an aura of fraud around the election of 2004, which Yushchenko had lost, and to mobilize popular support for a new run-off vote. Using *Pora!* and other youth groups, especially election monitors trained by the US NGOs, in coordination with key Western media, such as CNN and BBC, a second election was organized that allowed Yushchenko to squeak out a narrow margin of victory in January 2005 and declare himself President. The US State Department spent some $65 million to buy the Ukraine presidency for Yushchenko.[28]

The same US government–backed NGOs that had been in Georgia produced the results in Ukraine: the George Soros Open Society Institute, Freedom House, and the NED, along with its two subsidiaries, the National Republican Institute (NRI) and the National Democratic Institute (NDI). According to Ukrainian reports, the US-based NGOs, along with the conservative US–Ukraine Foundation, were active across Ukraine, feeding the protest movement of *Pora!* and *Znayu*, as well as training poll watchers.[29]

Soros Foundation's Ukraine branch, International Renaissance Foundation (IRF) had been involved in Ukraine since 1989 when it was still the Soviet Union. His IRF doled out more than $100 million to Ukrainian NGOs two years before the fall of the Soviet Union, creating the preconditions for Ukraine's independence from Russia in 1991. Soros also admitted to financing the 2013-2014 Maidan Square protests that brought the corrupt Poroschenko government into power. [30]

In 2004 just weeks after Soros' International Renaissance Foundation had succeeded in getting Viktor Yushchenko as President of Ukraine, Michael McFaul wrote an OpEd for the Washington Post. McFaul, a specialist in organizing color revolutions, who later became US Ambassador to Russia, revealed:

> *Did Americans meddle in the internal affairs of Ukraine? Yes. The American agents of influence would prefer different language to describe their activities — democratic assistance, democracy promotion, civil society support, etc. — but their work, however labeled, seeks to influence political change in Ukraine. The US Agency for International Development, the National Endowment for Democracy and a few other*

foundations sponsored certain US organizations, including Freedom House, the International Republican Institute, the National Democratic Institute, the Solidarity Center, the Eurasia Foundation, Internews and several others to provide small grants and technical assistance to Ukrainian civil society. The European Union, individual European countries and the Soros-funded International Renaissance Foundation did the same. [31]

Both Georgia's Mikheil Saakashvili and Ukraine's Viktor Yushchenko color revolutions were embarrassing failures from the perspective of establishing a permanent US encirclement of Russia. Most certainly they both failed in terms of establishing any viable, stable semblance of parliamentary democracy and rule of law. Yet, true democracy was never the aim of the US State Department, the CIA, or its fake democracy NGOs. Growing chaos on Russia's borders and disruption of her economic links to the EU were the aim.

In Georgia in 2012 Saakashvili, by then exposed as notoriously corrupt, fled Georgia after he and his party lost parliamentary elections. His successor ran a crack down on Georgian mafia clans that included dozens of former Saakashvili Party officials who were arrested on corruption charges, including a former premier.[32] In summer 2014, a Georgian court charged Saakashvili with abuse of power and misappropriation of public funds. He found immunity in neighboring Ukraine, where the pro-US oligarch President Petro Poroshenko named the former Georgian president in May 2015 as governor of the Odessa Oblast.

In Ukraine, Viktor Yushchenko, as part of their coalition deal, nominated Yulia Tymoshenko as prime minister in the October 2004 presidential election. In September 2005, Yushchenko fired his government, led by Tymoshenko, amid claims of corruption.

That same month, former president Leonid Kravchuk accused exiled Russian oligarch Boris Berezovsky, one of the Yeltsin circle of CIA-tied billionaires, of financing Yushchenko's presidential election campaign. Kravchuk provided copies of documents showing money transfers from companies controlled by Berezovsky to companies controlled by Yushchenko's official backers. Berezovsky confirmed that he met Yushchenko's representatives in London before the election and that the money was transferred from his companies. By 2007, Yushchenko had unconstitutionally dismissed members of Ukraine's Constitutional Court to prevent the court from ruling on the constitutionality of his decree dismissing Ukraine's parliament.

New elections in January 2010 were between Yushchenko, Yulia Tymoshenko, and Viktor Yanukovych. Yushchenko collapsed to a distant fifth place with only 5 percent of the vote, the worst result for any sitting president in Ukrainian history. In his parting act in office, Yushchenko officially rehabilitated one of Ukraine's most controversial World War II–era figures, the pro-Nazi ultranationalist Stepan Bandera, awarding him the title of Hero of Ukraine.

With their color revolutions in Ukraine and Georgia a fiasco, the undeterred Washington planners next turned their fake democracy guns to their boldest attempt at forced regime change to date: the operation that came to be known as "The Arab Spring."

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CHAPTER TEN:

THE MIDDLE EAST: "WHERE THE PRIZE ULTIMATELY LIES"

"We're going to attack and destroy the governments in seven countries in five years—we're going to start with Iraq, and then we're going to move to Syria, Lebanon, Libya, Somalia, Sudan, and Iran."

—US General Wesley Clark in a 2007 speech[1]

The Middle East — "Where the prize ultimately lies"

In 1999, Dick Cheney was CEO of the world's largest oil geophysical mapping company, the Halliburton Corporation of Dallas, Texas. He had served from 1989 to 1993, during the US-fostered breakup of the Soviet Union, as defense secretary under President George H.W. Bush. In that role, Cheney had shaped the radical new US doctrine of preemptive wars known as the Wolfowitz Doctrine—named for Cheney's Under Secretary of Defense for Policy, Paul Wolfowitz, the neoconservative hawk who would later oversee the 2003 US invasion of Iraq.

As head of Halliburton, Cheney had access to highly sensitive geophysical data from oil fields around the world. In September 1999, only some months before Cheney became young George W. Bush's vice-presidential running mate, Cheney gave a highly significant address to the leaders of the world petroleum industry at the London Institute of Petroleum.

In that 1999 London address, Cheney noted several strategic facts of enormous geopolitical significance for what was to become active US military and foreign policy in the following decade and beyond. Cheney told his oil executive audience:

Producing oil is obviously a self-depleting activity. Every year you've got to find and develop reserves equal to your output just to stand still, just to stay even. This is true for companies as well in the broader economic sense as it is for the world. A new merged company like Exxon-Mobil will have to secure over a billion and a half barrels of new oil equivalent reserves every year just to replace existing production.[2]

Cheney went on to outline the dimensions of the global oil outlook:

By some estimates there will be an average of two percent annual growth in global oil demand over the years ahead along with conservatively a three per cent natural decline in production from existing reserves. That means by 2010 we will need on the order of an additional fifty million barrels a day. So where is the oil going to come from?[3]

Then the Halliburton CEO dropped a carefully formulated verbal bomb:

Governments and the national oil companies are obviously controlling about ninety percent of the assets. Oil remains fundamentally a government business. While many regions of the world offer great oil opportunities, the Middle East with two thirds of the world's oil and the lowest cost, is still where the prize ultimately lies. . . [4]

What Cheney was pointing to was the fact that the Arab and Iranian national governments of the Middle East, the region with "two-thirds of the world's oil and the lowest cost," presented a serious problem, at least for Cheney and his US friends. The oil fields of countries like Saudi Arabia, Kuwait, UAE, Iraq, Iran, and Libya were national or state companies under tight control, mostly of monarchs or dictators. Those monarchies jealously guarded their oil riches and showed no inclination to follow the Washington desires for privatizing in some "free market" scheme or giving control to giant US and UK oil multinationals such as ExxonMobil, Chevron, BP, or Shell.

Arab Oil Money Buying Up the World

There was another problem that was becoming increasingly serious for US institutions as well by the end of 1999. Most of the oil-rich monarchies of the Middle East were learning to take their petrodollars and, instead of handing them to London or Wall Street banks to manage, were creating their own national

government-run sovereign wealth funds, where they themselves decided where to invest their vast oil profits.

After September 11, 2001, and the Washington declaration of a War on Terror, many wealthy Arab oil-producing countries saw it more as a war on Islam, not entirely without justification. They began to divest their traditional investments out of US government debt or other US assets. Rather than leaving it in the trust of US and UK financial fund managers, they began to imitate the experience of Norway, which decided in 1990 to invest its profits from its state oil earnings into a "fund for future generations" that would buy foreign assets, stocks mainly, outside the oil area, a sovereign wealth fund as they were to be called.

By 2008, as oil prices soared above $147 a barrel, the oil earnings of the Gulf Arab countries were soaring along with the dollar value of their new sovereign wealth funds. The US Congress and Wall Street bankers, deep in the worst financial crisis in US history, began to see a growing OPEC threat to their capital markets.

In 2005, a Dubai state-owned company, DP World, under the direct control of Sheikh Mohammed bin Rashid Al Maktoum, the ruler of Dubai, was about to buy control of a British-owned company that owned and managed six of the largest ports in the United States. Many in Congress and the US media began to become alarmed about oil-producing countries with huge assets in their newly created sovereign wealth funds being able to buy strategic assets in the US and posing a possible threat to national security.

The US Congress, as the US subprime real estate crisis was underway, passed the Foreign Investment and National Security Act of 2007, which established greater scrutiny when a foreign government or government-owned entity attempted to purchase a US asset.[5] However, that was no solution, merely a patch on a growing problem. US banks in severe liquidity distress were faced with Arab sovereign wealth funds eager to buy choice non-Arab assets. That was not making Wall Street or Washington happy.

As Wall Street viewed the emergence of the Middle East sovereign wealth funds, a new power was finding its way into those Middle East Arab oil states, states who controlled what Cheney, in 1999, had described as "two-thirds of the world's oil and the lowest cost."

It was becoming clear to leading circles in Wall Street, the Pentagon, and the State Department that dramatic change in the control of those states with "two-thirds of the world's oil" was required if the US was to remain the global hegemon, the sole superpower as George H.W. Bush liked to term it.

By 2012, Arab oil-state sovereign wealth funds controlled assets worth more than $2.5 trillion.[6] At the same time, relations with Washington were becoming frosty, to put it mildly. As their long-term solution to try to keep control over the world oil wealth in the Middle East, the Pentagon, following the US occupation of Iraq, was preparing its boldest regime-change operation ever—direct takeover of the monarchies and states of the entire oil-rich Muslim world. It was soon to become known as the Arab Spring.

Secret Pentagon Plan

In October 2007, Wesley Clark, then a retired US general and former NATO Supreme Allied Commander in Europe, gave a talk at the Commonwealth Club in San Francisco. It was four years after George W. Bush and the cabal of war hawks around Paul Wolfowitz and Dick Cheney had made the decision to invade Saddam Hussein's Iraq. Clark revealed to his startled audience that the US occupation of Iraq was no spontaneous reaction to the attacks of September 11, 2001. He told his listeners that there had been a "policy coup" by the hawks, led by Vice President Cheney and Defense Secretary Don Rumsfeld.

General Clark revealed that he had been told the contents of a classified Pentagon memo from the Office of Defense Secretary Rumsfeld in October 2001, a decade before the misnamed Arab Spring revolts:

> *I went through the Pentagon ten days after 9/11 . . . and an officer from the Joint Staff called me into his office and said, "I would want you to know, Sir, we are going to attack Iraq." And I said, why? He said, "We don't know." I said, Will they tie Saddam to 9/11? He said, "No, but I guess, it's they don't know what to do about terrorism, and so the they think that they can attack states and they want to look strong . . ."*[7]

Clark went on to describe a second meeting he had had in the Pentagon a few weeks later in 2001:

> *And then I came back to the Pentagon about six weeks later. I saw the same officer, I said, Why haven't we attacked Iraq? "Oh sir," he says, "it's worse than that." He pulled up a piece of paper off his desk. He said, "I just got this memo from the Secretary of Defense's [i.e. Rumsfeld's] office. It says we are going to attack and destroy the governments in seven countries in five years. We are going to start with Iraq and then we are going to move to Syria, Lebanon, Libya, Somalia, Sudan and Iran. Seven*

countries in five years." I said, "is that a classified memo?" He said, "Yes, sir."[8]

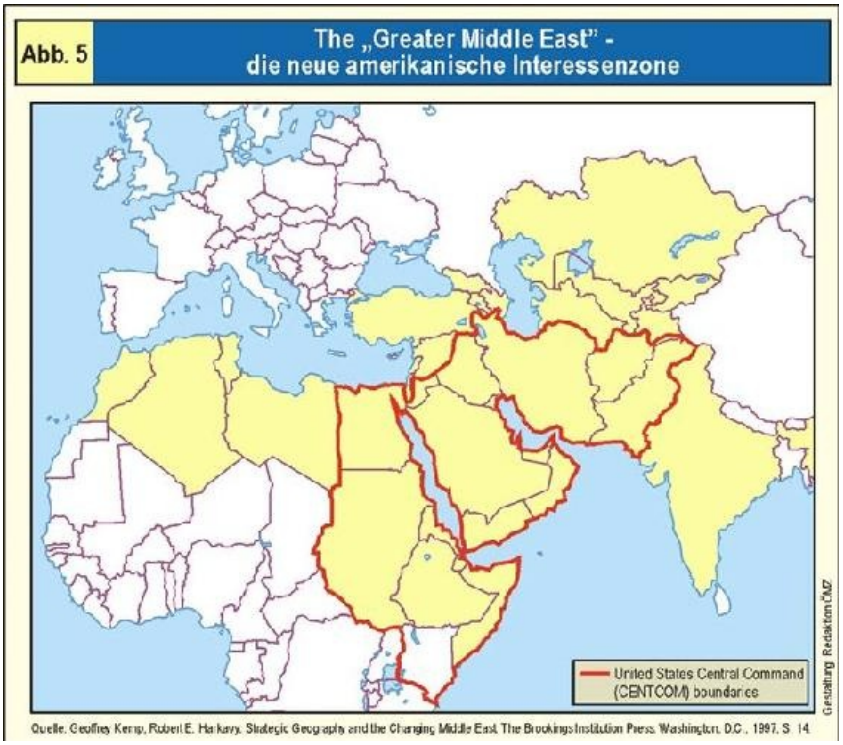
Clark concluded his San Francisco Commonwealth Club remarks by declaring that the Pentagon had a clear plan: "They wanted us to destabilize the Middle East, turn it upside down, make it under our control."[9] Behind those neoconservative think tanks and Pentagon planners stood the power of Wall Street banks, Big Oil, and the US military–industrial complex.

The new role of the US military, Clark concluded, was to start conflicts, not prevent them. It went contrary to every precept of international law, of the UN Charter, and of what most Americans believed that their Constitution, the American rule of law, and their government were about.

"Greater Middle East Initiative"

In the wake of the US invasion of Afghanistan in October 2001 and then, of the March 2003 US and UK invasion of Iraq, Washington announced at a June 2004 meeting of the Group of Eight countries that it had prepared detailed plans to redraw the map of the entire Islamic belt of countries from Afghanistan through an arc across the formerly Soviet Central Asia, including Kazakhstan, into the Middle East and across predominantly Muslim North Africa as far as Morocco. The Bush administration called it the Greater Middle East Initiative (GMEI). The radical new US proposal was presented at the same time to the US-EU Summit and the NATO summit.[10]

Washington had already hinted at the aim of the roadmap for its GMEI in February 2003, days before the US invasion of Iraq. President George W. Bush gave a speech to the Washington American Enterprise Institute think tank, a center of war hawk neoconservatives. There, Bush proposed "the establishment of a US-Middle East free trade area within a decade."



Washington's 2004 GMEI proposal to open most of the Islamic world from US-occupied Afghanistan to Morocco for a US-imposed "democracy" and private free markets drew intense opposition from the region. (source: Brookings Institution)

In November of that same year, some eight months after the US invasion of Iraq, the US president gave another speech where he gave more substance to the new Washington plans for the Middle East, this time to the National Endowment for Democracy (NED) on the theme of democracy in the Muslim world.[11]

In his remarks to the NED, Bush suggested the outlines of the new Middle East agenda that was in store. He declared,

> *the United States has adopted a new policy, a forward strategy of freedom in the Middle East. . . Successful societies privatize their economies, and secure the rights of property . . . successful societies limit the power of the state and the power of the military—so that governments respond to the will of the people, and not the will of an elite.*[12]

Bush's words brought to mind the September 1999 London speech of the man who now was President Bush's very powerful vice president, Dick Cheney, responsible for energy policy among other things:

Governments and the national oil companies are obviously controlling about 90 percent of the assets. Oil remains fundamentally a government business. While many regions of the world offer great oil opportunities, the Middle East with two-thirds of the world's oil and the lowest cost, is still where the prize ultimately lies . . .[13]

For the corrupt monarchies of Saudi Arabia and much of the region, the words of the US president were a de facto declaration of war on their vested power. The new words out of Washington were definitely not welcome in Cairo, Riyadh, or other Middle East centers.

The seeds of Washington's Arab Spring regime changes were being planted. Yet, were truth to be told, the model of democracy that Washington brought Iraq at the point of a gun and with its depleted uranium bombs was hardly peaceful or empowering. The democracy that Washington imposed on Afghanistan by placing their handpicked protégé Hamid Karzai in Kabul as President gave Afghanistan over to the opium mafia, run by Karzai's brother, Wali Karzai. It was protected by US guns, not true democracy in any sense, and Washington knew it. Wali Karzai as governor of the opium-rich Kandahar Province was at the same time on the CIA payroll.[14]

The pattern with the US color revolutions across the Arab oil-rich states after 2010 was no better in terms of success in bringing peace, economic growth, and improvement in democratic freedoms.

In February 2004, *Al-Hayat*, an Arabic newspaper in London, had obtained the text of the Bush GMEI proposal. It called for "an economic transformation similar in magnitude to that undertaken by the formerly communist countries of Central and Eastern Europe." In other words, Washington and its CIA-controlled fake democracy NGOs were planning a US-directed economic shock therapy and large-scale dismantling of state control across the entire Islamic world economy, including of their vast reserves of oil and gas, as well as their new sovereign wealth funds that were investing independent from Wall Street or London banks.[15] It was ambitious, to put it mildly.

The US's Greater Middle East proposal furthermore called for strengthening of the private sector and for the Islamic Greater Middle East countries to join the World Trade Organization for. Given the fact that most oil countries, especially in the Middle East, were autocratic monarchies run by reactionary absolutist ruling families, when the details of the US plans were made public, an uproar of protest was directed at Washington.[16]

The initial blueprint for Washington's GMEI was rejected with vehemence by two of the strongest US allies in the region, Egypt's Mubarak and the Saudi monarchy of King Fahd, who were anything but amused by the new democracy sounds being pushed on their countries from Washington. Washington decided to soft-pedal the open promotion of the GMEI though not abandoning the idea of US-run regime change from Kabul to Tripoli.

After 2004, the US military got increasingly bogged down in a disastrous Iraqi civil war with the Shi'ite majority led by Grand Ayatollah Ali al-Husseini al-Sistani, the main spiritual leader of the Iraqi Shia. Al-Sistani called Washington's bluff about invading Iraq to "build democracy." The Iraqi population was more than 60 percent Shia Muslim, a fact not lost on neighboring Iran, whose population was more than 95 percent Shia. Elections, if fair and democratic, would give US-occupied Iraq to a Shia majority favorably disposed to Shia Iran, her neighbor. That was not what Washington had in mind.

By 2009, with the new administration of Barack Obama, Washington decided to go ahead, this time with little publicity, with its "soft" option of fake democracy color revolutions, using the same NGOs that it had so successfully deployed to Poland, Russia, Ukraine and Yugoslavia in the 1990s, this time to topple entrenched regimes across all the Arab oil world.

They began preparations for what was to be launched in Tunisia in December 2010 under the National Endowment for Democracy (NED) rubric, the Jasmine Revolution. The five-year timetable for Washington regime change in seven countries had to be delayed a bit, but it had by no means been forgotten.

Tunisia, Egypt, and Libya, for very compelling reasons, were the first major targets of Washington's Arab regime change in 2010. The reasons had nothing to do with supporting democracy and everything to do with the dollar and the future of US hegemony. It would come to light only in 2016, years after, when a portion of the thousands of emails of Secretary of State Hillary Clinton were made public in a legal action.

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CHAPTER ELEVEN:

ARAB SPRING, GOLD DINARS AND ENERGY WARS

"Given the current negative popular standing of the United States in the region, US support for reform initiatives is best carried out through nongovernmental and nonprofit institutions."

—RAND Pentagon report 2008[1]

Obama's PSD-11 and the Muslim Brotherhood

In 2010, the US administration under President Barack Obama unveiled a top-secret blueprint for the most ambitious and far-ranging series of US-backed regime change across the Islamic Middle East since World War I and the Anglo–French Sykes–Picot agreement. It was to set off a wave of wars and chaos, failed states, and floods of war refugees, all unimaginable to the most cynical veteran diplomat and beyond the belief of most laypersons in the world.

In August 2010—six months before Tunisia's Jasmine Revolution was launched by the Washington nongovernmental organizations (NGOs), including the National Endowment for Democracy (NED), the Soros Open Society Foundations, Freedom House, and others—President Obama signed Presidential Study Directive-11 (PDS-11), ordering Washington government agencies to prepare for "change." The change was to be a radical policy calling for Washington's backing of the secret fundamentalist Islamic Muslim Brotherhood sect across the Middle Eastern Muslim world—and with it, the unleashing of a reign of terror that would change the entire world.

According to the US congressional testimony of Peter Hoekstra, former chairman of the US House of Representatives Permanent Select Committee on Intelligence, the Obama administration's PSD-11 directive—still classified as

top secret as of March 2017—"ordered a government-wide reassessment of prospects for political reform in the Middle East and of the Muslim Brotherhood's role in the process."[2]

A Grandiose Task Force

To draft the contents of PSD-11, a top-secret task force was established within the Obama National Security Council (NSC) and headed by Dennis Ross, Samantha Power, Gayle Smith, Ben Rhodes, and Michael McFaul.[3]

The PSD-11 task force members were remarkable in many regards. Samantha Power, who would go on to become Obama's UN Ambassador and lead the demonizing of Russia after the CIA's Ukraine color revolution coup in 2014, was to play an instrumental role in convincing President Obama that Libya's Muammar Gaddafi must be removed by military force for what she called "humanitarian reasons."[4] Dennis Ross, accused by Palestinian opponents of being "more pro-Israeli than the Israelis," cofounded the Washington Institute for Near East Policy (WINEP), sponsored by the American Israel Public Affairs Committee (AIPAC); he was special assistant to President Obama and senior director at the NSC for the Middle East, the Persian Gulf, Afghanistan, Pakistan, and South Asia when he was part of the PSD-11 task force.[5] Gayle Smith would later go on, in 2015, to head the USAID, the CIA-linked State Department agency that funneled US-taxpayer millions to finance the NGOs of the Arab Spring and other color revolution regime changes.[6] Michael McFaul, who once described himself as a "specialist on democracy, anti-dictator movements, revolutions," was later named Obama's ambassador to Moscow, where he coordinated US-financed opposition protests against Putin.[7]

Perhaps the most influential of the PSD-11 task force members, who formulated the top secret Obama administration radical policy change to back Muslim Brotherhood regime transitions through the Arab Spring, was the one least qualified to make United States government policy on the Middle East in terms of professional background. His name was Ben Rhodes.

Rhodes's official title was invented by the Obama White House just for him: Deputy National Security Advisor for Strategic Communications and Speechwriting. He would write all major Obama foreign policy speeches for seven years until January 2017 when Obama left office. He was a mere thirty-two years old when he joined the fateful PSD-11 NSC task force. With academic study that had included a major in English literature and a master's degree in "creative writing," Rhodes had no prior diplomatic nor academic experience

with the Middle East. Rhodes, who as speechwriter met with President Obama sometimes up to three hours daily, was instrumental, among other things, in convincing Obama to withdraw support from Egyptian leader Hosni Mubarak, becoming a key adviser during the 2011 Arab Spring, then joining with Samantha Power, Secretary of State Hillary Clinton, and others to convince the President to use military force to topple Libya's Gaddafi.[8]

The top secret PSD-11 report that the task force drew up was partially revealed in a series of legal Freedom of Information Act requests to the State Department. Released official documents revealed that the National Security Council (NSC) task force had concluded the Muslim Brotherhood was a "viable movement" for the US government to support throughout North Africa and the Middle East.

A resulting presidential directive ordered American diplomats to make contacts with top Muslim Brotherhood leaders and gave active support to the organization's drive for power in key nations like Egypt, Libya, Tunisia, and Syria at the 2011 outset of the Arab Spring. The PDS-11 secret paper came to the bizarre conclusion that the Muslim Brotherhood's brand of political Islam, combined with its fervent nationalism, could lead to "reform and stability." It was a lie—a lie well known to the Obama PSD-11 task force members.[9]

The True Muslim Brotherhood

The Muslim Brotherhood, or *Ikhwan*—Arabic for "the Brotherhood"—is a secret masonic-like organization with a covert or underground terrorist arm and a public façade of "peaceful doing of charity." It was founded in Egypt in 1928 by Hassan al-Banna, who developed the cult's guiding motto. The credo of his Society of Muslim Brothers was incorporated into a chant of six short phrases:

> *Allah is our goal; The Prophet is our Leader; The Qur'an is our Constitution; Jihad is our Way; Death in the service of Allah is the loftiest of our wishes; Allah is Great, Allah is Great.*[10]

Al-Banna created a secret or hidden arm of the *Ikhwan* in Egypt, and later worldwide, known as the "Special Section" (*al-nizam al-khass*) or, as it was referred to by the British in Egypt, the "Secret Apparatus" (*al-jihaz al-sirri*). That was the military wing of the Brotherhood—in effect, the "assassination bureau."

Al-Banna taught his recruits—exclusively male—that "Jihad is an obligation of every Muslim." He preached the nobility of "Death in the Service of Allah"

and wrote that Allah grants a “noble life to that nation which knows how to die a noble death.” He preached a death cult in which “Victory can only come with the mastery of the ‘Art of Death.’” For the Brotherhood, that “mastery” was perfected in the killing of “infidels” in jihad, or holy war, in the name of Allah. The infidels could even be other Muslims, such as Shi’ite or Sufi who did not follow al-Banna’s strict Sunni practice, or they could be Christians.[11]

Hasan al-Banna called for the adoption of the very strict Islamic Sharia law, the complete segregation of male and female students with a separate curriculum for girls, a prohibition of dancing, and a call for Islamic states to eventually unify in a Caliphate.[12]

During World War II, leading Muslim Brotherhood figures spent exile from British-controlled Egypt by fleeing to Berlin, where, among others, al-Banna’s close Muslim brotherhood ally Amin al-Husseini, the Grand Mufti of Jerusalem, worked intimately with the SS and Heinrich Himmler to create special Muslim Brotherhood terror units of the SS, so-called SS Handschar, tasked to kill Soviet soldiers and Jews. In the 1950s, the CIA discovered Nazi Muslim Brotherhood recruits in exile in postwar Munich and decided they could be “useful.”[13]

Virtually every major jihadist terrorist organization and leader since the 1980’s Mujahideen war in Afghanistan came out of the Muslim Brotherhood. Osama bin Laden, who worked for the CIA in Pakistan recruiting jihadist Mujahideen to fight the Soviets in Afghanistan, was a Muslim Brotherhood member who was recruited by the CIA and Saudi Intelligence head Prince Turki al-Faisal to create what came to be called al-Qaeda.[14]

Other known terrorist members of the *Ikhwan* or Muslim Brotherhood were al-Qaeda’s Ayman al-Zawahiri and the blind Sheik Omar Abdul-Rahman, who died in February, 2017 in a US prison serving time for his role in the 1993 World Trade Center bombing. Sheikh Omar was accused of conspiring to assassinate Egypt’s Mubarak and of masterminding the Muslim Brotherhood’s assassination of Anwar Sadat, in addition to the bombing of the World Trade Center.[15]

The members of the Obama administration’s NSC PSD-11 task force—who recommended a US government embrace of the terrorist Muslim Brotherhood in Islamic countries of the Arab Middle East—knew very well whom they were dealing with. Since the 1950s, the CIA had worked with the *Ikhwan* around the world. Al-Qaeda in Afghanistan, al-Qaeda in Iraq and in Syria, the al-Nusra Front in Syria, and the so-called Islamic State, or ISIS, were all created out of Muslim Brotherhood networks, changing names as a chameleon changes color to suit its surroundings.

The seeds of al-Qaeda in Iraq and Syria and later of ISIS, or IS—the murderous wars and chaos sweeping across the Arab Middle East and into Western Europe since 2010—could all be directly traced back to those Washington policies and their so-called Arab Spring, coming from that August 2010 PSD-11 Presidential Task Force Directive. Now the Obama administration was to apply their Muslim Brotherhood project in Tunisia in a color revolution led by its fake democracy NGOs.

Tunisia's Jasmine Revolution

The first target for Washington's Greater Middle East Initiative (GMEI), renamed the more modest-sounding New Middle East, was Tunisia, a former French colony geographically situated strategically on the Mediterranean between Gaddafi's oil-rich Libya and oil- and gas-rich Algeria.

As with Yugoslavia and other CIA fake democracy regime-change operations, Washington used a combination of severe International Monetary Fund (IMF) austerity conditionalities, along with organizing their army of human rights NGOs led by the CIA's NED, to get rid of a no-longer-useful despot, Zine El Abidine Ben Ali. This time, the new element was the CIA-backed Muslim Brotherhood.

In 2009, during the first weeks of the Obama presidency, the CIA's NED was deeply engaged in preparing the overthrow of Tunisian President Ben Ali. They gave Tunisia a considerable sum of $131,000 for something called the Al-Jahedh Forum for Free Thought (AJFFT), as the NED described it, "To strengthen the capacity and build a democratic culture among Tunisian youth activists"—in other words, to train the cadre that would lead the December 2010 regime change protests against Ben Ali.[16]

Another NED grant in 2009 went to the Tunisian Association for the Promotion of Education (APES) to train high school teachers to promote "democratic and civic values in their classrooms." Yet another NED grant went to the Mohamed Ali Center for Research, Studies and Training (CEMAREF) to "train a core group of Tunisian youth activists on leadership and organizational skills to encourage their involvement in public life." That was Washington-speak for training paid street protesters.[17]

The next step was to foster deliberate popular discontent aimed against the Ben Ali government. Here, the IMF, dominated since its creation in 1944 by the US Treasury,[18] demanded that the Ben Ali regime lift food subsidies, cut state pensions, and privatize state companies.

A central role in mobilizing anti-regime demonstrations was carried out by the Tunisian General Labor Union (UGTT), the Tunisian trade union partner of the NED's Washington Solidarity Center. The Solidarity Center was de facto a CIA- and USAID-financed vehicle for organizing regime change in foreign lands under the banner of trade union democracy. The UGTT[19] would later share a Nobel Peace Prize for its efforts, a poor consolation payment as their secular role, once the job of getting Ben Ali out was done, was soon pushed aside in favor of the Washington-backed Muslim Brotherhood regime.

In 2010 Tunisia was still very much suffering from the after-effects of the 2008 world financial crisis, as well as the dramatic rise in food prices and the price of oil worldwide. Combined with a severe economic contraction across Europe, all factors were severely hurting economically vital Tunisian tourism, as well as exports to Tunisia's major trade partner, the EU. The IMF, as a condition for its loans, demanded that the Tunisian government eliminate price controls on essential consumer goods, make major privatizations of state industrial holdings, and eliminate state subsidies on food, including bread. That was the trigger that enabled US-trained activists to begin antigovernment protests in December 2010.[20]

It was not at all spontaneous. In addition to the activities of the CIA's NED in Tunisia, George Soros's Open Society Foundations' Middle East and North Africa Initiative funneled money for the Jasmine Revolution through their Arab regional office in Amman, Jordan.[21]

It was not that Tunisian President Ben Ali was a saint. Through his family, he had amassed a huge fortune that came to light in US embassy documents leaked in November 2010 by Julian Assange's Wikileaks. One US diplomatic cable published then described Tunisian President Ben Ali as, "a corrupt, power-hungry dictator, leaving his country, under the thrall of his family and in-laws Trabelsi, even more hungry."[22]

Ben Ali's son-in-law, thirty-year-old billionaire playboy Sakher El Materi, had been accused in French media of fraudulently amassing his fortune by controlling European car dealerships, real estate, telecommunications, and banking through insider trading on government information regarding privatizations.[23] All the Tunisian situation needed were some well-prepared sparks to light the bonfire of protest.

In December 2010, organized marches to spotlight several suicides and police killings of protestors spread systematically across Tunisia. It was suggested by some that the selected police killings were done deliberately by agents

embedded inside the repressive police, agents loyal to the US's CIA, in order to fan the flames of mass protest at the proper time.[24]

Throughout the uprising, Tunisian protesters used Facebook to communicate. Facebook, then rather new, was not included in Tunisian government's online censorship.[25] Facebook was part of a new arsenal of so-called "social media" that had been created with covert financial support from the US Pentagon and CIA. It would prove to be a critical new weapon in the Washington color revolutions called the Arab Spring.[26]

The Army's Key Role

On January 24, 2011, after six weeks of growing demonstrations, Tunisia's Army Chief Rachid Ammar announced the Army was on the side of the protesters and would "defend the revolution." That statement was decisive. The next day, January 25, Ben Ali fled to exile in Saudi Arabia and Washington greeted "democracy" in Tunisia.

General Rachid Ammar himself had close ties to Washington, especially to the Pentagon military establishment. Between 1987, when Ben Ali came to power, and 2009, the US provided the government of Tunisia with a total of $349 million in military aid to Ammar's small but US-trained army. In 2010 alone, the US provided Tunisia with $13.7 million in military aid.

The military played a key role in the Tunisian uprising, most especially by refusing to fire on protesters. Two days following Ben Ali's departure, an Egyptian newspaper reported that Army Chief Rachid Ammar was in contact with the American embassy in Tunis, according to an officer in the Tunisian National Guard, and that the US embassy gave instructions to Ammar that he should "take charge of Tunisian affairs if the situation gets out of control."[27]

US Assistant Secretary of State for Near Eastern Affairs (NEA), Jeffrey Feltman, arrived in Tunisia the same day General Ammar spoke to the protesting crowd in Tunis. Feltman announced that he was there to "convey US support to the Tunisian people." In Tunis, Feltman said, "the Obama Administration could be helpful in providing support and preparations for Tunisia's upcoming elections through American nongovernmental organizations that have helped other countries that did not have prior histories of allowing a free and fair process." He was referring to the NED and its related "democracy-building" NGO allies.[28]

Enter the Muslim Brotherhood

By December 2011, a BBC headline reported, "Tunisian activist, Moncef Marzouki, named President." Marzouki was a handpicked Washington choice. Marzouki's organization, the Tunisian League for Human Rights, was a member organization of the International Federation for Human Rights (FIDH), a front group funded by the US's NED and George Soros's Open Society Foundations.[29]

More ominously, the first elected prime minister after the toppling of Ben Ali was Hamadi Jebali, the cofounder of the Tunisian Muslim Brotherhood Islamist political party, Ennahda. The key figures backed by Washington behind the scenes were all members of the Muslim Brotherhood.

In May 2011, some months before he was to become prime minister, Jebali had been invited to Washington to speak before a leading Muslim Brotherhood group in the US called the Center for the Study of Islam and Democracy (CSID). The CSID received funds from the State Department—where Hillary Clinton was then Secretary—and from the NED as well as from the US Institute of Peace. While in Washington, Jebali held a discreet meeting with US Republican Senator John McCain, who was also chairman of the International Republican Institute (IRI), one of the NED's offshoots, which was funneling millions of US taxpayer dollars via USAID to finance the Jasmine Revolution.[30]

As early as 2006, a representative of the US embassy in Tunis had met with Jebali, then under house arrest. Washington had obviously decided, even before the Obama presidency and PSD-11, that the Muslim Brotherhood's Tunisian politician was their man for a planned post–Ben Ali era.[31]

Ennahda, the newly formed Islamist political party of Jebali, was accused by trade unionists and secular opposition of advocating imposition of strict Islam Sharia law, including rejecting any restrictions on polygamy. As in Egypt and elsewhere, the Muslim Brotherhood in Tunisia put on a "moderate" façade for the West while quietly preparing a theocratic coup and changing the constitution to enable it.[32]

In a September 2012 visit to Tunis, Secretary of State Clinton praised the new Tunisian Muslim Brotherhood's Ennahda Islamist government and what was by then being called by US and European media the Arab Spring. Clinton told the Tunisians, "There are those who question whether Islamist politics can really be compatible with democracy. Well, Tunisia has a chance to answer that question affirmatively and to demonstrate that there is no contradiction."[33]

The Washington PSD-11 policy for realizing the GMEI agenda was quietly being unveiled: US-backed Muslim Brotherhood regimes controlled by

Washington and the CIA were to be brought into power across the entire Arab Sunni Muslim Middle East through CIA-backed fake democracy color revolutions.

With the Tunisian situation apparently under their control, the Washington fake democracy machinery moved swiftly from Tunis to neighboring Cairo in Egypt to ignite their next Arab Spring coup.

Egypt's Tahrir Terror

A mere ten days after Tunisia's Ben Ali had fled his country, Washington NGOs and their trained activists launched major national demonstrations across Egypt to protest "police brutality" and the regime of President Hosni Mubarak.

As in Tunisia, an aggravating factor feeding discontent was the economy. Egypt was the world's largest wheat importer, most of it from the USA. Chicago wheat futures prices had risen by 74 percent between June and November 2010, leading to an Egyptian food price inflation of some 30 percent, despite government subsidies.

The day of the well-coordinated nationwide demonstrations that demanded Mubarak step down, key members of the Egyptian military command, including Chief of General Staff Lt. Gen. Sami Hafez Enan, were all in Washington as guests of the Pentagon. That conveniently neutralized the decisive force of the army to stop the anti-Mubarak protests from growing in the critical early days.[34]

The call for an Egyptian general strike and a January 25 "Day of Anger" that sparked the mass protests demanding Mubarak resign was issued by a Facebook-based organization calling itself the "April 6 Movement."

The protests were so substantial and so well organized that they forced Mubarak to ask his cabinet to resign and appoint a new vice president, Gen. Omar Suleiman, former minister of intelligence.

The April 6 Movement was headed by Ahmed Maher Ibrahim, a twenty-nine-year-old civil engineer who initially set up the Facebook group to support a workers' call for a strike on April 6, 2008. In an interview with the Washington-based Carnegie Endowment, Maher stated, "Being the first youth movement in Egypt to use internet-based modes of communication like Facebook and Twitter, we aim to promote democracy by encouraging public involvement in the political process."[35] He sounded like an ad by the NED or Soros' Open Society Foundations.



Seen here is the Egyptian April 6 Movement logo, a copy of the logo for the CIA-funded Serbian Otpor!, which trained April 6 activists.

Egypt was the first full-scale Washington Facebook-guided color revolution.

Ahmed Maher announced that his April 6 Movement was part of an umbrella organization called the National Association for Change (NAC) coalition. The NAC included, among others, George Ishak—a leader in the Kefaya Movement—and Mohamed Saad El-Katatni, president of the parliamentary bloc of the Ikhwan—the Muslim Brotherhood.[36] Kefaya was at the center of the unfolding Egyptian events. Not far in the background was the Muslim Brotherhood.

The formal name of Kefaya was the Egyptian Movement for Change. It was founded in 2004 by select Egyptian intellectuals at the home of Abul ‘Ala Al-Ma’arri, leader of the Al-Wasat party secretly created by the Muslim Brotherhood.[37] Kefaya was central to the Washington anti-Mubarak strategy. After 2007, Kefaya was headed by Muslim Brotherhood member Abdel Wahab El-Messiri, an anti-Zionist academic.

Since the early 1950s, the CIA and the Muslim Brotherhood in Egypt had had an unholy alliance against Egyptian President Gamal Nasser. When the Brotherhood made a failed assassination attempt on Nasser, CIA Cairo Station Chief Miles Copeland organized their secret exile into Saudi Arabia, home to the primitive feudalist Wahhabite strand of Islam. There, Saudi oil riches advanced their international terrorist jihadi agenda. Since that time, the CIA and the Muslim Brotherhood had had a deeply entwined relationship, including the

CIA's use of Muslim Brotherhood networks in the 1980s in Afghanistan to create the Mujahideen and what came to be known as al-Qaeda.[38]

Kefaya was nurtured by US Pentagon think tanks. In 2008, the RAND Corporation conducted a detailed study of Kefaya "sponsored by the Office of the Secretary of Defense, the Joint Staff, the Unified Combatant Commands, the Department of the Navy, the Marine Corps, the defense agencies, and the defense Intelligence Community."[39] The purpose of the RAND study was to analyze how they could make Kefaya more effective as an anti-Mubarak force in Egypt.

In their 2008 report to the Pentagon, the RAND researchers noted the following in relation to Kefaya:

> *The United States has professed an interest in greater democratization in the Arab world, particularly since the September 2001 attacks by terrorists from Saudi Arabia, the United Arab Emirates, Egypt, and Lebanon...The United States has used varying means to pursue democratization, including a military intervention [in Iraq] that, though launched for other reasons, had the installation of a democratic government as one of its end goals. However, indigenous reform movements are best positioned to advance democratization in their own country.*[40]

The RAND study of Kefaya stated in its concluding recommendations to the Pentagon, "Given the current negative popular standing of the United States in the region, US support for reform initiatives is best carried out through non-governmental and non-profit institutions."[41]

As early as December 2008, days prior to the inauguration of Obama as President, the US State Department organized an invitation-only meeting in New York. The US ambassador in Cairo enabled a leader of the April 6 Movement to attend. The Washington plans to organize an overthrow of Mubarak were taking shape. Mubarak, long a US ally, was no longer useful.[42]

In May 2009, just before President Barack Obama's Cairo meeting with President Mubarak, US Secretary of State Hillary Clinton had hosted a number of young Egyptian activists under the auspices of Freedom House, another "human rights," Washington-based NGO with a long history of involvement in US-sponsored regime change, from Serbia and Georgia to Ukraine and other color revolutions.

Clinton and Acting Assistant Secretary of State for Near Eastern Affairs Jeffrey Feltman met the sixteen activists at the end of a two-month "fellowship" organized by the CIA-linked Freedom House's New Generation program.[43]

Muslim Brothers Take Egypt

Washington was advancing its agenda to install a series of CIA-steered Muslim Brotherhood regimes across the region. Now in Egypt, Washington would push for early elections that would ensure that the only nationwide organized political group, the Muslim Brotherhood, would take control of the legislature and the presidency.

In May of 2012, elections gave Muslim Brotherhood candidate Mohamed Morsi 25 percent of the vote as candidate of the newly formed Muslim Brotherhood political party, the deceptively named Freedom and Justice Party. In a June 2012 runoff, Egyptian military figure Ahmed Shafik, who was prime minister in the final days of the Mubarak regime, actually won the vote against Morsi, but with covert US government backing and threats of riots against the military, the results were faked to declare Morsi the winner by a tiny margin of 3 percent. Washington had its first "democratically elected" Muslim Brotherhood president [44]

Within days of his becoming president, Morsi met with US Secretary of State Hillary Clinton, appropriately enough, on Bastille Day, July 14, 2012. In her remarks, Clinton praised Morsi, declaring, "We stand behind Egypt's transition to democracy," adding that the US wanted to "offer our congratulations to Morsi and to the Egyptian people for this milestone in Egypt's transition to democracy."[45]

Three months later, with Muslim Brotherhood President Morsi, Morsi's political party, the Freedom and Justice Party, the public front of the *Ikhwan*, elected a new leader, Saad Tawfik El-Katatni, as party chairman. El-Katatni had been a member of the member of the Guidance Bureau of the Egyptian Muslim Brotherhood, the organization's top executive authority. In October 2012, with the Muslim Brotherhood's Freedom and Justice Party controlling a decisive 47 percent of the Egyptian Lower House of Parliament, El-Katatni gave a speech in which he declared that his Freedom and Justice Party had been created in 2011 to advance the Brotherhood's "political project, which, in the end, will be a wise government that will institute Islamic Sharia law."[46]

In November 2012, Muslim Brotherhood President Morsi ordered a violent crackdown on peaceful protesters outside his presidential residence. The

protesters, who had been among those believing the Washington “democracy” rhetoric when they demonstrated in Tahrir Square against Mubarak some months before, were demanding more inclusive rule and more economic progress. On Morsi’s orders, the Muslim Brotherhood deployed its own paramilitary squads to kidnap some protesters and hold them in secret locations with no judicial review or court authority, many badly beaten before being eventually released.[47]

Despite clear signs that Morsi and his Muslim Brotherhood, once in power, dealt with opposition and peaceful protest with savage extrajudicial violence, the Obama administration said it was prepared to provide the new Muslim Brotherhood–controlled Egyptian government with twenty F-16 fighter jets and two hundred tanks based on an aid package that had been agreed upon when Mubarak was in power.[48]

With strong Washington backing, in November 2012, Morsi had also granted himself unlimited powers to “protect the nation” and authority to pass legislation without judicial oversight. The Obama administration’s PSD-11 assessment that Muslim Brotherhood regimes would bring a new stability to the region was clearly a fraud. The US policy of backing further Muslim Brotherhood coups would not change however. The agreement whereby the Egyptian military would remain guardian of the nation was scrapped with Washington approval. The Morsi Muslim Brotherhood was preparing a radical new constitution that would make the severe Sharia Muslim law the basis of the Egyptian legal code and the decisions of its courts.[49]

Now Washington turned its sights on neighboring Libya and its long-time ruler Mohammed Gaddafi.

According to a State Department document, a new Office of the Special Coordinator for Middle East Transitions was established in September 2011 to “coordinate” US government assistance to “incipient democracies” arising from the US and NGO–orchestrated popular revolts across the Middle East and North Africa.

A Special Coordinator for Middle East Transitions was named. Ambassador William B. Taylor was to be responsible for a “coordinated interagency strategy to support” designated countries undergoing “transitions to democracy.” Taylor had earlier been ambassador to Ukraine during the US-backed Orange Revolution, another Washington “incipient democracy” fraud. In late 2011, the specific countries mentioned for Taylor’s transformation work were Egypt, Tunisia, and Libya.[50]

The US policy regarding the Arab Spring was in no way a local response to local events. It was orchestrated by Washington, even down to the very protest logos used in one after the other Arab Spring demonstrations. Their urgent target at the outset, however, they eliminated with little attempt to disguise it as exporting democracy. It was Gaddafi who was threatening the very future of the US dollar system.

Target: Gaddafi

Washington, with Tunisian President Ben Ali and Egypt's Hosni Mubarak removed, now turned to the task of getting rid of Libya's Mohammed Gaddafi, the third target, by far the most difficult in the Washington Arab Spring regime change attacks to that time.

On February 17, 2011 a gaggle of anti-Gaddafi opposition groups led by various front organizations of the Muslim Brotherhood, along with al-Qaeda, announced a national "Day of Rage," much like Washington's democracy NGOs in Egypt calling January 25 "Day of Anger." The US anti-Gaddafi Libya coup had begun.

Unlike Tunisia or Egypt, where the populations were suffering from exploding food prices and a vast wealth inequality gap, Gaddafi's Libya, officially called Libyan Arab Jamahiriya, was economically very different. Under Gaddafi's rule, Libyans enjoyed the highest living standard on the African continent. Gaddafi stayed in power for forty-two years by ensuring that his population had little room to complain. Health services, education, and fuel were state subsidized, as was housing.

Gaddafi's Libya had the lowest infant mortality rate and highest life expectancy of all Africa. When he seized power from ailing King Idris four decades earlier, literacy was below 10 percent of the population. By 2010, it was above 90 percent. Less than 5 percent of the population was malnourished, lower than in the US. In response to the rising food prices after 2009, Gaddafi abolished all taxes on food. A lower percentage of people in Libya lived below the poverty line than in the Netherlands. Gaddafi called his model "Islamic Socialism." It was secular, not theocratic, despite its overwhelmingly Sunni Islam base in the population.[51] For Washington to overthrow Gaddafi required a different array of tools than Tunisia or Egypt.

Gaddafi deeply distrusted Washington. In 1999, he had initiated creation of the African Union, based in Addis Ababa, to strengthen the international voice of Africa's former colonial states. At a pan-African summit in 2009, he appealed

for creation of a United States of Africa to combine the economic strengths of what is perhaps the world's richest continent in terms of unexploited mineral and agricultural potentials.

But the most "alarming" move of Gaddafi, as Washington saw it in 2011, was his move to create an Islamic currency union based on the gold dinar, independent of oil sales denominated in US dollars. He was in deep planning together with Tunisia's Ben Ali and Egypt's Hosni Mubarak to form an Islamic Central Bank based on the gold dinar, independent from the dollar.

"Operation Odyssey Dawn"

On March 19, 2011, the US AFRICOM military command responsible for Libya launched what it named Operation Odyssey Dawn. The US operation soon became a NATO-coordinated, US–British–French military attack on Libya following a deceptively worded US-drafted UN Security Council Resolution No. 1973.

Odyssey Dawn began as Washington got reports that the US-backed anti-Gaddafi Libyan opposition in Benghazi and the oil-rich eastern part of the country were about to collapse and end the fighting. In an internal intelligence memo on the situation in eastern Libya on March 3, 2011, sixteen days before the US began bombings to enforce its so-called no-fly zone, the US intelligence consultancy Stratfor noted,

> *The very fact that there is this much confusion, though, is an excellent indicator of how unorganized the rebels in eastern Libya are at the moment. It is this lack of organization that is holding them back from trying anything so bold as an assault on Tripoli. That, and the fact that they're losing control of towns in the east . . .*[52]

Sixteen days later, on March 19, 2011, the US military began air strikes on Gaddafi military positions, a no-fly zone, a de facto declaration of war. They did so despite the fact that no US lives were endangered, nor was any US territory threatened by what was essentially an internal Libyan-armed tribal uprising against an established head of state and government.

A no-fly zone involves a full-scale act of war, a violent takeover of the airspace of a sovereign state, including destroying the anti-aircraft and air strike capacity of the target country.

Richard Falk, professor of international law and UN special rapporteur on Palestinian human rights, noted the complete lack of the basic criteria for any UN intervention in Libya:

> *What is immediately striking about the bipartisan call in Washington for a no-fly zone and air strikes designed to help rebel forces in Libya is the absence of any concern with the relevance of international law or the authority of the United Nations. . . . A no-fly zone in Libyan airspace is an act of war. . . . The core legal obligation of the UN Charter requires member states to refrain from any use of force unless it can be justified as self-defense after a cross-border armed attack or mandated by a decision of the UN Security Council.*
>
> *Neither of these conditions authorizing a legal use of force is remotely present, and yet the discussion proceeds in the media and Washington circles as if the only questions worth discussing pertain to feasibility, costs, risks, and a possible backlash in the Arab world.* [53]

Falk added:

> *With respect to Libya, we need to take account of the fact that the Gaddafi government, however distasteful on humanitarian grounds, remains the lawful diplomatic representative of a sovereign state, and any international use of force even by the UN, much less a state or group of states, would constitute an unlawful intervention in the internal affairs of a sovereign state, prohibited by Article 2(7) of the UN Charter unless expressly authorized by the Security Council as essential for the sake of international peace and security.*
>
> *Beyond this, there is no assurance that an intervention, if undertaken, would lessen the suffering of the Libyan people or bring to power a regime more respectful of human rights and dedicated to democratic participation.*[54]

Given the utter devastation of Libya into warring lawless terror bands after Washington got rid of Gaddafi, the last sentence of Richard Falk was prophetic. Washington destroyed any structure of governmental stability, deliberately.

Notable in the rush to war against Gaddafi was the lack of any independent verification of Washington's claims that Gaddafi had ordered his air force to shoot on what Western media claimed were innocent unarmed civilians. Ibrahim Sahad, Libyan opposition figure and National Front for the Salvation of Libya

spokesman, made the charge against Gaddafi while standing in front of the US White House. No one bothered independently to confirm if it was accurate.

Once the Arab League agreed to back a Libyan no-fly option, opposition within the UN Security Council collapsed, giving Washington its desired cover of plausible international support for its desired military action.

The Security Council vote was 10-0, with five major countries including Russia and China, who had veto power, abstaining. Both Russia and China later claimed they had been deceived and would have vetoed the US resolution had they known. The US, France, and Britain had pushed for speedy approval.

Nominally, the resolution for a no-fly zone was requested by the Libyan rebels' Transitional National Council and the Arab League. Notably, but ignored in Western media reports, the direct neighbors of Libya—Algeria and Tunisia—and the entire African Union voted against any no-fly zone. In reality, as former Indian diplomat M.K. Bhadrakumar noted, "The plain truth is that the North Atlantic Treaty Organization and the European Union commanded the Arab League to speak since they need a fig leaf to approach the United Nations Security Council."[55]

Bhadrakumar, a former ambassador to Kuwait and Turkey, added, "The Arab League resolution was rammed through by Amr Mousa, Secretary-General of the Arab League, who hopes to succeed Hosni Mubarak as Egypt's next president. Arab leaders, who depend upon the US for their continued existence, were not hard to persuade."[56]

"Coalition of the Unwilling"

As soon as the relentless NATO bombing of civilian, as well as military targets in Tripoli and across Libya, became clear, bombings now led by oil-lusting French and British governments, Amr Mousa disingenuously claimed that killing civilians had "not been part of the UN deal."

Russia's Vladimir Putin, at the time the Russian prime minister and, according to the Constitution, with no power over defense policy, denounced the US action. He called it new "crusade" against Libya and the Islamic world. The charge was not without reason. In 2008, as prime minister, Putin had negotiated more than $10 billion of major contracts with Gaddafi for oil and gas production, construction, railways, and weapons. Those were all lost as Libya descended into a US-backed maelstrom of civil war and chaos.[57]

The then-Russian President Dmitry Medvedev had ordered a Russian UN Security Council abstention on the Libya vote. China, which also abstained,

denounced the US intervention afterward. Their failure to exercise a veto against the US plan was not to be repeated in Syria later.

Realizing that they had been tricked by Washington, and by London and Paris—both of which had apparently planned the military action against Libya long before any UN or Arab League vote—some European NATO members, and others, including NATO-member Turkey, began vehement protest.

Germany withdrew its military equipment from the region based on disagreement over the campaign's lack of goals or direction. Unity within NATO began to crumble. Italy accused France of backing the no-fly zone in order to grab Libya's oil riches out from under Italy's state-controlled ENI/AGIP oil group. Italy also threatened to revoke US, UK, and French rights to use its bases unless NATO was formally put in charge of the Libya war.[58]

For its part, against the warnings of US Defense Secretary Robert Gates, who rightly feared the consequences, British government ministers were calling for the assassination of Gaddafi, stating that without it the Middle East and North African war could go on "30 years."[59]

US President Barack Obama openly declared Washington's backing for the Libyan opposition within hours of the UN resolution, leaving no doubt that the US's role was never intended to be one of a neutral peace mediator. In a CNN Spanish-language interview in San Salvador on March 23, Obama declared his "hope" that Libya's opposition movement, given new protection by the US-led military assaults, could organize itself to oust Gaddafi from power.[60] Regime change was the name of Washington's game, not democracy.

The US-drafted UN Security Council Resolution No. 1973, the no-fly resolution was a sweeping declaration of military, economic, and financial warfare against a sovereign state and functioning government. In addition to authorizing the no-fly zone, the UN resolution established a "ban on all flights in the airspace of the Libyan Arab Jamahiriya in order to help protect civilians," other than "humanitarian" flights and flights sanctioned by the UN and the Arab League.

It ordered member states of the UN to stop any Libyan owned, operated, or registered aircraft from taking off, landing, or flying over their territory without prior approval from the UN committee monitoring sanctions. It allowed member states "to inspect in their territory, including airports and seaports, and on the high seas, vessels, and aircraft bound to or from Libya," if a country had "reasonable grounds" to believe they contained military items or armed mercenaries.

To put the nail in the Libyan coffin, the UN action froze assets of five financial institutions: Libya's Central Bank, the Libyan Investment Authority, the Libyan Foreign Bank, Libya Africa Investment Portfolio, and the Libyan National Oil Corporation.[61]

Muslim Brotherhood's Libya "Opposition"

The so-called Libyan opposition itself was a mix of political opportunists, including ex-CIA–trained Mujahideen guerillas, such as Abdel-Hakim al-Hasidi of the so-called Libyan Islamic Fighting Group who admitted to close ties to al-Qaeda going back to Afghanistan in the 1980s.[62]

Their "opposition," unlike in Tunisia or elsewhere, was never "nonviolent." It was an armed revolt from the start, a war of tribe against tribe, a war for control over the rich oil reserves of Libya, not a movement of surging peaceful aspirations for democracy.

George Friedman of Stratfor pointed out that "the Libyan uprising consisted of a cluster of tribes and personalities, some within the Libyan government, some within the army and many others longtime opponents of the regime." He added, "it would be an enormous mistake to see what has happened in Libya as a mass, liberal democratic uprising. The narrative has to be strained to work in most countries, but in Libya, it breaks down completely."[63]

The main opposition to Gaddafi initially came from the National Front for the Salvation of Libya, a group reported to be funded since the 1980s by Saudi Arabia, the CIA, and French Intelligence. They joined with other opposition groups to become the National Conference for the Libyan Opposition. It was that organization that called for the "Day of Rage" that plunged Libya into chaos on February 17, 2012.[64]

The key figure in the National Front for the Salvation of Libya (NFSL) was Ibrahim Sahad. In 2005, in London exile, Sahad formed the National Conference of Libyan Opposition (NCLO). Sahad was the same man the CIA used in their failed attempt at a Libyan coup in 1984.

The Library of Congress confirmed that the CIA trained and supported the NFSL both before and after the failed 1984 coup attempt. It was Sahad's NCLO, from London, which proclaimed February 17 the Libyan Day of Rage, that started the armed insurgency that was soon to be backed by NATO bombs. The same Ibrahim Sahad, a few days later standing in front of the Obama White House, called for NATO and the US to impose a no-fly zone in reaction to

unsubstantiated accusations Gaddafi was strafing “unarmed protesters” with warplanes.[65]

Once the US had managed to physically eliminate Gaddafi, Libya predictably descended into chaos and an anarchy of hundreds of armed militias controlling neighborhoods of the major cities. By 2012, elections were to be held. In preparation, as in Egypt, the best-organized Libyan opposition group was the Libyan Muslim Brotherhood. In March 2012, the Muslim Brotherhood created a front party, the Justice and Construction Party (JCP), or *Hizb al-Adala wa’l-Bina*, again with a pleasant-sounding name, to run its *Ikhwan* candidates.[66]

In the 2012 elections, the Muslim Brotherhood party JCP, gained the second largest bloc of seats in the new Parliament, and by winning support of various pro-Islamist independents—many Muslim Brotherhood members running with no party affiliation—were initially able to dominate the shaky politics of post-Gaddafi Libya.

Infighting among other secular parties allowed the JCP to consolidate initial political control over the country. They managed to manipulate the naming of Muslim Brotherhood member Ahmed Maiteeq to be the prime minister.

The power base of the Muslim Brotherhood was the coastal city of Misrata, between Tripoli and Benghazi. With the US and other NATO-member countries pouring arms into Libya, local militias emerged, armed to the teeth and usually tied to Muslim Brotherhood and other extremist Islamic politicians. In the Muslim Brotherhood’s center, Misrata, during the 2011 uprising, more than 200 militias with a total of 40,000 fighters spread a reign of terror and lawlessness. Misrata militias received funding from the Libyan General National Congress.

With control of the General National Congress, the Brotherhood’s JCP got control of the oil revenues. In three years, they managed to disperse $120 billion in government funds with little to show but chaos of a failed state and the arming of hundreds of militia bands. Most of the money, not surprisingly, went to arm militias in the Muslim Brotherhood stronghold, Misrata. The Misrata Muslim Brotherhood militias were able to buy heavy artillery, tanks, and missiles.[67]

In May 2013, the Brotherhood—with the support of smaller Salafist parties—pushed through a controversial Political Isolation Law, which banned Gaddafi-era officials from participating in politics for ten years. They were moving their agenda to impose Islamic Sharia law and silence any opposition.

The urgency of the Washington series of fake democracy coups in Tunisia and Egypt, as well as the outright military destruction of Gaddafi’s Libya, had another hidden motive as noted earlier: gold. Tunisia and Egypt had been in the

process of joining with Gaddafi's Libya in creation of the gold dinar and a Pan-African currency region independent of the US dollar.

Gaddafi's Real Danger

That hidden reason for Washington's urgency to get rid of the heads of Tunisia, Egypt, and, most especially, Libya in 2011 became known only in the spring of 2016, when the US government released thousands of pages of the non-secured emails of Hillary Clinton from 2011 when she was Secretary of State.

One email declassified in May 2016, taken from the illegal private server used by then Secretary of State Hillary Clinton, was written during the 2011 US-orchestrated war to destroy Libya's Gaddafi. The email revealed the secret agenda behind the Obama administration's war against Gaddafi, cynically named "Responsibility to Protect." In reality, the war against Gaddafi was to protect the role of the US dollar as the leading world reserve currency.

Barack Obama, a feckless Chief Executive, had reportedly delegated all presidential responsibility for the Libya war to Secretary of State Hillary Clinton. Clinton, supported by Samantha Power at the President's NSC, invoked a new, bizarre principle of "responsibility to protect" to justify the Libyan NATO-led war. Clinton claimed, with no verifiable proof, that Gaddafi was bombing innocent Libyan civilians in the Benghazi region, the seat of some 80 percent of Libyan oil and center of the US-financed armed insurgency against Gaddafi.

The 2011 Clinton email was to her long-term lawyer and de facto private Libya adviser, Sid Blumenthal. The email exchange with Blumenthal revealed that the urgency behind not just deposing Gaddafi, as Washington allowed with Ben Ali and Egypt's Mubarak months earlier, but also murdering him with no chance of trial had to do with a project that linked Gaddafi with Tunisian President Ben Ali and Egypt's Mubarak.

In a declassified Clinton email from Sid Blumenthal to Secretary of State Hillary Clinton dated April 2, 2011, Blumenthal reveals the reason that Gaddafi had to be eliminated. Using the pretext of citing an unidentified "high source," Blumenthal wrote to Clinton,

> *According to sensitive information available to this source, Gaddafi's government holds 143 tons of gold, and a similar amount in silver. . . . This gold was accumulated prior to the current rebellion and was intended to be used to establish a pan-African currency based on the*

Libyan golden Dinar. This plan was designed to provide the Francophone African Countries with an alternative to the French franc CFA.[68]

That French aspect of the gold dinar threat to the West was only the tip of the Gaddafi gold dinar iceberg.

The Golden Dinar and More

During the first decade of this century Gulf Arab OPEC countries including Saudi Arabia, Qatar, and others, began seriously diverting a significant portion of the revenues from their vast oil and gas sales into state sovereign wealth funds, many based on the success of Norway's oil fund as noted earlier.

Growing discontent with the US War on Terror, with the wars in Iraq and Afghanistan, and with overall US Middle East policies after September 2001 led many OPEC Arab states to divert a growing share of oil revenues into their state-controlled funds rather than trusting them to the New York and London bankers.

By 2008, the prospect of sovereign control by a growing number of African and Arab oil states of their state oil and gas revenues was causing serious concern in Wall Street, as well as the city of London. It was huge liquidity, in the trillions, they potentially could no longer control. As noted earlier, that was a significant background reason for Washington to launch the highly ambitious Arab Spring regime-change operations in 2010.

The decision to first target Tunisia, the weak link, then Mubarak's Egypt, and finally Gaddafi's Libya, was driven by the alarm in Paris, Washington, and London that oil-rich OPEC Arab states were about to effectively break from the dollar and use gold to back their oil sales, something Washington and Wall Street were in no condition to tolerate after the financial crisis of 2008.

"United States of Africa"

Back in 2009, Gaddafi, at the time President of the African Union, had proposed that the economically depressed continent adopt the gold dinar, independent of the increasingly inflated US paper dollar. In 1960, when OPEC was formed, initially by the governments of by Iran, Iraq, Kuwait, Saudi Arabia, and Venezuela, the value of the dollar was 1/35th of one ounce of gold. The dollar in 2009 was now worth about 1/1,375th of a one-ounce American Eagle gold coin. It was clear to the oil nations that they were being forced to sell their oil reserves for a vanishing fiat paper currency over whose value they had no control.[69]

In the months prior to the US decision, with British and French backing to get the UN Security Council Resolution No. 1973 that would give them the legal fig leaf for a NATO destruction of the Gaddafi regime, Mohammed Gaddafi had been organizing the creation of a gold-backed dinar that would be used by African oil states, as well as by Arab OPEC countries, in their sales of oil on the world market.

Had that happened at the time Wall Street and the city of London were mired deep into the financial crisis of 2007–2008, the challenge to the reserve-currency role of the dollar would have been more than serious. It would be a death knell to American financial hegemony and to the dollar system. Africa is one of the world's richest continents, with vast unexplored gold and mineral wealth. The continent had been intentionally kept for centuries by the colonial Europeans and later the US as underdeveloped or in constant local wars to prevent their independent development. The IMF and World Bank for the recent decades had been the Washington instruments to suppress African real development.

Gaddafi had called upon African oil producers in the African Union and in Muslim nations to join an alliance that would make the gold dinar their primary form of money and foreign exchange. They would sell oil and other resources to the rest of the world only for gold dinars.

Along with the Arab OPEC sovereign wealth funds for their oil profits, other African oil nations, specifically Angola and Nigeria, were moving to create their own national oil wealth funds at the time of the 2011 NATO bombing of Libya. Those sovereign national wealth funds, tied to Gaddafi's concept of the gold dinar, would make Africa's long-held dream of independence from colonial monetary control, whether of the British found, the French franc, the euro, or the US dollar, a reality.

At the time of his assassination, Gaddafi was moving forward, as head of the African Union, with a plan to unify the sovereign States of Africa with one gold currency, to form a United States of Africa. In 2004, a Pan African Parliament (PAP) of fifty-three nations had laid plans for an African Economic Community (AEC), with a single gold currency to be introduced by 2023.[70]



Gaddafi's Libya Central Bank issued gold-backed dinars and planned an Africa-wide gold currency union by 2023.

African oil-producing nations were planning to abandon the petrodollar and demand gold payment for their oil and gas. The list included Egypt, Sudan, South Sudan, Equatorial Guinea, Congo, Democratic Republic of Congo, Tunisia, Gabon, South Africa, Uganda, Chad, Suriname, Cameroon, Mauritania, Morocco, Zambia, Somalia, Ghana, Ethiopia, Kenya, Tanzania, Mozambique, and Cote d'Ivoire, plus Yemen, which had just made significant new oil discoveries. The four African member-states of OPEC—Algeria, Angola, Nigeria (a giant oil producer and the largest natural gas producer in Africa with huge natural gas reserves), and Libya (with the largest oil reserves)—would be in the new gold dinar system. [71]

Little wonder that French President Nicolas Sarkozy, who was given the up-front role in the war against Gaddafi by Washington, went so far as to call Libya a "threat" to the financial security of the world. He meant the West.[72]

Washington's Rebels Create a Central Bank

One of the most bizarre features of Hillary Clinton's war to destroy Gaddafi was the fact that the US-backed rebels in Benghazi in the oil-rich eastern part of Libya, in the midst of the battle—well before it was even clear if they would

topple the Gaddafi regime—declared they had created a Western-style independent central bank "in exile."

Their "exile" central bank was to replace Gadhafi's state-owned monetary authority. The rebel council, in addition to creating their own oil company to sell the oil they captured, announced, "Designation of the Central Bank of Benghazi as a monetary authority competent in monetary policies in Libya and appointment of a Governor to the Central Bank of Libya, with a temporary headquarters in Benghazi."[73]

Commenting on the bizarre decision—before the outcome of the internal war was even decided—to create a Western-style central bank to replace Gaddafi's sovereign national bank that was issuing gold-backed dinars, Robert Wenzel in the *Economic Policy Journal* remarked, "I have never before heard of a central bank being created in just a matter of weeks out of a popular uprising. This suggests we have a bit more than a rag tag bunch of rebels running around and that there are some pretty sophisticated influences."[74]

In light of the Clinton–Blumenthal emails, it was clear that those "pretty sophisticated influences" were tied to Wall Street, the US Treasury, and to London and Paris.

The risk to the future of the US dollar as the world reserve currency, if Gaddafi had been allowed to proceed to introduce oil sales for gold, not dollars, would clearly have been the financial equivalent of a global monetary tsunami.

Once Washington had apparently destroyed the threat of a gold dinar alternative to the dollar, the democracy war moved to Bashar al-Assad's Syria. That was to turn into an epochal catastrophe for the power projection of the US as the sole superpower and world hegemon.

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AFTERWORD:

ENDLESS WARS FOR DEMOCRACY. . .

In March 2011, as a NATO-backed Libyan Transitional National Council—backed by US no-fly zone bombings and covert NATO military support—made the survival of Muammar Gaddafi a matter of mere weeks, Washington turned its guns, literally, on Syria and the country's elected secular President Bashar al-Assad.

As was Gaddafi's Libya, so too was Syria on the October 2001 Pentagon list of seven Middle East countries that were to be "brought down" by the US military or secret services and its special democracy-promotion NGOS. It had nothing at all to do with alleged human rights violations by al-Assad's military or police. It had to do with US control over the oil and gas resources of the entire Middle East —"the prize" Dick Cheney referred to in his 1999 London Institute of Petroleum speech.

Initially, the Obama planners, including Secretary of State Hillary Clinton, reckoned a scenario like that of Libya, toppling of al-Assad in a matter of weeks. It was not at all to go as planned by Washington.

In 2009, the emir of Qatar, Hamad bin Khalifa al-Thani, had met with Bashar al-Assad in Damascus. His agenda was to secure al-Assad's assent to build a major Qatari natural gas pipeline across Syria into Turkey that would send Qatari gas to the vast and growing EU natural gas market. It would be in direct competition to Russia's Gazprom. Qatar controls a part of the world's largest natural gas reservoir in its waters of the Persian Gulf, called North Dome/South Pars. As geophysics and geography would have it, the same reservoir extends into Iran territorial waters, where it is called South Pars. Up to that time, US and EU sanctions had prevented Iran from developing and exporting its gas in any significant volume.

Al-Assad refused the Qatari emir, citing Syria's long and good relations with Russia and Gazprom. A Qatar–Syria–Turkey gas pipeline would have given the

Sunni Sunni-Muslim kingdoms of the Persian Gulf a domination of world natural gas markets and greatly strengthen Qatar, then America's closest ally in the Arab world.[1]

By early 2011, amid the Arab Spring mass demonstrations in Egypt, Tunisia, and other Arab countries, the CIA was quietly organizing, along with its democracy nongovernmental organizations (NGOs), mass protests against what their media organs called the "brutal repression" of the al-Assad regime.

However, in July 2011, the governments of Syria, Iran, and Iraq signed their own historic gas pipeline agreement. That pipeline, envisioned to cost $10 billion and take three years to complete, would run from the Iranian Port Assaluyeh near the Iranian South Pars gas field in the Persian Gulf to Damascus in Syria via Iraqi territory. The agreement would make Syria the center of assembly and production in conjunction with the gas reserves of Lebanon. This was a strategic space that was geographically opened for the first time, extending from Iran to Iraq, Syria, and Lebanon.[2]

The Saudis, Qataris, and Americans were not amused. A gas pipeline war against al-Assad's Syria was launched, ominously, on the ides of March, March 15, 2011.

At that point, the Obama administration joined France, Qatar, Saudi Arabia, Turkey, and England to form the "Friends of Syria Coalition," formally demanding the removal of al-Assad. The CIA gave $6 million to Barada, a British TV channel, to produce propaganda pieces demanding al-Assad's ouster. Saudi intelligence documents, published by WikiLeaks, showed that by 2012, Turkey, Qatar, and Saudi Arabia were arming, training, and funding radical jihadist Sunni fighters from Syria, Iraq, and elsewhere to overthrow the al-Assad's Shia allied regime. Qatar, which had the most to gain, invested $3 billion in building the Syria insurgency and invited the Pentagon as well to train Jihadi insurgents at US bases in Qatar.[3]

By 2017, after more than six years, the war had created untold destruction of Syria's cities, deaths into many hundreds of thousands, more than 6 million internally displaced within Syria, and almost 5 million refugees outside of Syria, in Turkey, and, after 2015, also across the EU.

As of September 2017, despite major gains by the Syrian Army, officially the Syrian Arab Army, loyal to President Bashar al-Assad, the war showed few signs of abating. Washington was covertly arming the Syrian Kurds against Bashar al Assad as well as sending its special forces to advise ISIS against the Damascus government.

The Syrian war to remove al-Assad was anything but a civil war. It was an invasion by mercenary terrorists under names such as al-Qaeda, al-Nusra Front, and the Islamic State of Iraq and Syria, or ISIS, later shortened to the Islamic State or IS. ISIS claimed to be a split from al-Qaeda. Even the Syrian White Helmets, a so-called "first emergency responder" NGO, was an apparent fake. It was created by an ex-British military intelligence officer and financed by the US government via the CIA-tied United States Agency for International Development (USAID). White Helmets operators were repeatedly exposed filming fake videos of sarin poison gas victims, all aimed to build a case for war crimes and genocide against al-Assad.[4]

In truth, the war in Syria was anything but an internal civil war as western media tried to portray it. It was a war of all against all, much like the Spanish "civil war" of the 1930s. In June 2016, the US State Department reported their estimates that possibly "in excess of 40,000 total foreign fighters were waging war in Syria from over 100 countries." The Russian Defense Ministry estimated that there were "25-30,000 foreign terrorist mercenaries are fighting for ISIL" in Syria.[5]

In a leaked email exchange between Hillary Clinton and her close adviser, John Podesta, Clinton, who as Secretary of State oversaw the murder of Gaddafi and the US launching of the Arab Spring, confirmed that Saudi Arabia and Qatar, both then close US surrogates in the region, were the major financiers of ISIS in Syria. [6]

Not one mainstream US media mentioned that interesting and relevant fact. When German Minister of Development Gerd Mueller in 2014 had the courage to mention publicly the Qatar funding of ISIS he was immediately silenced.[7] It was no coincidence that the parts of Syria taken by ISIS, the Saudi, and the Qatar-financed Islamic State were along the precise route where the 2009 Qatar–Syria–Turkey gas pipeline to the EU would have gone had Bashar al-Assad not refused it in 2009.[8]

Russian Surprise

The surprise entrance of the Russian military on September 30, 2015 at the request of President al-Assad dramatically changed the array of forces in favor of al-Assad and the Syrian Army. The Saudi–Qatar coalition had poured billions of dollars into creation of what came to be called ISIS, or the Islamic State, to control the prospective Syrian pipeline from Qatar through Turkey—without Bashar al-Assad.

The Syria war was not a war about Sunni-conservative Muslim Saudi Arabia or Qatar against liberal Alawite Muslim al-Assad and his Shi'a Iran allies. Al-Assad's regime, unlike that of Saddam Hussein, was open to Sunni participation, and he was generally acknowledged to be one of the milder Middle East dictators, far milder than Saudi Arabia's brutal monarchy.

Trump and New Oil Wars

On January 20, 2017, in what was the most bizarre election in US history, a political neophyte, whose background was building and owning gambling casinos and real estate, was sworn in as President Donald Trump. Far from being outside "the establishment" as he claimed, his cabinet was establishment-vested interests, pure. Financial and economic policy posts were given to former Wall Street bankers, including Goldman Sachs. The defense and intelligence posts were given to military generals, something rare in postwar US history, where civilians were given the positions to provide a buffer against too rash military adventures.

Within his first weeks in office, Trump made it clear that he had been given an agenda by those who put him there. The US backing of regime change in Syria, as well as Iran, was to be priority.

In February 2017, during a meeting between Israeli Prime Minister Netanyahu and Trump in Washington, it was announced that the two had agreed to form an "Arab NATO," a military alliance of Saudi Arabia, Qatar, Kuwait, the United Arab Emirates, and Jordan, backed by Israeli intelligence. The aim of that so-called Arab NATO would be to go against Iran. Trump's defense secretary, James "Mad Dog" Mattis, as one of his first statements in February 2017 denounced Iran as "the world's biggest state sponsor of terrorism." It was, of course, false. That title went to Saudi Arabia, Qatar and, their Sunni allies. By December 2017 Washington was encouraging a new wave of anti-regime protests across Iran with the US President openly encouraging the Iran opposition.

The preparations for a major conflagration in the Persian Gulf, the energy center of the world, were building up. In early March 2017, the Pentagon announced that it had sent four hundred US airmen, along with its giant B-52 *Stratofortress* jets, into Syria for "day-to-day combat operations." It was not clear what Washington meant by "day-to-day." The B-52 jets were capable of carrying up to twenty nuclear missiles. Moreover, Syrian President al-Assad made it openly clear that the US had not been invited, in contrast to Russia, and

considered it a violation of international law. US media also reported that the Pentagon planned to send up to 1,000 ground troops into Syria.[9]

It was all part of the Washington orchestration to create major wars in the Middle East to reestablish firm US control over world oil and, more recently, natural gas flows. This agenda was behind the choice of Rex Tillerson, former CEO of the Rockefeller family's ExxonMobil Oil Corporation, to be Secretary of State. It was behind Trump's decision to roll back the Obama administration's focus on solar and other nonoil energy sources by rejecting the global warming agenda.

Oil and the US foreign and defense policy were to become primary under President Trump, and war was to be the vehicle. During his campaign, candidate Trump had spoken of ending US interference in the political systems of other countries, a suggestion he would call for de-funding the National Endowment for Democracy (NED) and other US government-led democracy-promotion NGOs. As this is being written, almost one year into Trump's term, no visible lessening of the Washington backing for those NGOs was evident. The NED and other Washington NGOs continued to be active throughout Syria, taking advantage of the war and chaos to continue their subversion.[10] Like Trump's grandiose promise to "drain the swamp" in Washington politics, this one too was being honored in the breach.

The aim of the Trump presidency and the influential oligarch families who put him there was to find new ways to reestablish sole US superpower status, not to advance true democracy or stability.

A Failing Hegemon

The decision by America's real behind-the-scenes powerbrokers, the American patriarchs—the David Rockefellers (since deceased), the George Soroses, to a lesser degree the Bush dynasty, the Henry Kissingers, and others—to make Donald Trump the President was a clear admission of US political failure.

Since the launching of the Arab Spring regime change in 2011, Washington's customary ability to win its way, whether through so-called soft-power democracy NGOs or hard brute force, was failing everywhere. A second color revolution backed by the CIA in Ukraine, a coup d'état against the elected President Viktor Yanukovych in February 2014, became, to put it mildly, a geopolitical catastrophe for Washington. It merely drove Russia and China to closer economic, military, and political cooperation, while the EU industry lost

tens of billions of dollars in exports to Russia as Russia became self-sufficient in agriculture and other areas, in reaction.

In Asia, China's economic diplomacy with her "Belt, Road Initiative," with new trade links via ocean deep-water ports and high-speed Eurasian railway building was transforming the economic map of the world. US attempts to bring Japan, South Korea, the Philippines, Vietnam, and other Asian states into an alliance against the growing Chinese economic power were having little effect.

In the Arab Middle East, Washington's Muslim Brotherhood strategy was in shambles. Saudi Arabia, an ardent backer of Washington since the end of World War Two, banned the group when they realized the Saudi monarchy had also been targeted for "regime change." In Egypt, where Washington installed Mohammed Morsi, a Muslim Brother member, as president, he was forced to resign in the face of a Saudi-financed military coup led by General Abdel Fattah el-Sisi. Libya was in a state of more or less a failed state run by hundreds of armed tribal bands and criminal gangs fighting for oil and power. In June 2014 when US President Trump made a visit to Riyadh to encourage creation of a de facto Sunni NATO against Iranian influence in the region, he encouraged a Saudi sanction war against former ally Qatar. The true reason was Qatar's pragmatic decision to enter secret business talks with former arch-foe Shi'ite Iran on cooperation with Assad's Syria in building a joint gas pipeline. US influence in the Middle East was reaching an all-time post-1945 low.

Across the EU, the unsettling effects of the flood of more than 1,300,000 officially registered war refugees—notably from the very countries where Washington had made its color revolutions and wars, Tunisia, Libya, Syria, and Afghanistan—had created a popular political backlash that was changing the face of the EU and was credited for the British referendum, Brexit, to take the unprecedented step of leaving the EU.

The decades of Washington export of fake democracy had brought not one single country closer to adopting a genuine process of representative democracy.

In true Orwellian doublespeak, tyranny was Washington's model for democracy, NGO tyranny. It remained to be seen how much longer a war-weary world population would accept that cognitive dissonance. The Eurasian economic developments—the China–Russian economic cooperation, the Shanghai Cooperation Organization, Russia's Eurasian Economic Union, and related developments—offered a clear alternative to the NATO map of destruction, that of building up nations with respect for autonomy and sovereignty.

—F. William Engdahl, Frankfurt am Main, January 2018

Endnotes

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GLOSSARY OF WASHINGTON REGIME CHANGE NGOS

National Endowment for Democracy (NED): Created as a US government–funded NGO in 1983 to "do what the CIA did but only privately." It is the lead agency in Washington regime change and fake democracy revolutions around the world. Its president from the founding until today is Carl Gershman. It has three daughter organizations. The NED also supports and houses the *Journal of Democracy*, the World Movement for Democracy, the International Forum for Democratic Studies, the Network of Democracy Research Institutes, and the Center for International Media Assistance.

International Republican Institute (IRI): The NED daughter organization with a more right-wing profile, tied to the US Republican party and funded by the USAID, an agency known to be linked to the CIA. The current IRI chairman is right-wing neoconservative Republican Senator John McCain, chairman of the Senate Armed Services Committee, with intimate ties to the US military industrial complex.

National Democratic Institute (NDI): The NED daughter arm loosely affiliated with the US Democratic party. The NDI is a "cooperating organization" with the Liberal International (German FDP) and an "associated organization" with the Socialist International. Madeleine K. Albright, President Clinton's Secretary of State during the 1999 US bombing of Belgrade, is the chairman.

Center for International Private Enterprise (CIPE): The CIPE is another one of the four core institutes of the National Endowment for Democracy and a nonprofit affiliate of the US Chamber of Commerce, promoting free market and state privatization in target countries.

Solidarity Center: Solidarity Center is the trade union arm of the NED aligned with the AFL-CIO labor federation and linked to international trade unions to

foster “democratic regime change.” It is, as part of the NED, funded by the USAID, itself closely tied to the CIA.

Freedom House: A US government–funded NGO working closely with the NED on fake democracy regime-change operations around the world. It produces an annual series monitoring other countries, including the Freedom in the World report—which assesses each country’s degree of political freedoms and civil liberties—Freedom of the Press, and Freedom of the Net.

Open Society Foundations (OSF): A network of international foundations working intimately with the NED in target countries of US regime change. OSF was founded by US hedge fund speculator George Soros and also receives money from USAID. DCLeaks, which released 2,500 pages of hacked OSF documents, described Soros’s OSF and Soros as “an architect and sponsor of almost every revolution and coup around the world for the last 25 years.” Since 1993, OSF claims it has spent $11 billion on “democracy” and “human rights” projects around the world. In the Ukraine, OSF is called the International Renaissance Foundation and has been involved in regime change since 1989, including the US-backed 2004 Orange Revolution and the 2014 Maidan square coup. In Poland, the Soros Open Society branch is named the Stefan Batory Foundation, and in Hungary, where Soros created his Soros Foundation–Hungary, the Soros foundations established the Central European University (CEU) with a grant of $250 million from George Soros.

United States Agency for Development (USAID): The USAID is a main conduit for US government funds to the NED and other regime-change fake democracy NGOs. The USAID Office of Transitional Initiatives is a slush fund for US-backed regime-change color revolution funding. It is widely accused of being a front for CIA operations in various countries. Among other recent projects, the USAID Office of Transitional Initiatives financed the creation of the Syrian White Helmets to propagandize against the Assad regime, accusing the government of sarin gas attacks on civilians—charges that were later proven false or fake.

Syrian White Helmets: Also known as Syria Civil Defence, is an Anglo-American joint intelligence project created to spread false information claiming Syrian government atrocities in order to gain sympathy in the western world for military action against the Syrian Assad government. In Syria they have called for “No Fly Zones” which were used in Iraq and Libya to bomb the national

defenses by Washington and NATO. They claimed to be “emergency first responders” but in fact were exposed in repeated video forgeries of using child actors as alleged Sarin gas victims. Their funding comes from the USAID, a CIA-connected US State Department arm, from the US and UK governments, and the private development company, Chemonics Inc., of Washington, DC, also funded by USAID and accused of funding fraud in its Haiti earthquake relief work.

International Crisis Group: The International Crisis Group (ICG) or Crisis Group is a non-governmental organization based in Brussels, founded in 1995 by George Soros and Morton Abramowitz, former Turkish Ambassador and a sponsor of Fethullah Gülen. It develops policy recommendations in key war or crisis areas and thereby often frames world media interpretation of the issues. Trustees in addition to Soros include former NATO General Wesley Clark; former Russian Ambassador during the Yeltsin years, Thomas R. Pickering; former Treasury Secretary Lawrence Summers who supervised the looting of Russia in the 1990s; former NATO Secretary General Javier Solana. Funding donors include in addition to the US government, the Open Society Foundations, Ford Foundation, Bill and Melinda Gates Foundation. The Crisis Group International Advisory Board includes representatives of Chevron, Shell, AngloAmerican Plc, JP Morgan Chase.