

demonstrates the importance attributed by the Russian leadership to their nuclear submarines.

The *Kursk* is a nuclear-powered attack submarine of the Antei class (called “Oscar” by NATO), which can be armed with cruise missiles. Its firepower is designed to destroy an aircraft carrier battle group. It can operate as a deep sea hunter-killer sub, or in conjunction with the Russian Navy’s ballistic missile-launching submarines.

In the event of war, the Russian missile submarines must quickly leave their home ports in the North Sea and in the Far East in order to reach their firing positions in the Barents Sea or in the northern Pacific. That is just what the 80-odd American hunter submarines, all of which are nuclear powered, and lurk in the vicinity of the Russian bases, are supposed to prevent.

Last year, the Russian Northern Fleet took part in global naval maneuvers modelled on the “Okean” series of exercises, developed by the Soviet Navy during the previous two decades.

In the 1985 version, for example, the Northern Fleet practiced forming a “barrier” of some 30 submarines between the Norwegian and Barents Seas, as an underwater line of defense against U.S. attack submarines, whose wartime mission would be to penetrate the Barents Sea, and seek out and destroy Russian ballistic missile subs.

The Russian fleet maneuvers this year, during which the *Kursk* catastrophe occurred, were the latest practice of these capabilities, obviously testing a “breakout” of missile submarines into the Barents Sea—under strong cover of surface ships and their own hunter submarines. It may be presumed that the American hunter submarines—as if in a “mirrored” maneuver—were naturally testing their own early thwarting of this breakout of the Russian submarines.

... And Even Escalates

That brings us back to the hypothesis that the *Kursk* catastrophe was the consequence of a collision with an American submarine. In view of the approaching systemic financial and economic crisis of the West, which is no secret to the Russian leadership (see p. 12), there is a grouping in the Anglo-American establishment, which—prophylactically, as it were—would like to teach the Russian leadership a lesson, that the naval component of the Russian nuclear triad is no longer worth very much, and can be neutralized by the American fleet. British military expert John Erickson recently said that he is deeply upset that a “virus of geopolitical chicken games” is spreading through Anglo-American leading circles, with ever less consideration given to the consequences.

An American hunter submarine would surely not ram a Russian submarine intentionally, but the question is, whether the advisories for “shadowing” and “creeping” to the American hunter submarines were intensified, such that a collision could occur.

Russia Accuses British ‘Halo Trust’ of Hand in Chechen War

by Rachel Douglas and Dean Andromidas

Close observers of President Vladimir Putin’s salvoes this Summer against certain of the so-called “oligarchs” of the young Russian business class, could not help but ask, whether he would ever challenge the higher oligarchy, the Anglo-American financial cliques of London and Wall Street. For that reason, the harsh attack issued on Aug. 7 by the Russian Federal Security Service (FSB) against the Halo Trust, a British non-governmental charitable organization engaged in the removal of land mines, was a turn of potentially great strategic importance. Flying in the face of London’s efforts to curry favor with the Putin regime, ranging from fawning over his economic team to the latest offer of assistance to the sunken submarine *Kursk*, Moscow’s decision to charge a British establishment institution with aiding and training the Chechen guerrillas in their war of secession, came just as Russians were absorbed in the aftermath of a bloody bombing under Pushkin Square in central Moscow. Furthermore, published elaborations of the FSB exposé implicated British Intelligence in bombings in the Russian interior, not only the North Caucasus republic of Chechnya.

The FSB charged that the Halo Trust, which employs former military personnel for clearing land mines in former and current war zones, has been working illegally in Chechnya since 1997, and that Chechen leader Aslan Maskhadov provided Halo with an office and security.

FSB spokesman Aleksandr Zdanovich declared: “Halo Trust is supposed to be engaged in humanitarian work, clearing mines. But the road to hell is paved with good intentions. In fact, this organization’s staff and its recruits—it trained more than 100 people—were trained not to clear mines, but mainly to lay minefields, to lay explosives on the roads used by federal troops, as a result repeatedly exploding their charges on the roads, laying their bombs in the forest, killing people, servicemen, and peaceful civilians. . . . Under cover of mine-clearing operations, they [Halo Trust] organized the training of combat engineers, and carried out full-scale topographic surveillance of Chechnya, fixing Chechen villages to the NATO frame of reference.”

The FSB accused one Matthew Middlemis, leader of a 15-man Halo Trust team in Chechnya last November, of being a career British military intelligence officer.

An Aug. 12 article by Sergei Grigoryev in the daily *Nezavisimaya Gazeta*, further detailed the FSB accusations. Illustrated with a picture of the Russian entry visa of Halo Trust employee Tom Dibb, a white citizen of Zimbabwe, the article reported that Halo was denied access to Russian territory for its personnel in 1997. Then, Dibb and others entered under cover as businessmen, interested in promoting Russian agriculture, while other Halo operations were staged from Abkhazia, in neighboring Georgia.

By June 1997, wrote *Nezavisimaya*, Dibb could report to London on “the results of his topographical and engineering survey of the entire territory of Chechnya, under control of the illegal armed bands.” Besides the location of minefields, the report covered the precise coordinates of bridges, federal troops’ bases, and other infrastructure. Such precision mapping would have required Navstar or similar global location systems, according to Grigoryev.

Nezavisimaya suggested that the Halo Trust trained more personnel, than it removed land mines, putting 150 people through its courses in 1997-99. The graduates of Halo’s training “were in no rush to the minefields,” rather, “a large number of them became trainers for the illegal armed bands.” Halo Trust training videos, which Grigoryev says were captured by the FSB, showed mine-laying, as well as other techniques for placing explosives, including in trees. The Russian paper played up the fact that “this sort of emplacement of explosives at some height above the ground is widely used by the guerrillas in attacks on the equipment of federal troops,” and “precisely this technique was used in the terrorist attack on the military construction unit in Volgograd.”

While the British Foreign Office called the Russian charges “speculation,” *Nezavisimaya* reported that the Halo Trust issued a weak statement, according to which it “bears no responsibility for the activity of members of the local population, which it trains.”

What Is the Halo Trust?

EIR’s investigations show that the Halo Trust belongs to a privatized British military intelligence network, functioning in Asia, Africa, and Ibero-America, as well as the former Soviet Union and its periphery. (See “Britain’s ‘Invisible’ Empire Unleashes the Dogs of War,” *EIR*, Aug. 22, 1997.)

Though self-described as “a non-political, non-religious charity that specializes in removal of the debris of war,” the Halo Trust is found working side by side with private paramilitary security companies such as Defense Systems Ltd., or Gurkha Security Guards. Often enough, they operate in conjunction with private mining companies, which are exploiting mineral resources in Africa and other poverty-stricken areas of the world. Halo enjoyed positive publicity, when it hosted the late Princess Diana in Angola, as she campaigned for the removal of land mines. Defense Systems Ltd., which provided protection for her, was later expelled from Angola as a security threat to the government.

Like its partners in private paramilitary intelligence organizations of the Defense Systems Ltd. and Executive Outcomes type, Halo Trust is a project of ex-military people. It was founded in 1988 by Colin Mitchell, a retired British Army officer, known as “Mad Mitch” for his part in crushing a rebellion in Yemen in the 1960s. Mitchell served in the Argyll and Sutherland Highlanders, prestigious “household regiments” for the royal family. He then worked as a “consultant” in the ambit of almost every “little war” of the 1970s and 1980s—in Rhodesia/Zimbabwe, Afghanistan, Nicaragua, Pakistan, Eritrea, and Cambodia.

Mitchell’s wife, Sue, took over the Halo Trust after his death in 1996, together with Guy Willoughby, a retired officer of the Coldstream Guards, another “household regiment.” Willoughby trained mujahideen in Afghanistan. The offices of the Halo Trust are housed at 10 Storey’s Gate in London, a location it shares with the Westminster Foundation, the Foreign Office’s equivalent of the U.S. National Endowment for Democracy. Operating in the Balkans, the Caucasus, Asia, and Africa, the Halo Trust employs over 1,300 people.

The entry of the Halo Trust into the Russian North Caucasus, as described in the new exposés, coincided with the step-up of British financial operations in support of Chechnya’s secession. The business relations of longtime Conservative Party fundraiser Lord Alistair McAlpine and his patron, Baroness Margaret Thatcher, with Chechen money-bags Khozhakhmed Nukhayev, were summarized in *EIR* on Sept. 10, 1999. Russian newspapers also covered McAlpine’s establishment of his so-called Caucasus Common Market Project, in 1996-97. Only now, have Russian sources decided to turn the spotlight on the British on-the-ground military support, which was developed in the same timeframe.

Safe-Houses in Georgia

One of the few Russian publications about the Halo Trust’s North Caucasus operation, prior to the FSB’s Aug. 7 announcement, was an article in late 1999 in the newspaper *Vyorsti*, and on the website of its associated publication, *Alfavit*. The article, by Taghi Jafarov, played up the fact that, when Russia “categorically refused” to allow the dispatch of Halo Trust personnel to the region or to hand over topographical information, “the British counted on the patronage of the Parliament of Georgia,” to get close, by setting up de-mining facilities in Abkhazia. As soon as they were there, the Halo Trust people obtained special dispensation to cross the Georgia-Russia border when de-mining required this—and promptly “launched topographical mapping of the very areas, forbidden to them by the Russian authorities.”

When, in 1998, Maskhadov was presented with evidence of these illicit British operations, wrote Jafarov, “the English fled across the Georgian border, abandoning in Grozny their office, equipment, and vehicles.” In May 1999, however, Maskhadov re-admitted Dibb, even after Russian Internal Affairs Ministry forces detained Dibb in North Ossetia on one

attempt to cross over. According to this article, the Internal Affairs Ministry protested in September 1999 to a British consul, about the activities of Dibb and other Halo Trust personnel in Russia, and banned Dibb from Russia already then.

The Halo Trust facility in Sukhumi, Abkhazia, in Georgia, was a base of operations for Middlemis and Dibb, according to *Nezavisimaya Gazeta*. As “the link between the Maskhadov regime and the West, [it] was designed, if not to prepare, then at least to study the possibility of introducing peacekeeping forces into the Caucasus under NATO command.” Through Georgia, wrote Grigoryev, “the British in effect were organizing the contraband supply of military equipment onto Russian territory.”

A maverick British strategic analyst, whom *EIR* briefed on the Russian accusations against the Halo Trust, commented, “Our intelligence services have their nose and fingers all over this Chechen situation, seeking to profit strategically from it. This is part of the British notion, which I regard as foolish and dangerous, of reviving the old ‘Great Game.’ Idiots in our intelligence services are involved in this. The fact is, our intelligence services are out of control.”

This person further noted the recent, extensive British activity in Georgia. “Our people here, are trying to re-create Georgia as a British fiefdom, as it was in the last century. [Georgian President Eduard] Shevardnadze had tea with the Queen, when he was in London last month.”

London’s cultivation of Georgia, as well as Azerbaijan, is another factor of destabilization through “balance of power” games in the Caucasus region. In a July 17 interview with the London *Daily Telegraph*, on the eve of his British visit, Shevardnadze waxed ecstatic about Thatcher as “certainly one of the most impressive” leaders he has worked with (that was in the 1980s, when Shevardnadze was Soviet Foreign Minister during the Thatcher-Bush-Gorbachov “New World Order”), saying Winston Churchill was his hero, and England was Georgia’s best traditional ally.

On Aug. 4, Shevardnadze received British Chief of the General Staff Sir Charles Guthrie in Tbilisi, taking the occasion to declare that Georgia will accelerate the NATO-standardization of its Armed Forces, preparatory to joining the alliance. Guthrie inspected British officers, working as UN military observers in Abkhazia, the area of Georgia, from which, according to Moscow’s charges, British intelligence is staging its support for terrorism in Russia.

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Malaysia ‘Deserves Better’ than Albright

by Gail G. Billington

On Aug. 14, U.S. Secretary of State Madeleine Albright weighed in with her considerable opinion on the second conviction of Malaysia’s former Deputy Prime Minister and Finance Minister Anwar Ibrahim, who was sentenced to nine years in prison on four sodomy charges on Aug. 8. From the U.S.-Canada-Mexico foreign ministers meeting in Santa Fe, New Mexico, Albright singled out Malaysia’s Prime Minister Dr. Mahathir bin Mohamad: “There are lots of things that Dr. Mahathir has done that I don’t think serve Malaysia well. . . . There are certain countries where people deserve better, Malaysia is one of them.”

No, Madam Secretary, they deserve better than you.

Mahathir Was Right

On Sept. 1, 1998, the government of Malaysia pegged its currency, the ringgit, at a fixed rate of RM 3.8 to the U.S. dollar, and slapped on selective controls on capital flows in a unique counterattack to the speculative assault on Asian economies, which wiped out decades of growth in a matter of weeks, an assault from which none of the Asian countries have fully recovered. On Sept. 2, Anwar Ibrahim was fired from his government posts. The decision to slap on controls was a *political* decision, which Special Functions Minister Tun Daim Zainuddin has said was the product of a months-long deliberative process at the highest levels of the Malaysian government in which all but one of the senior ministers argued *against* controls in favor of sticking to standard “free market” solutions. Prime Minister Datuk Seri Dr. Mahathir bin Mohamad was the one, and only, “naysayer.” In the end, he prevailed. As a result, Malaysia’s “home-grown” path to recovery, while by no means complete, is a crucial example of the exercise of national sovereignty by a duly elected government, acting in defense of the general welfare of its people. Moreover, increasingly, the pundits in the brotherhood of international economists and institutions, including International Monetary Fund (IMF) Managing Director Horst Köhler, have conceded that Malaysia’s choice is “not so bad and, in fact, was not a disaster to the economy.”

Malaysia has shared with its Asian neighbors and its friends, especially in Africa and Ibero-America, the fruits