

EIR Strategic Studies

IN THE FACE OF GLOBAL COLLAPSE

British, EU Target Russia With Shooting War in the Caucasus

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This article was translated from German.

With the underpinnings of the present world financial system growing shakier by the day, the outbreak of warfare in the Caucasus shows how quickly the current world situation can be thrown out of joint. It also gives us a foretaste of how quickly it could expand into a new general war. Even if no one can precisely predict how much time we have left to address the underlying cause of the growing threat of war—namely, the systemic crisis of the world financial system—the military operations in the Caucasus nevertheless make clear that our brief window of opportunity could close quite suddenly.

“Caucasus War Catches Europe Flat-Footed,” was Spiegel-Online’s headline to its article on Aug. 8 about the escalation of the conflict between Georgia and South Ossetia—a conflict which has taken on the character of a typical proxy war between the United States and Russia. The article’s author, Hans-Jürgen Schlamp, reports from Brussels on the alleged “helplessness” of the European Commission and of the French government, which currently holds the EU Presidency, all of which can do nothing except express their “deep concern.”

Nothing could be further from the truth. Back in February, when the European Union—Great Britain, France, and other nations, supported Kosovo’s unilat-

eral declaration of independence, it was already perfectly clear that this destabilization would not only affect the Balkan states, but was also giving the green light to every conceivable separatist movement and minority throughout the world. Just as in the Balkan wars leading up to World War I, and also in the 1991-95 Balkan War, this ethnically complicated region is serving as a chessboard for British geopolitical destabilizations, with the ultimate aim of drawing the great world powers into the conflict, and/or preventing any peaceful economic cooperation on the Eurasian continent. And it is certainly no accident that, since Dec. 12, 2007, the chief of the EU’s planning team for Kosovo has been none other than the British diplomat Roy Reeve, a Russia expert, whose previous postings took him to Northern Ireland, Ukraine, Armenia, and Georgia—i.e., precisely those countries which have problems with nationalities and ethnic minorities.

Already on July 15, Ronald D. Asmus of the German Marshall Fund (GMF) wrote that a war between Georgia and Russia was in the offing, and that this could easily ruin relations between Russia and the West. And that was obviously the intention all along. Asmus also chaired a meeting of the GMF earlier this year in Brussels, where five former military general staff members presented an outrageous report proposing that NATO be transformed into a globally operating intervention



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Georgia has turned out to be a willing instrument of the Anglo-American strategy for encirclement of Russia. On Aug. 8, war broke out between Russian and Georgian forces. Shown: U.S. Marines prepare Georgian Army trainees at the Krtsanisi Training Camp, 2003.

force which, under certain circumstances, would be permitted to launch a first strike with nuclear weapons.

With its so-called “Rose Revolution,” and its desire to join NATO, Georgia has turned out to be a willing instrument of the Anglo-American strategy for encirclement of Russia. But what induced Georgia to reoccupy South Ossetia at this particular moment, 16 years after the latter declared its independence? The war in the Caucasus is part of a global destabilization effort, coinciding with the arrest of former Bosnian Serb leader Radovan Karadzic, as well as with the destabilizations of Turkey, Pakistan, Sudan, and Zim-

babwe, by means of terrorist attacks or sanctions—and we are only mentioning the most prominent of many other similar crisis spots.

Financial Crisis Fuels War Threat

As I already pointed out above, the overall context of these events is the escalating collapse of the global financial system, which has been pulling ever larger chunks of the real economy down into the abyss with it. The Federal Reserve is now committed to using its rediscount facility for making practically unlimited liquidity available to the two de facto insolvent mortgage giants Freddie Mac and Fannie Mae—which together, guarantee \$5.3 trillion in U.S. mortgages! Not only does this have enormous hyperinflationary ramifications, but it only plugs one solitary hole in the leaking boat. In the United States, speculators are debating whether it’s 3,000 or 5,000 banks which are bankrupt; eight banks have already officially shut their doors so far this year. Meanwhile, the U.S. economy—or what’s left of it, after years of “outsourcing”—is sinking ever more deeply into depression: the auto sector, the airline industry, the construction sector. More and more states and municipalities are being forced to make draconian cutbacks, such as in California, where 22,000 state employees have been laid off, and another 200,000



Bosnische Hilfgüter Zenica

Just as in the Balkan wars leading up to World War I and the Balkan War of 1991-95, this ethnically complex region is today serving British geopolitical aims. Here, Bosnian refugees receive food aid during the war (1995).

are threatened with having pay reduced to the minimum wage.

Meanwhile, some analysts have joined Lyndon LaRouche in the view that the rate of collapse in Europe is going to be even faster. Spain's collapsing real estate sector is bringing a massive banking crisis in its wake, and similar scenarios are playing out in Great Britain, where the Royal Bank of Scotland has had to write off \$12 billion in the aftermath of the government takeover of Northern Rock. The situation in Denmark is equally dismal. The official inflation rate in the EU is hovering above 4%, whereas the real rate of inflation for less well-off wage earners is far greater, because they have to spend the bulk of their income on food, energy, gasoline, housing, etc. And when none other than former Federal Reserve chairman Alan Greenspan, "Mr. Bubble" himself, starts talking about the crisis of the century—a crisis for which he is personally responsible—then it's clear that he wants to prepare the world for the great crash immediately ahead.

It wouldn't be the first time in history that the international financial oligarchy has attempted to keep a worldwide financial and economic crisis under control by fanning the flames of war. And anyone who prepares for war, must first create an enemy image, so that the population can be brought into line.

Vile Attacks on China

That is precisely the intention behind the repulsive China-baiting being emitted by the media and by politicians on the occasion of the Olympic Games. Regardless of whether it's coming from witting agents of the British Empire faction, or from mindless dumbos on the morning news shows: The irresponsible gossip that has been spread during the run-up to the Olympic Games, has been simply monstrous. Without any regard for the truth, and without a shred of knowledge of China's history and culture, the wildest assertions have been floated—assertions which could well succeed in poisoning relations with China, and in helping



Nazi Propaganda Minister Joseph Goebbels: He would have envied the "Big Lie" propaganda that is being hurled at China today by hypocrites in the West.

prepare for coming conflicts with China (and with Russia).

Not only were the opening ceremonies of the Olympic Games in Beijing wonderfully beautiful and poetically conceived, but they were also a magnificently staged demonstration of the 5,000-year history of this great nation, one which, for a long time, was the world's leader, and which is now preparing to resume that role sometime in the future. Even though China certainly has its fair share of problems—for example, the poverty of the great majority of its rural population, and also a certain degree of Western materialism which has infected part of its population—what counts is the vector of development, and in China that vector is going upwards—in contrast to what's happening with the arrogant sophists of the West's empire faction.

The Chinese government has blocked Internet access to anti-Chinese propaganda emanating from international and British organizations in connection with Tibet and the Uighurs—and it has every right to do so. After all, do the British and American governments allow the Taliban's tracts or al-Qaeda's instructions to be circulated around the country? What do destabilization efforts by an enemy power, have to do with democracy and human rights?

The fact that in Europe, a politician who voted for the ratification of the Lisbon Treaty, or a representative of the media which, even after the Irish "No" in their referendum, did not run a single pertinent article on an EU treaty which would abolish parliamentary democracy in Europe once and for all, and would establish an oligarchical dictatorship, would now dare to decry a lack of democracy and human rights in China—that is truly the height of Goebbels propaganda! It would have made Goebbels pale with envy. Europe is dominated by a truly terrifying democracy deficit, resulting in an increasingly deep-seated and extremely dangerous cultural pessimism, as expressed in the famous retort, "There's nothing we can do about it, anyway." And so, those politicians and journalists who raise a fuss about

democracy in China, ought to go out and listen to what the population thinks about the political class and the media—in Germany, for example.

If we are to make use of the fast-closing window of opportunity, which will hopefully remain open long enough for us to prevent the great catastrophe, then we will have to embark on a radically different path. One very promising impulse in that direction, is an article that Russian Foreign Minister Sergei Lavrov wrote for the current issue of the journal *Russia in Global Politics*, under the title “Russia and the World in the 21st Century,” which directly reflects the positions of President Dmitri Medvedev and Prime Minister Vladimir Putin.

Lavrov affirms the obvious fact that the epoch of the past 400-500 years, during which European civilization has dominated the world, is now closing, and that a new vision is therefore required. He rejects not only the idea that the world will gradually adopt Western values, and the theory of “the end of history”—the idea of a global Anglo-American empire—but he also rejects the idea of a “post-American” world without the United States.

The Russian Foreign Minister emphasizes that he absolutely disagrees with the idea that current developments must end in chaos and anarchy. Rather, he believes that a new international political, financial, and economic architecture can be created, one in which Russia must play a major role as an equal partner.

The Anglo-Saxon (i.e., free-trade) model is tottering, Lavrov writes, just as it was in the 1920s, and therefore today, just as then, the model of Franklin Roosevelt’s New Deal is called for. China, India, Russia, and Brazil must be integrated into this new reform of our international institutions. On this basis, plans can be made for a common future for the entire Euro-Atlantic region and for the world as a whole, a future in which security and prosperity become truly inseparable, he states.

Two Options

The Western nations today have essentially two options: Either they follow the British line, treating Russia, China, and India as antagonists—which means, for example, using Georgia for anti-Russian operations, fos-



Library of Congress

President Franklin D. Roosevelt signs the Social Security Act of 1935, the hallmark legislation of the New Deal. Russian Foreign Minister Sergei Lavrov invoked FDR’s example, in writing of the kind of economic policies required today.

tering separatist tendencies inside China, setting financial locusts against India, and other such things. In which case, the great catastrophe is sure to come.

Or, they can heed the proposal which LaRouche has been making for some time, that a new international financial and economic order, in the tradition of Roosevelt and his New Deal, and Bretton Woods, be put onto the agenda. In such an arrangement, the United States, Russia, China, and India must collaborate as a core grouping, around which other sovereign nations can congregate. And that is essentially what Foreign Minister Lavrov says in his article.

For Europe’s nations, this means that they must extricate themselves from the European Union strait-jacket which, for Germany, since Maastricht at the latest, has become a new Versailles Treaty. Europe’s nations can, and certainly should cooperate as a Europe of sovereign republics—which will be vastly more in keeping with the spirit of humanist Europe, than is possible today with an EU bureaucracy which is farther away from Europe’s humanist tradition, than Earth is from a galaxy a couple million light-years distant.

Let us hope that the coincidence of what Greenspan himself has described as the financial system’s crisis of the century, with the realization of how quickly war can break out, will be sufficient to shock responsible people back to reason.