

EDITORIAL

It's Now War— Set Off by Economic Collapse— Or New Laws for Economic Development

by Paul Gallagher

Feb. 21—Russian President Putin's determination to preserve Russia's nuclear deterrent and prevent having hostile NATO-armed, even nuclear-armed states on its doorstep, is only the outward issue of the present war crisis. The driving cause is two economic partnerships or alliances in the world, and the fact that one of them—led by the trans-Atlantic NATO nations—is sinking economically and heading for a financial implosion, a “second 2008” or worse.

Leading European Union and World Economic Forum officials have flipped out at the revelation on Feb. 4 that the growing China-Russia economic cooperation of 2021, had become a full economic and [strategic partnership](#) between the world's leading infrastructure-building and poverty-fighting nation and the world's leading nuclear and nuclear energy power and leading food exporter. Cooperating, they could shortly be the leading spacefaring power as well. The fantasy of destroying that alliance has become a motive for war.

The financial elite of London and Wall Street has decreed in recent years a “Great Reset,” less dramatically called the Green Deal, and it has turned the economic stagnation ruling since 2008 into a deepening recession. Look at what was caused in 2021 by seven years of rapid, forced “green” disinvestment in fossil fuels and nuclear (annual investment cut by more than half outside Russia and China). Global energy production stagnated; global electricity generation dropped. Corn, wheat and oil seed production are falling in 2022 due to fertilizer hyperinflation and

shortage. The “green” replacement for fossil fuels and nuclear does not function. Worldwide, the solar and wind-power share of total energy production was still *just 4% in 2021*, according to a long [review](#) of the situation posted Feb. 9 by Gail Tverberg to her *Our Finite World* blogsite. Disappearing wind power caused serious economic damage in 2021 in the central U.S. Plains, across Northern Europe, and across Northern China—China alone solved the problem quickly. Technology for large-scale storage of intermittent power is still far off.

Combined with vast money-printing by central banks to provide “an asset and money economy” in which the productive economy is shrinking, this has triggered inflation heading for hyperinflationary blow-out. Check the Feb. 18 [note](#) of Joseph Carson, former chief economist for the AllianceBernstein investment firm:

The current inflation cycle is unlike anything seen before. The 1970s and 1980s inflation cycles centered on consumer and producer prices, while assets prices (equities and real estate) powered the 1990s and 2000s inflation cycles. Today's inflation cycle has all of the above. And based on the broad price index, the current inflation cycle is as big as the 1970s and the dot.com and the housing bubble combined. (Note: CPI less shelter has risen 9.1% in the last year, the biggest increase since 1981. Including a market-price shelter ... lifts CPI to double-dig-

its. The old producer prices for finished goods are up 12.5[%], while core intermediate and crude prices have increased by 23% and 13.5%, respectively....)

Now sanctions over Ukraine, openly intended and designed by U.S. Treasury and National Security Council officials to crush Russia's economy, are being discussed and demanded by the NATO powers. Imposed on the world's largest fossil fuels exporter, they will wreak worldwide havoc, as China helps Russia withstand them as it has withstood others. World energy reserves are already so low, oil and natural gas are being "priced to destroy demand," as JPMorgan's chief oil trader described it on Feb. 17. Or in Tverberg's description in the above-cited analysis, pricing into a deep recession.

Sanction Russia's major banks so that they cannot make loans? What about the biggest U.S. and

European banks, which already control most deposits and *don't* make loans?

Thus arises the motive to force war, to destroy the alternative represented, for developing nations in particular, by China and Russia.

But their partnership alone, with the Belt and Road Initiative of infrastructure building, is not sufficient for a solution for all nations. That demands a new strategic agreement or conference based on a completely different economic policy from the collapsing casino game Wall Street and the City of London are playing.

Guiding that policy should be the well-known but not implemented (except significantly in China) [Four Laws](#) spelled out by Lyndon LaRouche. These include Glass-Steagall laws in every nation, Hamiltonian national banks in every nation, and crash programs to conquer space with nuclear fusion and plasma technologies.