



Global Economic Collapse Is Imminent: A New Peace of Westphalia Is Our Last Chance!

by Helga Zepp-LaRouche

March 12—President Putin has now responded to the West's tightening sanctions with a combination of measures unprecedented in modern times, to defend the Russian economy against an attempt to “destroy Russia, Putin and the Russian system.” In a meeting with Prime Minister Mishustin and a number of decision-makers that can be considered a war cabinet, Putin, Mishustin and Finance Minister Siluanov announced nationalization measures and capital controls.

We are now in uncharted waters and—depending on how the West reacts—at the beginning of a development that will end in either a complete collapse of the global economic and financial system, or even a new world war, or will establish a new paradigm in international relations. The publication of the Schiller Institute's new petition calling for a new conference in the tradition of the Peace of Westphalia could not have come more at a more propitious time. Because every thinking person should be aware that continuing the escalation spiral towards Russia, as is now being pursued by the U.S., Great Britain, and the EU, involves risks that can get completely out of control in a very short time.

NATO's capital error was, and is, to assume that it can continue the Eastward expansion and encirclement of Russia indefinitely without this leading to countermeasures. At the Munich Security Conference in 2007, Putin had already sounded the alarm bells that everyone but the deaf should have heard, namely that a unipolar world order was not acceptable to Russia. Putin justified the December 17 demands on the U.S. and NATO for legally binding security guarantees—after a total of five Eastward expansions of NATO—with the fact that he no longer had any space to which he could retreat. Eight years of military attacks on the republics of Donetsk and Luhansk by Ukrainian forces, which killed 14,000 Russian-speakers, received almost no mention in Western media. Putin received no response to the core of his demands.

The economic equivalent of war, the sanctions, are a form of warfare with the stated aim of destroying not

just Putin, but also Russia and the “Russian system.” French Finance Minister Le Maire declared his agreement with this aim with such undisguised hatred that he was reined in by President Macron and had to withdraw his statement. Similar statements had already been published on January 25 and then again at the end of February by two unnamed White House officials. The aim of American policy is to prevent Russia from any economic diversification away from oil and gas and to deny it access to advanced technologies. Ursula von der Leyen said the same thing.

The Western central banks reacted to the beginning of the war by confiscating more than \$300 billion in Russian assets and announcing sanctions of the same sort as those used against Iran, i.e., also the extraterritorial application of American sanctions against third countries, as well as the exclusion of Russia from the status of a “most favored nation.” In the U.S. Imperial faction's home organ, the Atlantic Council blog, “experts” Brian O'Toole and Daniel Fried, under the headline, “What's Left To Sanction in Russia? Wallets, Stocks, and Foreign Investments” indulge in speculation as to how economic warfare against Russia could be escalated. The American and European sanctions have exceeded all expectations; in just two weeks they have plunged the Russian economy into a depression, the isolation means a disaster for the Russian people, but further escalations up to a full financial embargo and a total ban on all transactions, imports and exports are pending. This is the West's final move to isolate Russia from the global economy.

Do the authors of this policy really believe that all non-Western states, including China, will submit to this dictate in the same way that, for the most part, Iran did? The intention is evident to create enough economic chaos in Russia to prevent Putin from continuing his military actions in Ukraine and to embarrass the Russian people to such an extent that people from the security apparatus will depose Putin, or that the “Russian system” shattered, as Le Maire put it.

Putin has now reacted to this in an economic way,

in line with his strategic thinking. At the said meeting he announced a package of measures to defend the Russian economy. From now on, foreign companies that withdraw from Russia without any comprehensible reason will be taken over by an “external (i.e., Russian) management,” and strict capital and currency controls will be introduced. Furthermore, liabilities to other countries are to be paid only in rubles (which have meanwhile been massively devalued), which can then only be exchanged for Russian assets confiscated by Western central banks. Foreign exchange generated through exports must be made available to the Russian central bank. Likewise, Putin enacted a series of measures to defend the domestic economy, such as a six-month moratorium on all payments in the agricultural sector to ensure its uninterrupted production.

The American government spokeswoman Jen Psaki acted surprised that these measures had brought us back to “1917,” i.e., the Russian Revolution. In fact, however, the West, through its economic warfare, has managed to checkmate the representatives of liberal economic theory, who had had a significant influence since the Yeltsin period. There is much to suggest that the West’s sanctions mania will prove to be an absolute boomerang for the transatlantic financial system, which is already on the verge of implosion, and will instead promote the emergence of an alternative financial system.

Sergey Glazyev, a former presidential adviser, economics professor and member of the Russian Academy of Sciences, was relatively calm about the impact of the sanctions. A new economic order will develop; after the collapse of the Soviet system, the collapse of the American system is now taking place; the West is destroying itself through the sanctions it has imposed. You have to get rid of the dollar because a currency that you can’t work with and that can be frozen tomorrow is worse than useless. The situation is not easy, but Russians should not panic, because Russia has no limits to economic growth and with the right macroeconomic policies today, economic growth of at least 10% per year can be achieved already this year. Glazyev has written a book on the reasons for the success of China’s economic model and has long suggested that Russia should adopt its own version of that model.

The idea of completely isolating Russia and thus “destroying the Russian system” is rather the product of arrogant Western fantasies. A growing number of states are refusing to participate in new bloc formation and are more willing to act as mediators, such as, for example, Pakistan, India, Turkey, Israel, South Africa, Argentina, just to name a few. However, in the short term, the consequences of the war in Ukraine and sanctions against Russia and Belarus, because of rising prices for energy, fertilizers, pesticides, etc. will have catastrophic effects on agriculture and thus on world hunger, which threatens about 400 million people this year .

There is also a risk that the confrontation between the U.S. and NATO—with the EU as an appendage—and Russia could escalate into a major war, including the possibility of a nuclear war. But even if there were “only” a worse financial collapse than that of 2008, the world could plunge into chaos that could be fatal for a large part of humanity.

Only a complete departure from geopolitical confrontation, and instead, the establishment of a new international security architecture that takes into account the interests of every state on this planet, can finally overcome this danger. The relevant petition from the Schiller Institute, which proposes a new conference in the tradition of the Peace of Westphalia, serves to bring together all the forces around the world who are committed to a new paradigm in politics. We urgently need a new model of relations between the nations of this world that makes it possible to tackle the existential problems of humanity together, such as overcoming world hunger, the pandemic, energy and raw material security through the development of new technologies such as nuclear fusion and Space Science.

The best thing you, dear citizens and readers of these lines, can do to regain world peace and overcome the global economic and financial crisis is to sign this petition and help spread it as widely as possible among your circle of acquaintances, on social media, and in all conceivable fora. Contrary to what the media and mainstream politics are trying to tell us, neither Russia nor China are our enemies, but we must take the standpoint of one humanity if we are to survive this crisis.

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