

# Financial Collapse Drives Violence in Ukraine, Mideast

by Jeffrey Steinberg

July 14—On Sunday morning, July 13, rockets fired from Ukrainian territory hit a home in the Russian village of Donetsk in the Rostov region, killing one man and injuring two others. Russia responded with sharp warnings to Ukraine that any such further attacks on Russia would lead to a major escalation in the crisis. President Vladimir Putin, arriving in Rio de Janeiro for the July 15-16 BRICS Summit, immediately went into consultations with German Chancellor Angela Merkel, which focused on the Ukraine crisis.

As Putin and Merkel were consulting, U.S. Vice President Joe Biden was on the phone with Ukrainian President Petro Poroshenko pledging continuing Obama Administration support to his government. Ukraine has escalated attacks on the Lugansk and Donetsk regions of eastern Ukraine in recent days, following a rebel missile attack that killed 28 Ukrainian soldiers and border guardsweek.

Reuters warned July 13 that the rocket fire into Russian territory could lead Putin to reverse his efforts to de-escalate the crisis. In fact, British strategic policy, at the highest level, has sought to *provoke* Russian military action since the crisis began, in hopes of securing a pretext for NATO military action. Russian government spokesmen have repeatedly made clear that they are aware of this—specifically, that the actions in Ukraine are backed by NATO, with the intention of escalating the confrontation with Russia.

Notable was the statement by Russian Foreign Min-

istry spokesman Alexander Lukashevich at his press briefing July 10, when he commented on press rumors that Russian troops would be part of a peacekeeping mission in Ukraine. “Those are speculations that have apparently been launched by someone on purpose to force Russia to respond to the events in Ukraine in a way that someone at the highest level would want it to.”

While Moscow has indicated the provocation will not “be left without a response,” one can expect it will be nonlinear.

The European Union on July 12 added 11 additional names to the list of individuals subjected to sanctions for their role in the Ukraine violence. The 11 added names, mostly eastern Ukrainian pro-Russian leaders, brings the total of sanctions targets to 72. However, the new European Union action falls far short of Obama Administration demands for harsh sanctions against Russia that constitute outright economic warfare.

## **Middle East Ablaze**

At the same time that the Ukraine-Russia conflict has been intensified with cross-border shellings, the Middle East has been set ablaze through the actions of Anglo-Saudi jihadists from ISIS, and the latest escalation by Israeli Prime Minister Benjamin Netanyahu, who sent commandos into Gaza to attack Hamas homes and offices.

In Iraq on July 13, a 15-minute tape was released, purportedly by Izza Ibrahim al-Douri, the former Iraqi



YouTube

*Israel is committing war crimes and crimes against humanity in its murderous assault on Gaza. Here, an image from the Gaza Strip on July 8.*

Vice President under Saddam Hussein, who leads the Men of the Army of Naqshbandi Order, a militant Sunni group that has allied with ISIS, and forms a backbone of the insurgency that has taken over large parts of the country's north. Soon after the release of the tape, unidentified armed men assaulted an apartment building in Baghdad, killing 26. The incident has raised speculation that ISIS, which has infiltrated fighters into the heavily Sunni northwest neighborhoods of the capital, is now launching a terrorist offensive inside the city.

President Obama has now deployed nearly 800 Special Forces to Iraq without Congressional approval, and he is contemplating ordering direct military action against the ISIS rebels. Armed Predator drones are flying over Iraqi territory, and, according to one senior U.S. intelligence source, an assassination order has been issued by Obama for the purported leader of ISIS, Abu Bakr al-Baghdadi.

The Obama Administration has also begun providing lethal aid to select Syrian rebel groups, despite heavy protests that the arms will ultimately wind up in the hands of the very ISIS terrorists that Obama purports to be attacking in Iraq. In an interview from Vienna, where he is attending UN Security Council P5+1 talks, Iranian Foreign Minister Javad Zarif blasted the Obama Administration for supporting ISIS by backing those forces out to break up Syria as a country.

As the U.S. becomes more deeply entangled in the Iraqi and Syrian quagmires, Israel is engaging in war crimes and crimes against humanity in its assault on Gaza. For the past week, Israel has conducted an indis-

criminate campaign of bombings of Gaza, claiming that homes are merely shields for Hamas bomb factories and command posts. A number of Palestinian human rights groups have written to the President of Switzerland, who chairs a UN panel in charge of implementing the Fourth Geneva Convention, charging that Israel has been violating the convention with impunity because the UN has failed to hold it accountable.

What is emerging across Southwest Asia is a descent into a dark age of sectarian violence and madness. The Sunni-Shi'ite conflict has been identified by the

British as the new priority for the region, according to a senior U.S. intelligence official who has closely tracked the Anglo-Saudi collusion. By creating a permanent war inside the Muslim world, Britain hopes to wipe out the last vestiges of the nation-state system and vastly reduce the populations of the region. The intensification of the Israeli brutality against the Palestinians has triggered a similar revenge-hatred cycle that can lead to a permanent state of war and chaos throughout the region. Already, there are reports of ISIS spreading its operations into Lebanon and Jordan.

### **Permanent War**

The ISIS assault on Iraq and Syria is right out of the pages of former British Prime Minister Tony Blair's April 1999 Chicago speech at the time of the Kosovo war, in which he declared the end of the Westphalian System of sovereign nation-states and the beginning of the era of permanent interventions for regime change. With ISIS's declaration of an Islamic State covering territory of both Iraq and Syria, the Blair plan for the bust-up of the nation-states is fully underway. It is no coincidence that Blair, who still is officially the Quartet "peace envoy," was in Israel last week meeting with Netanyahu, undoubtedly encouraging him to launch a war of extinction against Hamas.

The war mania in Washington has not been limited, however, to the Ukraine-Russia conflict and Southwest Asia. This week, the Center for Strategic and International Studies hosted a two-day China bashing session, targeting China as the greatest threat to Asian and world

stability. Rep. Mike Rogers (R-Mich.), the Chairman of the House Intelligence Committee, called for a massive U.S. and allied military buildup to confront China now, warning that if the U.S. waits, China will become an unstoppable menace to the world.

U.S. intelligence sources have warned *EIR* that there is a building climate of anti-China ferment in Washington, and that it will only grow in intensity.

### Financial Blowout

The war fever is in reality not being driven by these events on the ground. The primary motive for the escalating conflicts is that the Anglo-Dutch financial system is on the verge of collapse. This week alone, significant banks in Bulgaria, Austria, and Portugal neared collapse, and in the Austria case, the first post-Cyprus instance of bail-in was implemented, wiping out EU900 million in insurance for thousands of Austrian government workers. The BIS has warned that the trans-Atlantic banks are in desperate straits due to massive expansion of derivatives gambling.

The imminent blowout of the British-run post-Bretton Woods financial system is driving the push for war. It is being further fueled by growing recognition that

the Obama Presidency is coming to a rapid end—possibly via the President’s impeachment. Once London loses control over the U.S. thermonuclear weapons arsenal, they lose the ability to threaten Russia and China. With the war danger thus vastly reduced, the entire British system of oligarchical control is doomed.

The leading nations of Eurasia—Russia, China and India—are moving to establish a new architecture of international lending institutions, including the Asian Infrastructure Investment Bank and the BRICS bank. Key Ibero-American nations, key Asia-Pacific nations, and some European nations are looking seriously at participating in the new architecture. And while China and other key players are not at this time ready to dump the British system altogether by selling off their vast holdings of U.S. Treasuries, the alternative institutions are being put in place, around an agenda of Eurasian development.

With the impeachment of President Obama, the United States could rapidly return to its historic role as a force for genuine collaboration among sovereign nations, and thus align with the new initiatives coming out of Eurasia. That combination of events would mean the end of empire, and this is precisely why there is such a desperate push for war at this time.

## *EIR* Special Report

# The British Empire’s Global Showdown, And How To Overcome It

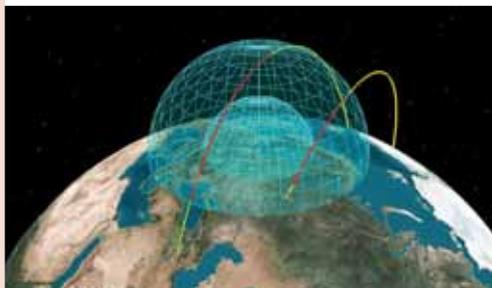
In the face of a potential thermonuclear World War III, a confrontation being engineered from London by a desperate British-centered financial oligarchy operating through the vast—yet often underestimated—powers of the British monarchy, *EIR* has produced a 104-page Special Report, documenting both the drive for war, and the war-avoidance efforts of patriotic military/intelligence circles in the U.S., and the Russian and Chinese leaderships. The British hand behind the warmongers, and the concrete economic and strategic programs which can defuse the threat, are elaborated in depth. These include the Russian proposal for collaboration on the Strategic Defense of Earth (SDE), based on Lyndon LaRouche’s original Strategic Defense Initiative (SDI).

The Global Showdown report is available in hard copy for \$250, and in pdf form for \$150, from the *EIR* store.

Call 1-800-278-3135 for more information.

**EIR**  
Special Report

## The British Empire’s Global Showdown, and How To Overcome It



June 2012