

# Putin's War-whoop: The impending clash with Russia

What is a "unipolar" world?

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What is a "unipolar" world?

It is a world in which there is one master, one sovereign— one center of authority, one center of force, one center of decision-making. And at the end of the day this is pernicious not only for all those within this system, but also for the sovereign itself because it destroys itself from within.

It has nothing in common with democracy, which is the power of the majority in respect to the interests and opinions of the minority.

In Russia , we are constantly being lectured about democracy. But for some reason those who teach us do not want to learn themselves." (Russian President Vladimir Putin's address to the Munich Conference on Security Policy 2-10-07)

The deployment of the US Missile Defense System in Eastern Europe is a de-facto declaration of war on the Russian Federation . As Russian President Putin said in a recent press conference, "If this missile system is put in place, it will work automatically with the entire nuclear capability of the United States . It will be an integral part of the US nuclear capability." This will disrupt the current configuration of international security and force Russia to begin work on a new regime of tactical nuclear weapons. This is a very serious development. Russia will now have to rethink its current policy vis a vis the United States and develop a long-range strategy for fending off further hostile encroachments into former-Soviet states by NATO.

Welcome to the new Cold War.

Putin cannot ignore the gravity of the proposed system or the threat it poses to Russia 's national security. Bush's Missile Defense is not defensive at all, but offensive. His plan would put American military bases—with nuclear infrastructure and sophisticated radar-systems— right on Russia's doorstep giving the US a clear advantage in "first-strike" capability. That means that Washington will be able to intimidate Russia on issues that are of critical international importance. Putin cannot allow this. He must force Bush to remove this dagger held to Moscow 's throat.

## **Bush's Pyrrhic Victory at the G-8**

The central issues on the agenda at the G-8 meetings were downplayed in the media.

Instead, the press focused its attention on the “anticipated” clash between Bush and Putin. But, the brouhaha never materialized; both were respectful and gracious.

President Bush, however, was adamant that his plan for missile defense in Czechoslovakia and Poland would go ahead according to schedule. Putin, for the most part remained politely silent. His objections were censored in the media.

Less than 10 hours after the closing ceremonies of the G-8, Putin fired off the first salvo in what will probably be remembered as “the war that brought down the Empire”.

Putin addressed 200 corporate leaders at the International Economic Forum in St. Petersburg and his comments left little doubt that he had already settled on a plan for countering Bush’s missile shield in the Czech Republic .

Putin’s speech articulated his vision of a “Moscow-centered” new world order which would create a “new balance of power” that was less dependent on Washington .

He said, “The new architecture of economic relations requires a completely new approach. Russia intends to become an alternative global financial center and to make the ruble a reserve currency for central banks.”

“The world is changing before our eyes. Countries that yesterday seemed hopelessly behind are today the fastest growing economies of the world.” Institutions such as the World Trade Organization and the IMF are “archaic, undemocratic and inflexible”. They don’t “reflect the new balance of power.”

Putin’s speech is a repudiation of the present system. He is announcing the beginning of an asymmetrical war that is designed to cripple the United States economically, weaken the institutions which have traditionally enhanced its wealth, and precipitate a shift of global power away from Washington .

Putin’s challenge to the US dollar is particularly worrisome. He emphasizes the inherent unfairness of “dollar hegemony” which has an extremely negative effect on the economies of smaller countries.

“There can be only one answer to this challenge,” he boomed. “The creation of several world currencies and several financial centers.”

Putin imagines a world where goods and resources are traded in rubles or “baskets of currencies”—not just greenbacks. This would create greater parity between the countries and a more even distribution of wealth.

He intends to depose the dollar as the world’s only “international currency”. There are signs that this process may have already started. In the last 6 months, Norway , Iran , Syria , UAE, Kuwait , and Venezuela have announced that they are either cutting back on their USD reserves or converting from the greenback to the euro or a “basket of currencies”. The slumping dollar is weakening on all fronts. If the greenback loses its place as the world’s “reserve currency”; the US will have to pay-down its monstrous current account deficit and live within its means. America will lose the ability to simply print fiat money and use it in exchange for valuable resources and manufactured goods. Putin is now threatening to cut-off the flow of cheap credit which is the source of the Superpower’s strength.

Can he carry it off?

What kind of damage can Russia inflict on the dollar or on the many lofty-sounding organizations (WTO, World Bank, IMF, NATO and Federal Reserve) which prop up the US Empire?

Russia's power is steadily growing. Its GDP is leaping ahead at 8% per annum and by 2020 Russia will be among the five biggest economies in the world. It now has the third largest Forex reserves in the world and it is gradually moving away from the anemic dollar to euros and rubles. Nearly 10% of its wealth is in gold.

Russia has also overtaken Saudi Arabia as the world's leading supplier of petroleum. It produces 13% of the world's daily output and has the world's largest reserves of natural gas. In fact, Putin is working energetically to create the world's first natural gas cartel—an alliance between Russia, Qatar, Iran and Algeria. The group could potentially control 40% of the world's remaining natural gas and set prices as it sees fit.

Putin's ambitions are not limited to the energy sector either—although he has strengthened the nation by turning away foreign investment and through “re-nationalization” of vital resources. As Pavel Korduban says in his article “Putin Harvests Political Dividends from Russian Economic Dynamism”; Putin is looking beyond energy to technological modernization. As Korduban says:

“The shift in official discourse to “innovations” reflects an attempt to reorient economic policy from the goal of consolidating the status of “energy superpower” to the emphasis on industrial modernization and catching up with the technological revolution. The key role in formulating this new policy is given to Sergei Ivanov, who promised that by the year 2020 Russia would gain leadership (measured as 10% of the world market) in such high-technology sectors as nuclear energy, shipbuilding, aircraft, satellites and delivery systems, and computer software.”

Putin has also strengthened ties with his Central Asian neighbors and engaged in “cooperative” military maneuvers with China.

“Last month it signed deals with Turkmenistan, Uzbekistan and Kazakhstan to revive the Soviet-era united system of gas pipelines, which will help Russia strengthen its role of the monopoly supplier from the region”. (Reuters) He has transformed the Commonwealth of Independent States (CIS) into a formidable economic-military alliance capable of resisting foreign intervention in Central Asia by the United States and NATO.

The CIS is bound to play a major role in regional issues as the real motives behind the “war on terror” are exposed and America's geopolitical objectives in Central Asia become clearer. So far, Washington has established its military bases and outposts throughout the region with impunity. But the mood in Moscow and Beijing has soured and there may be changes in the near future. We should also remember that Putin is surrounded by ex-KGB agents and Soviet-era hardliners. They've never trusted America's motives and now they can point to the new US bases, the “colored-coded” revolutions, the broken treaties and the projected missile defense system—to prove that Uncle Sam is “up to no good”.

Putin sees himself as leading a global insurgency against the empire. He speaks for the emerging-market economies of Russia, China, India and Brazil. These 4 nations will

progressively overtake the “old order”. Last year, 60% of the world’s output was produced outside the G-7 countries. According to Goldman Sachs, by 2050 Brazil , Russia , India and China will be the world’s leading economies.

The transition from “superpower rule” is already underway. The centers of geopolitical power are shifting like giant tectonic plates. The trend is irreversible. The deployment of Bush’s missile defense system will only hasten the decline of the “unipolar-model” by triggering an asymmetrical war, where Forex reserves, vital resources and political maneuvering will be used as the weapons-of-choice.

War with Russia is pointless and preventable. There are better choices than confrontation.

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