dependent upon the City of London itself for at least 20% of its economy. As Larry Elliott warned last August, as the credit crisis hit, the City of London has "marketed itself as a giant offshore hedge fund" and funds are drying up. It is hardly and exaggeration "to say Britain is dependent on speculation."

While Germany produces something, "Britain uses its brains to take the global financial system to the edge of the precipice." On Jan. 9, the World Economic Forum warned in its annual *Global Risks* report that Britain is more exposed than other "advanced" economies to the crisis, due to the very "prominence of the UK's financial sector." So stretched is Britain, that methods which had some use in the past, can achieve nothing now. As Evans Pritchard wrote Jan. 7, there is no Keynesian "government stimulus" option for Britain; the "Keynesian door" was shut by Brown letting the country build up a huge £40 billion budget deficit, 3% of GDP.

Who Is Next?

It could be called a misfortune for those who want to put a demagogic politician in power, who could run a hard-core austerity regime, that Tony Blair is a totally spent force. After ten years in office, Blair, the champion of "New Labour," had to leave in disgrace: his scandalous machinations to get the United States and Britain into the deeply unpopular Iraq war; the buildup of the biggest housing and debt bubble of all time in Britain, along with the re-creation of a new "super rich" class, and the most extreme wealth gap since the 1930s—all under a "Labour" government—left almost all of Britain counting the days till Blair finally left office. Brown, at least, came in with support, for his known dislike for U.S. Vice President Dick Cheney and determination to distance himself, in contrast to Blair, from George Bush. Brown is known as being closer to the Democratic Party, including such figures as 2004 Presidential candidate John Kerry and former Clinton Treasury Secretary Larry Summers. Also, Brown is committed to building a new generation of nuclear power plants in Britain, to guarantee at least 20% of the country's energy needs for the next 30 years, a policy hardly popular with hard-core environmentalists.

Efforts are being made to build up the "posh," but otherwise useless younger generation Conservative Party leader David Cameron as a credible alternative, with polls claiming that Conservatives now have as much as a 13 point lead over Labour, with the third party Liberal Democrats trailing with just 14%. But it will be a lot easier to bring Brown down, than make a convincing prime minister of Cameron. As one commentator noted, "cross-dressing" is dominating British politics: Cameron claims to be the "true heir of Tony Blair," but has neither the "glazed donut" manic energy which possessed Blair, nor the shameless *chutzpah* of Margaret Thatcher in her prime.

British politics have fallen on hard times indeed.

London's Blair Pushes Post-Westphalia Chaos

by Jeffrey Steinberg and Mary Burdman

As President George Bush completes his eight-day "peace mission" to Southwest Asia, a powerful faction of the Anglo-Dutch, London-centered financial oligarchy, is working overtime, to destroy any prospect for peace and stability in Eurasia, by pursuing a doctrine that American analysts call "managed chaos." Ironically, a more precise identification of the policy was provided by former British Prime Minister Tony Blair, the man whom George Bush unilaterally imposed as the Middle East special envoy for the Quartet (the United States, Russia, the European Union, and the United Nations Secretary General), immediately upon Blair's departure from 10 Downing Street in the Summer of 2007. As British prime minister in 2004, Blair proclaimed that Britain's policy for the 21st Century was to use preventive war to establish a "post-Westphalian" world order, one in which the nation-state system ceases to exist, removing all obstacles to an unbridled oligarchical one-world empire.

At this moment, the British are plotting the breakup of key nation-states, as the trigger for their global permanent war/ permanent chaos scheme.

As reported last week in *EIR*, all evidence points to a British hand behind the Dec. 27 assassination of former Pakistani Prime Minister Benazir Bhutto. The goal of the Bhutto assassination? The breakup of Pakistan, along ethnic and tribal fault-lines, into separate Sindh, Baluchi, and Pushtun entities, in permanent conflict, spreading into an already destabilized Afghanistan, and raw material-rich Central Asia. The Pakistani/Afghan cockpit directly targets both China and Russia, which have a strong interest in the stability and development of Central Asia, as part of the larger Eurasian Land-Bridge process.

The British troop pullout from the Basra region has helped accelerate the breakup of Iraq into three ethnically cleansed entities—a Kurdish North, a Sunni West, and a Shi'ite South. Britain has long promoted a Greater Kurdistan scheme, aimed at breaking up Iraq, Iran, Syria, and Turkey.

Recent events in Kenya—like Iraq, a "former" British colony, and continued captive of the Commonwealth—underscore the global nature of London's post-Westphalia "managed chaos" agenda.

The very idea that President Bush professes to support a two-state solution to the Palestine-Israel conflict, yet at the same time, looks to post-Westphalian freak Tony Blair to implement the policy, once again betrays the President's discon-

nection from reality. If anyone finds the above characterization of Tony Blair far-fetched, read his own words below.

In His Own Words

Blair lectured Europe and the UN about the need for pre-emptive (or, "preventive") war and imperial reach, in a speech in Sedgefield, England on March 5. 2004. The address harkened back to Blair's 1999 speech in Chicago, when he advised the Clinton Administration that military interventions by the NATO powers could be justified anywhere, "even though we are not directly threatened." These excerpts are from the transcript provided by 10 Downing Street, the Prime Minister's office. Subheads have been added.

"The characterization of the threat is where the difference lies. Here is where I feel so passionately that we are in mortal danger of mistaking the nature of the new world in which we live.

"Everything about our world is changing: its economy, its technology, its culture, its way of living. If the 20th Century scripted our conventional way of thinking, the 21st Century is unconventional in almost every respect.

"So, for me, *before Sept. 11*, I was already reaching for a different philosophy in international relations from a traditional one that has held sway since the Treaty of Westphalia in 1648; namely, that a country's internal affairs are for it, and you don't interfere unless it threatens you, or breaches a treaty, or triggers an obligation of alliance. I did not consider Iraq fitted into this philosophy.… [emphasis added]

"Which brings me to the final point. It may well be that under international law as presently constituted, a regime can systematically brutalize and oppress its people and there is nothing anyone can do, when dialogue, diplomacy, and even sanctions fail, unless it comes within the definition of a humanitarian catastrophe (though the 300,000 remains in mass graves already found in Iraq might be thought by some to be something of a catastrophe). This may be the law, but should it be?

"We know now, if we didn't before, that our own self-interest is ultimately bound up with the fate of other nations. The doctrine of international community is no longer a vision of idealism. It is a practical recognition that just as within a country, citizens who are free, well educated, and prosperous tend to be responsible, to feel solidarity with a society in which they have a stake; so do nations that are free, democratic, and benefiting from economic progress, tend to be stable and solid partners in the advance of humankind. The best defense of our security lies in the spread of our values.

"But we cannot advance these values except within a framework that recognizes their universality. If it is a global threat, it needs a global response, based on global rules.

"The essence of a community is common rights and responsibilities. We have obligations in relation to each other. If we are threatened, we have a right to act.

"And we do not accept, in a community, that others have a right to oppress and brutalize their people. We value the freedom and dignity of the human race and each individual in it.

"Containment will not work in the face of the global threat that confronts us. The terrorists have no intention of being contained. The states that proliferate or acquire WMD illegally, are doing so precisely to avoid containment.

"Emphatically, I am not saying that every situation leads to military action. But we surely have a duty and a right to prevent the threat materializing; and we surely have a responsibility to act when a nation's people are subjected to a regime such as Saddam's. Otherwise, we are powerless to fight the aggression and injustice which over time puts at risk our security and way of life.

"Which brings us to how you make the rules and how you decide what is right or wrong in enforcing them. The UN Universal Declaration on Human Rights is a fine document. But it is strange [that] the United Nations is so reluctant to enforce them.

"I understand the worry the international community has over Iraq. It worries that the U.S. and its allies will, by sheer force of their military might, do whatever they want, unilaterally and without recourse to any rule-based code or doctrine.

"But our worry is that if the UN—because of a political disagreement in its Councils—is paralyzed, then a threat we believe is real will go unchallenged.…

'A New Type of War'

"Britain's role is try to find a way through this: to construct a consensus behind a broad agenda of justice and security and means of enforcing it.

"This agenda must be robust in tackling the security threat that this Islamic extremism poses; and fair to all peoples by promoting their human rights, wherever they are. It means tackling poverty in Africa and injustice in Palestine as well as being utterly resolute in opposition to terrorism as a way of achieving political goals. It means an entirely different, more just and more modern view of self-interest.

"It means reforming the United Nations so its Security Council represents 21st Century reality; and giving the UN the capability to act effectively as well as debate.

"It means getting the UN to understand that faced with the threats we have, we should do all we can to spread the values of freedom, democracy, the rule of law, religious tolerance, and justice for the oppressed, however painful for some nations that may be; but that at the same time, we wage war relentlessly on those who would exploit racial and religious division to bring catastrophe to the world.

"That is the struggle which engages us. It is a new type of war. It will rest on intelligence to a greater degree than ever before. It demands a different attitude to our own interests. It forces us to act even when so many comforts seem unaffected, and the threat so far off, if not illusory."