



Russia's New Rules

Description

RUSSIA: Russia is done with the West. The divorce is nearly complete. In the past few days we've heard from all major Russian leaders the same thing, "The West will play by our rules now."

You can decide for yourselves whether Russia is writing checks they can't cash, but in the words of Foreign Minister Sergei Lavrov telling the BBC bluntly, "We do not care about the eyes of the West." Lavrov has always been the soul of politeness and discretion when dealing with European media.

His open hostility towards his BBC interviewer was not only palpable, it was hard to argue with.

"I don't think there's even room for maneuver left anymore," Lavrov replied.

"Because both [Prime Minister Boris] Johnson and [Foreign Secretary Liz] Truss say publicly: 'We must defeat Russia, we must bring Russia to its knees. Go on, then, do it.'"

Russia's leadership never talks in such openly blunt terms. It's almost like Lavrov was channeling comedian Dennis Miller who used to say, "Feeling froggy, take that leap."

See where it gets you.

Russia knows it has the West on the ropes. We need what they produce and now they are determined to set the rules on who gets them and for what price. It knows that European leaders are puppets with Klaus Schwab's hand up their asses.

And it knows *Davos* has zero leverage over Russia's actions from here on out.

Which brings me to the statements linked above by Gazprom CEO Alexei Miller, speaking at a panel at the St. Petersburg Economic Investment Forum (SPEIF) who just put the situation in the starkest terms there is.

"The game of nominal value of money is over, as this system does not allow to control the

supply of resources. ...Our product, our rules. We don't play by the rules we didn't create."

Miller's statement should be thought of as a statement of principle across all theatres of operation for Russia. This doesn't just apply to natural gas or oil. This is everything, all of Russia's dealings with the West from here on out will be on its terms not the West's.

This is clearly the biggest geopolitical middle finger in the post WWII period.

Miller is clearly laying out the rules for a new, commodity-centric monetary system, one based on what Credit Suisse's Zoltan Poszar called 'outside money' — commodities, gold, even bitcoin — rather than the West's egregious use of 'inside money' — debt-based fiat and credit — to perpetuate old colonialist behavior well past its use-by date.

I laid out the basic problem in an article from March after Russia soft-pegged the ruble to gold.

Today's "Inside Money" standard, known colloquially as the Dollar Reserve standard, is actually what I like to call "Milton Friedman's Nightmare." It is nothing more than a system of competitively devalued and inflated debt-based scrips running around drinking each other's milkshakes until everyone's glass is empty.

Miller is definitely a glass full kinda guy now.

These comments came after Gazprom began cutting gas flows to Europe through the Nordstream 1 pipeline using the cover story of repaired gas turbines trapped in fascist Canada which couldn't be shipped back to Siemens because of sanctions.

Now Germany and Canada are trying to figure out how to circumvent the sanctions to get these turbines back.

At the same time Miller pledged more gas to China (up 67% yoy through May) because Russia is interested in energy stability for its friends, while its enemies can starve.

Reuters is reporting that "Russia's Gazprom **increased gas supplies to China by 67% in the first five months of this year**, the company's CEO Alexei Miller said on Thursday."

It was also on Wednesday that Russian President Vladimir Putin and Chinese President Xi Jinping held their second phone call since the Ukraine war began. Xi told Putin that China is **"willing to continue to offer mutual support (to Russia) on issues concerning core interests and major concerns such as sovereignty and security,"** as quoted in state broadcaster CCTV.

The arrogance of EU commissars never ceases to amaze me. These people all but declare war on Russia and then act shocked (Shocked, I say!) that Russia then treats them like that.

On the same day that four members of the EU Commission — France, Italy, Germany and Romania — approve fast-tracking Ukraine's membership application, France's Emmanuel Macron urges Ukrainian President Volodymyr Zelenskyy to go to the bargaining table with Russia.

Even if Zelenskyy were to make those overtures to Russia, given his public statements on what his terms are, there would be absolutely zero chance that Russia would agree to show up for talks.

At this point I see nothing more than Russia continuing to grind out the Ukrainian army, taking what territory they want and then shepherding through local elections by the conquered territory to either become independent states or part of Russia.

It's likely the latter at this point since Russia is now issuing Russian passports in regions they've taken from Ukraine, which the EU, of course, will refuse to honor until no one cares what they think anymore.

The rules are changing rapidly. Looking ahead there is a real danger that what Russia has set in motion leads to something no one wants to contemplate. Of course the West helped create this situation by forcing Putin's hand to invade Ukraine, so who's to blame about where this all leads to may, ultimately, be an irrelevant point.

Let's hope the noises coming from the West about the sanctions having gone too far and the chest-beating of the worst US and British neocons is no longer being taken seriously by anyone with their fingers anywhere near the launch codes.

If that's the case than these new rules will be grudgingly accepted only after a lot of borders have been redrawn, new alliances formed and a different world order established.

This morning at the President Putin declared the old world order dead. He finished his speech where he detailed how the West was committing suicide to suit the wishes of *The Davos Crowd* with the following definitive statement:

"Russia is entering the coming era as a powerful sovereign country. We will definitely use the enormous new opportunities that time opens up for us. And we will become even stronger."

Putin is correct here. Russia is getting stronger by the day. The West took their best shot at destroying Russia and missed the mark. He clearly identified the real culprits for Europe's and the US's problems, subservience to an oligarch class who feel entitled to rule the world.

When the war started I wrote about what I thought Putin's intentions were. Then it was speculation:

Russia held all the cards in the negotiations over Ukraine and we recklessly pursued a policy of insults and amateurish propaganda, refusing to believe Russia wouldn't make her final stand.

By putting boots on the ground, planes in the air and missiles up the ass of every Ukrainian

military installation across the country, Russia turned the 'might makes right' argument of the US and Europe on its head.

The game has changed because the rules have changed. It's no longer a game of rhetorical chicken and virtue signaling.

Today it is fact. When Putin made his move on Ukraine the ultimate goal was the end of Russia treating the West as an equal and leading the Global South out of what he has called "vassalage." The reason Putin is hated is because he realizes there are two types of countries, "sovereigns" and "vassals."

It's been his life's work to make Russia into a 'sovereign' state free from the West.

From Russia's perspective their military operation in Ukraine was their Declaration of Independence from the old 'rules-based order' of the post-WWII era. Justified or not, we are now in a new age.

The question is now, how many will survive into it.

by Tom Luongo

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1. Economy-Business-Fin/Invest
2. Main
3. Politics-Geopolitics-Gov.-Events

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