

crippled by those who have an agenda that wishes to see critical truths obscured. This is a perfect case. Somehow, western pundits as well as the western Oil companies who essentially own the White House are saying this war is Russia's fault; Georgia attacks and it is Russia's fault.

President George Bush went out of his way to back Georgian aggression when he told Russia that hitting support bases inside Georgia was unacceptable.

“I’m deeply concerned about the situation in Georgia,” Mr Bush said at the Olympics in Beijing. “The attacks are occurring in regions of Georgia far from the zone of conflict in South Ossetia. They mark a dangerous of escalation in the crisis.” - President Bush

Bush did not tell Georgia to call off its unprovoked attack into S. Ossetia but rather, he calls on Russia to respond in terms that cripples Russia's response and allows Georgia to continue the attacks. I have read many a news piece and opinion piece ***and almost every one omits the inconvenient fact that it was Georgia who attacked, Ossetia, not the the Russians.***

But this move by Georgia is in this analysts estimation a *major* blunder. There is no way Georgia can win militarily against Russia. Saaskashvili, who at home is seeing sagging support for his administration has chosen a course that now leaves him in total power in his capital as Martial law has been declared in Tbilisi after [protests ensued against his administration](#). But this will probably bring his eventual downfall.

The backdrop of this conflict is Russia and energy. Energy is going to be the most important issue Bush is clearly backing Georgia in this war. He hopes to encircle Russia with NATO states and military bases thus weakening Russia. The Georgian leader has made a very serious blunder if the US does not put troops on the ground and provide direct military support to Tbilisi. The US could not do that, even if it wanted to. The US has no real troops to send.

Frankly, this move is a move of desperation,

The construction of the Dzarikau-Tskhinvali gas pipeline, which costs more than 15 billion roubles [R], began in 2006. Its total length should be 163 km, including 92 km running on territory of North Ossetia. What makes this project unique is the fact that the gas pipeline will be laid across the Main Caucasian Ridge, in the mountainous region on complicated terrain, in the seismic zone. Some of its stretches will run at an altitude of more than 3,000 m above sea level. Specialists note that no other gas pipeline of this kind has ever been built in the world. In the words of Albert Dzhusoyev, general director of the general contractor company OAO [open joint- stock company] Stroyprogress, the pipeline "will become the world's highest."

The need to build this gas pipeline is connected with the fact that at present the unrecognized republic receives gas from Georgia via a branch of the Tbilisi-Kutaisi pipeline at about \$300 per 1,000 cubic meters. In addition, the price of this gas consists of the price paid by Georgia plus a margin for gas transportation and VAT [value-added tax]. Thanks to the launch of the new gas pipeline, Tskhinvali plans to receive the blue fuel at Russian domestic prices: \$40. It is planned that most of the construction work will be completed in 2008. - **Nezavisimaya Gazeta**

in this analysts opinion. Desperation by Saaskashvili as well as the US administration. American military power is waning and its ability over the next several years to maintain, let alone modernize its military will be very serious encumbered by its ongoing banking and financial crisis .

Russia knows the real aim of America as well as NATO's and is now 'explaining' the error of their ways in a demonstration of force that no one will likely forget. Georgia pulled the gun first but it will be Russia who is left standing after the gunfight at the Ossetian coral.

The Russians, according to some news reports are [bombing a key oil pipeline](#) that Georgia has benefited from. It is called the Baku-Tbilisi-Ceyhan Pipeline. When the Russians pick a target they mean it to make a statement. Who are the owners of the pipeline? The inset below will tell you. You see, it was a geopolitical imperative for the Western oil conglomerates to cut Russia out of this pipeline and use it as a means to extract oil from her 'near abroad' to the west. This was a clear slap in the face to Russia and her interests. Do you think the US would allow a pipeline to be strewn in on our borders by exclusively foreign companies, hostile to the US to export oil solely to our enemies? How do you think this administration would react to such a turn of events?

What Saaskashvili has done with his bumbling war is provide a perfect pretext for Russia to bomb it, and keep on bombing it until Georgia comes to heel. The message to Washington? 'Call off your mad dog Saaskashvili our you can kiss that pipeline goodbye

because we will send troops into the region as 'peacekeepers' who will never let it reopen and if it does, it will be with a brand new and fully updated energy 'price list'.

The Baku-Tbilisi-Ceyhan pipeline

is owned by a consortium of energy companies led by [BP](#) (formerly British Petroleum), the operator of the pipeline. The shareholders of the consortium are:

- [BP \(United Kingdom\)](#): 30.1%
- [State Oil Company of Azerbaijan \(SOCAR\) \(Azerbaijan\)](#): 25.00%
- [Chevron \(USA\)](#): 8.90%
- [StatoilHydro \(Norway\)](#): 8.71%
- [Türkiye Petrolleri Anonim Ortaklığı \(TPAO\) \(Turkey\)](#): 6.53%
- [Eni/Agip \(Italy\)](#): 5.00%
- [Total \(France\)](#): 5.0%
- [Itochu \(Japan\)](#): 3.4%
- [Inpex \(Japan\)](#): 2.50%
- [ConocoPhillips \(USA\)](#): 2.50%
- [Hess Corporation \(USA\)](#) 2.36%[\[13\]](#)

Source Wikipedia

What I am saying is that Ossetia would merely be a footnote and hardly worth fighting for except for one glaring fact.

Oil.

The simple fact is that this region is part of a key oil pipeline that Russia is building. The construction itself is no small engineering feat and and traverses the Caucus mountain range.

Georgia does not want Ossetia to fall into Russia sphere of influence. Ossetians clearly want some kind of autonomy and have for a long time and Georgia seems unwilling to let the Ossetians govern themselves and certainly don't want to Russians to do it.



Make no mistake about it, Georgia's attack on South Ossetia was brutal and left much of the capital in ruins and bodies strewn in the streets and has created a humanitarian catastrophe, with tens of thousands dead or injured. It was executed like a modern day blitzkrieg. This attack will not aid Georgia in its quest for peace in the region. For in effect, Saakashvili is acting as a surrogate for Washington, who was instrumental in the overthrow of Shevardnadze. Mr Shevardnadze has talked about it all (Washington's interference in Georgia) with a remarkable lack of malice. Even during his reign, Georgia was essentially reorienting towards the west. This was largely due to eroding living standards and corruption.

Shevardnadze's decade in power was notable for its corruption, its economic failure, and an unswerving pro-US orientation. According to a recent report of the US human rights organisation "Freedom House": "Corruption (in Georgia) is endemic and reaches all levels of government. Senior officials have been accused of embezzlement, smuggling, insider-dealing, and conflicts of interest. Customs and tax evasion is rampant. Business registration is hampered by bribery and an inefficient, corrupt bureaucracy, and organised crime preys on small business owners. The informal economy is estimated at 40/45% of the GDP."

For most Georgians, living standards have fallen over the last decade. Electricity became scarcer with every winter. Water shortages became a fact of life. Unemployment increased as enterprises were privatised and "restructured". Pensions were paid ever less frequently. As one press report lamely put it at the time of Shevardnadze's demise: "The country's economy never successfully made the transition from communist-style planning to a free market."

Such economic decline was all the more striking when set against the US

financial support received by Georgia during Shevardnadze's tenure of office: one and a half billion dollars over the past ten years, making Georgia one of the

Operation Brimstone

Carrier Strike Group Nine
USS Abraham Lincoln (CVN72) nuclear powered supercarrier
with its Carrier Air Wing Two
Destroyer Squadron Nine:
USS Mobile Bay (CG53) guided missile cruiser
USS Russell (DDG59) guided missile destroyer
USS Momsen (DDG92) guided missile destroyer
USS Shoup (DDG86) guided missile destroyer
USS Ford (FFG54) guided missile frigate
USS Ingraham (FFG61) guided missile frigate
USS Rodney M. Davis (FFG60) guided missile frigate
USS Curtts (FFG38) guided missile frigate
Plus one or more nuclear hunter-killer submarines

Peleliu Expeditionary Strike Group
USS Peleliu (LHA-5) a Tarawa-class amphibious assault carrier
USS Pearl Harbor (LSD52) assault ship
USS Dubuque (LPD8) assault ship/landing dock
USS Cape St. George (CG71) guided missile cruiser
USS Halsey (DDG97) guided missile destroyer
USS Benfold (DDG65) guided missile destroyer

Carrier Strike Group Two
USS Theodore Roosevelt (DVN71) nuclear powered supercarrier
with its Carrier Air Wing Eight
Destroyer Squadron 22
USS Monterey (CG61) guided missile cruiser
USS Mason (DDG87) guided missile destroyer
USS Nitze (DDG94) guided missile destroyer
USS Sullivans (DDG68) guided missile destroyer

USS Springfield (SSN761) nuclear powered hunter-killer submarine

IWO ESG ~ Iwo Jima Expeditionary Strike Group
USS Iwo Jima (LHD7) amphibious assault carrier
with its Amphibious Squadron Four
and with its 26th Marine Expeditionary Unit
USS San Antonio (LPD17) assault ship
USS Velia Gulf (CG72) guided missile cruiser
USS Ramage (DDG61) guided missile destroyer
USS Carter Hall (LSD50) assault ship
USS Roosevelt (DDG80) guided missile destroyer

USS Hartfore (SSN768) nuclear powered hunter-killer submarine

Carrier Strike Group Seven
USS Ronald Reagan (CVN76) nuclear powered supercarrier
with its Carrier Air Wing 14
Destroyer Squadron 7
USS Chancellorsville (CG62) guided missile cruiser
USS Howard (DDG83) guided missile destroyer
USS Gridley (DDG101) guided missile destroyer
USS Decatur (DDG73) guided missile destroyer
USS Thach (FFG43) guided missile frigate
USNS Rainier (T-AOE-7) fast combat support ship

highest recipients per capita of US aid. Much of the money went into the pockets of the corrupt clans who provided Shevardnadze with his power base.

Shevardnadze was slavish to his US benefactors. When Yeltsin wanted Shevardnadze to allow Russia to invade Chechnya from Georgia in 1999, Shevardnadze contacted the US administration to find out what his response should be. After September 11th Shevardnadze offered to host US troops in Georgia. In late 2001, at US bidding, Shevardnadze purged the top ranks of his security agencies and installed a more pro-US leadership. He also sought to secure Georgia's admission to NATO. - [Worker Liberty \(2003\)](#)

The hand of the US is clearly and perhaps understandably pushing for Georgian Admission into NATO. A move that would provoke Russia and surely bring about a most unwelcome response for both its government and people. Russia is no more going to allow a hostile military power on its periphery that the US will allow one on the Mexican border. The US is encouraging Georgia with the carrot of NATO membership and this, in my estimation, is really the source of the troubles in this region. NATO membership should be encouraged, but with important caveats that include

Russian participation in any future agreements. The US (and by extension NATO and the EU) need to be more accommodating to Russian interests in this region and cease

provoking the bear. I say this not as some kind of Russian apologist but one who sees how Russia is viewed and is being treated in the world today. Russia will remember this treatment and there *will be repayment* for what is being done. They will wait and see to it as painful as possible, she will not make any rash moves. She will wait until the fatally wounded eagle can no longer fly before moving at break neck speed to kill the bird that has caused her so much trouble. What form that takes is not clear now, but energy is one big card Russia has shown the willingness to use it in the past and as energy resources are set to become more scarce, it would behoove the EU (non US NATO members) to reel in the US and its use of the surrogate Georgia and not provoke Russia in such a violent and open manner.

Indeed, some Russian analysts believe that this latest move by Georgia was made at the insistence of the US in order to boost the GOP's presidential candidate in the upcoming elections. While I do not see this as being a *primary* reason for such an attack. Others with excellent credentials see Georgia's attack as being a diversion for a larger military stratagem involving Iran, where one of the largest military flotilla's ever assembled has only last week ended massive operations in the Persian Gulf (see inset above).

Geopolitical imperative

What we need to do to understand the situation in its entirety to comprehend why the US would want to encourage something so bold¹ and violent is to look at other factors that would contribute to such a move. Clearly a move to attack Iran as well as Russian interests (via Georgia) is an act of political and military desperation. From my admittedly humble perspective I see three major reasons why the neocons would embark on such a course. I will list them in no particular order of precedence.

1. Presidential Elections.

War will make an experienced politician look more favorable to an electorate that knows that it is inevitable. This scenario has been bantered about the web for some time, even by some of the more respect' think tanks around the world. It is widely viewed as a boost to the NeoCon John McCain. The key is that the US (and by extension its surrogate Georgia) must not be seen as the aggressor. Every pundit I have read in the Western Media is blaming Russia for the fact that Georgia's attacked. The oil money in the press is real and pervasive and why you won't hear who is really at fault for this war.

2. Oil

It is imperative that the US find sources of oil that does not have to be paid for.

¹ It is not clear that the US encouraged Georgia's invasion. What is clear is that Georgia has been emboldened by aspirations of NATO membership and the economic perks that go with it and closer ties to the EU.

The dollar is going to die. Everyone knows it. Even if its decline against other currencies is not as pronounced, its relationship to real goods and services is accelerating (inflation) and will not stop until the Fed stops bailing out the worlds major banks. This shows no signs of abating.

3. Fiscal Crisis.

The global fiscal crisis is not a joke and is going to intensify long before there is any real recovery. Major banks are going to fail, as well as at least one major Automaker and soon the US will be forced to give the FDIC a large cash injection to cover lost deposits. I suspect that many depositors, even those with far less than the 100,000 minimum will be left out in the cold. This crisis will severely weaken the US and its ability to wage war. It is 'now or never' to exercise the military option.

These factors are just part of the reasons why in the minds of our leadership, provoking an all out war with energy competitors may be on their list of 'things to do' before they leave office. Iran is the test case. Iraq's oil has been safely stolen for the time being and it cannot be that there is an oil producer outside of the middle east that is not a US client state. *Thus Spake the Neocons.*

But this will not go unopposed. Russia and China have more than adequate means at their disposal to counter these moves and while the two are also caught in tough energy competition, they are not about to allow the US to have its way in the Persian Gulf and as far as Russia's 'Near Abroad' is concerned, which includes Georgia, that is going to remain fully in their sphere of influence and military force will be used to ensure it.

The Other Oil War

I would be remiss if I told you that there is yet another oil war going on today. This oil war is not what you might think. There are no troops or battlefields. There are no generals and no orders of battle. This war is taking place in the realm of finance, oil borses and alleyway murders. This is the world of what I will only call the dark side of Commodity trading. What I am going to tell you now is not generally known and is an area that I will have to leave a lot of critical information out for good reasons. But here you will get a gist for why your oil prices soared over \$140 a barrel and are now falling and will probably fall under \$80 before years end. You see there has been a war going on. It is far more akin to a mob war than a real military conflict, but there have been several bodies that have turned up. Suffice it to say that for the sake of this brief

overview (where I must talk around what I really know) that you have three major forces with about a dozen players who control enormous amounts of capital, oil and natural gas traders and the much of the media as well as political, bureaucratic and administrative machinery needed to drive prices pretty much where they want them to go. These men are immensely powerful and have friends in the governments of major powers, their intelligence services as well as other necessary places that serves their personal financial interests. I want to stress 'personal' as this has far less to do with government policy or geopolitics that it does with sheer greed. These are the richest men in the world but whose names will never appear in the Forbes list of the super-wealthy. Some of these men are in reality just as powerful as their own governments because they have the power to control the leadership of the state and force policies on their own governments. Once again let me stress the word 'force'².

They have been waging a war in the markets. Most forces want to drive up the price of oil for profit. Others want to drive it down to prevent turmoil and political upheaval and also for their own purposes of future development. They see a trading range of \$80-100 as more palatable to their needs. They have been 'fighting' each other for several months now and as I said before, there have been many a body hit the deck in suspicious suicides and murders, car bombings and mob style hits.

Yet it is not 100% clear to this analyst as to why the prices have suddenly come down. Yet we must understand that some of the more powerful of these 'oil warriors' are intimately connected with the NeoCons and will, from time to time, bow to the political pressures at hand. Right now those powers want oil prices down considerably for the November elections. Previously, these forces were firmly behind the side that was attempting to drive *up* the price. Yet the elections may only be one reason, one thing these forces hate is publicity and oil trading and speculation was getting too much attention in the news and from regulators around the world. Perhaps they figured they made enough money for now... and they know that there is always later. Need I tell you that these forces control Obama? If so, let me tell you that these forces control Obama. It is not that these forces care which puppet gets in the White House, they will still get their way no matter which wooden-man with strings attached gets elected. But politically speaking, there is still a real need to keep up appearances and help out their fellow Republicans.

Thus oil and war, overt and covert are going on right now and only about 1% of the population is even aware that this is happening. I have to laugh when I read the financial publications of the day blaming oil prices on 'supply concerns' or the 'status of the

² Not military force, but with other equally persuasive tools.

strategic reserve' or 'tension with Iran'. These are only half the truth, if that. The real truth simply cannot be told in the MSM. It will *never* be. So when they don't know the truth, they simply make it up.

In closing I want to stress this. I am not on anyones side in any of these wars and if it appears that I have taken the Russian side in this, it is for good cause. Major powers have their spheres of influence the surest way to start a war is to violate those spheres. NATO is provoking Russia, plain and simple. It would be wise to remember that NATO requires US military power to make it a viable force and that the 'once great military power' of the US has been gutted by the war in Iraq. I cannot stress this enough, Our military readiness is in shambles. It is far, far worse than you will be able to divine from net. We can't do anything whatsoever about what Russia is doing. We have been *effectively* neutered. Let me says that again, our military readiness is far, far worse than you know (unless you are wearing stars on your uniform and work in the Pentagon). Our political leadership dare not tell you how thoroughly this administration has wrecked the US military.

It was the height of stupidity to provoke Russian now with ABM systems, new NATO bases, recognition of Kosovo and a surrogate state that starts wars on her periphery. Russia has been patient and bided her time up until now but this new conflict may see a much more aggressive Russia. One who may start to show she can be just as aggressive as NATO in pursuit of her interests. NATO and the EU would do well to count the real cost before provoking the Russians in such a way as to bring her wrath down on them and start something they cannot finish without much of eastern Europe trembling in fear of a Russia invasion and Energy prices for Europe that resemble the US national debt.

Russia will probably make the consequences for Georgia's actions so horrible that no other state or region inside Russia's sphere of influence will consider such a mistake again. Indeed, it is not beyond the pale of possibility that Russia plans a prolonged stay in Georgia, ostensibly to 'protect' both Ossetia and Abkhazia form Georgia and by extension the US and NATO, who have been busy training Georgian Troops. This conflict clearly shows the west the cost of the continued antagonizing of Russia and lays out new rules for those who wish to be used as US surrogates in the region. If the Russians were looking for a blunder by the west in the 'great game', they just found one. This is a new game and the rules have just been changed.

Russia has revealed that the time of diplomatic double-talk and covert subterfuge that she has endured is over. This is the hour of cold steel, rolling thunder and aerial bombardment. Georgia now knows it first hand. Her Air Force has been destroyed. Her

ground forces, such as remain intact and breathing, are in full retreat and the outskirts of her capital have been laid waste. Georgia and the west are still blaming Russia. I can't. Should a man walk into a cave and start slapping a sleeping bear? Whose fault is it when he gets mauled... or eaten alive?

Now, a whole new set of problems exist because if Russia finds concrete evidence that this specific attack³ by Georgia on South Ossetia was orchestrated from Washington, or Brussels. *There will be hell to pay.* I am talking about bombs, grenades, tanks and missiles not right away, but at the time of their choosing. This move was a blunder of the first order. It has made brute aggression and military force an acceptable tool to resolve the differences between Russia and NATO. Serious military conflicts between the two, are now much more likely. And those nations who joined NATO thinking they were safe, may find that NATO is not in a position militarily to challenge the Bear on the ground. A few weeks of hard fighting in winter will make much of Europe cold and dark and her energy hungry military running on fumes. It cannot be understated the strategic significance of Russia's oil stranglehold on the EU and it will get tighter if she, in her conflict with Georgia, takes control of the BTC-Pipeline. This is something that Putin (who almost ran Gazprom, as the current Russian President did) will certainly consider.

Oil men are fighting this war and it is not about Ossetian independence, of which Washington could care less.

It is about oil.

By,

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³ They have it, clear and incontrovertible but may not be willing to share it internationally.

