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Stories of power



Sources: The Rocket to the Moon

Growing confrontations in a world in systemic crisis

In February of this year, and simultaneously with the Russian invasion of Ukraine, the US government unleashed an information war proclaiming the immediate Russian defeat and denying any possibility of negotiating the conflict. These days this story is placing the pieces of a puzzle that inevitably leads to a confrontation between nuclear powers.

In recent times, senior officials of the US government, NATO and the Ukrainian government have presented nuclear war as possible, ignoring that the mutual destruction inherent in this form of war was the premise that made it possible to put limits on the arms

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race[1]. In the past week, decisive steps have been taken towards the naturalization of nuclear war and towards the emergence of a new phenomenon: "nuclear terrorism".

A few days ago, retired General David Petraeus, former head of the CIA[2], warned that Russia plans imminent operations in Ukraine "so vile and horrific" that they could motivate rapid and direct intervention by the United States and its allies in the conflict. This force could act "not as a NATO force, but as a US-led multinational force." [3] It would be, therefore, an intervention force tailored to the model used in the US invasion of Iraq. In parallel, an American television network reported that elite US Army troops stationed in Romania are training three kilometers from the border with Ukraine and waiting for the order to intervene in this country[4].

A few days later, the Russian defense minister contacted his counterparts in the United States, England, France and Turkey to warn them that Ukraine was preparing an imminent attack with a "dirty bomb" containing nuclear radioactivity. The Russian accusation was considered a false flag operation to escalate the conflict in Ukraine. The Russian government then raised the complaint to the United Nations Security Council and the ministers of China and India, characterizing the episode of "nuclear terrorism", which would be answered with all the force of Russia. Towards the end of the week, Ukraine announced the postponement for weather reasons of its offensive in the Kherson area, where the dirty bomb was supposed to explode. Another former head of the US Armed Forces[5] analyzed the military situation and highlighted the imminence of a Russian military triumph in Ukraine.

In this context, the US Ministry of Defense unveiled its new National Defense Strategy[6]. This reverses the nuclear policy followed for decades by different US governments: it rejects any limit on the use of nuclear weapons as a "first option" if US national security or that of its allies is threatened and even if the danger in question "is not of a nuclear nature". Although it does not define the latter, it is suggested that it is associated with the use of a non-nuclear technology that Russia and China possess and that the United States has not yet mastered: hypersonic weapons[7].

Thus, the country that in 1945 destroyed with a nuclear bomb a non-nuclear-armed adversary is now formulating a strategy that codifies the possibility of using nuclear weapons as a first option in the event of war. This demolishes the possibility of negotiating conflicts between nuclear powers and controlling the arms race, while enhancing the escalation of conflicts with unforeseeable outcomes. Paradoxically, the

Strategy also lays bare the weakness of a nuclear power challenged by the emergence of a new multipolar global order.

China: Technology and Military Escalation

The policy towards China helps to illuminate the relationship between the dynamics of military operations and an increasingly intense economic war. The ultimate goal is the control of strategic resources for the reproduction of a monopolistic global capitalism, which does not admit sovereign borders and which seeks to concentrate world power and resources in very few hands.

According to Antony Blinken, US Secretary of State, technology "is the central point of our foreign policy (...) We have to be the ones who (...) define the rules, norms and standards that govern the use of technologies. If we are not (...) someone else will do it and these rules will be defined in a way that will not reflect our values or our interests."[\[8\]](#) Central to this technological war is control of the production of high-tech semiconductors and the means to produce them. More than 80% of this production is concentrated on the island of Taiwan, which China has considered an integral part of its territory for decades. According to the current US Secretary of Commerce, the inability to access these chips will have catastrophic effects, including an immediate recession of the US economy and a risk to the national security of the United States and its allied countries[\[9\]](#). This risk could materialize if China blocks Taiwan navally, a precursor to an invasion of the island that, according to Admiral Michael Gilday, head of naval operations of the US Indo-Pacific Command, may occur in the course of this year or next[\[10\]](#). This hypothesis of conflict surpasses all previous ones and is for Gilday a consequence of the military reaction of the Chinese government after Nancy Pelosi's visit to Taiwan. Since then, the continued flow of senior U.S. officials to the island and increasing military funding to it have induced an increase in China's military operations in the region simulating an invasion. Faced with this diagnosis, the US government escalated the conflict by recently imposing severe restrictions on technological exports to China, both by US companies and foreign corporations that use US technology. The goal is to totally block China's advance in the production of artificial intelligence, supercomputers and weapons of war. This measure, defined as an act of economic war "of no return", was considered by the Chinese government as an unacceptable escalation[\[11\]](#).

The new restrictions on technological exports to China seek to complement the strategy of encouraging the production of chips in North American territory, promoted by a law (*Chips Act*) recently approved by Congress. One of the main objectives pursued is to

attract to the North American territory the corporations that produce semi-conductors in Taiwan. However, this contrasts with the opinion of the CEO of Taiwan's leading chip corporation, who warned the US government about the dangers of destroying the chip production complex in Taiwan and about the impossibility of rebuilding it in the United States.[\[12\]](#)

An invisible war: finance and dollar

Behind the intolerance of US foreign policy lies its hegemonic will in the context of a boiling systemic crisis, which has its "hard core" in a dangerously fragile US financial system dependent on the dollar's role as an international reserve currency. This role is threatened by the emergence of a new global order that aims to replace the dollar in commercial and financial transactions with local currencies anchored in *incommodities*.

The U.S. economy is suffering today from the highest inflation in forty years. The US Federal Reserve seeks to contain it with monetary tightening and interest rate increases. This pushes the economy into recession, while sales of longer-lived US Treasury bills accelerate and there is a growing lack of liquidity in this market, considered the most liquid in the world. This situation was recently highlighted by Janet Yellen, Secretary of the US Treasury, who expressed concern about the possibility of a rupture in the US Treasury bill market and its possible loss of liquidity[\[13\]](#).

A recent analysis by Bank of America (BofA) concludes that the bond market is so fragile that *ashock* can cause imbalances with unprecedented consequences for the financial system as a whole. According to this analysis, the *shock* can be produced by forced liquidations and/or a sudden external event. The first case includes the sales of investment funds and pension funds and the massive closure of positions with derivatives and other risk assets[\[14\]](#). In the second case, BofA analysts include an unfavorable result to the government in the upcoming November elections and to the interventions of the Japanese Central Bank in the financial market to support its currency[\[15\]](#).

Liquidity in the U.S. Treasury bill market is a decisive factor for U.S. and global financial stability. These bonds are considered the safest financial assets in the world, attract capital and allow financing the enormous US debt. It is estimated that today *70 trillion* dollars of debt are needed to maintain the economy[\[16\]](#) and that the gap between the growth of debt and that of the real economy is growing. Thus, rising interest rates not only risks imploding debt: it also hinders the possibility of financing production and consumption with more debt and discourages the purchase of US debt. Likewise, the monetary constraint that accompanies the increase in interest rates eliminates the Treasury as a buyer

of its own debt, a phenomenon that lubricated speculation and indebtedness after the 2008 crisis. Now, powerful buyers of Treasury bills, from Japanese pension funds and insurance corporations to foreign governments and U.S. commercial banks, are progressively disappearing from this market. This new context leads many to bet on the reinstatement of the policy of monetary fluidity (QE) at interest rates close to zero, which allowed the Fed to weather the crisis of 2018[17].

Likewise, recent sanctions against Russia, including the seizure of its international reserves in dollars and euros, have alerted several countries to the need to reduce their holdings of Treasury Bills. To this is added the aggravation of conflicts with countries that, such as China and Saudi Arabia, have vast reserves in US Treasury Bills and can get rid of them quickly, thus impacting the Treasury bill market and affecting the value of the dollar and its role as an international reserve currency.

In this way, little by little the events of a world in crisis will unravel the layers of a narrative of power that seeks to impose the hegemonic interests of a country that turns the dollar into a natural and eternal phenomenon.

Argentina: a story of power that has different faces

Days go by and the imprint of the IMF on the government's actions is becoming clearer. It can no longer be said that this floats adrift. The compass of the Minister of Economy points north, and acts accordingly. In the third week of October, real primary spending was 33.3% lower than the same week in September and 21.9% compared to a year ago. This is happening with runaway inflation, which is estimated to reach 100% by the end of the year. We are, therefore, facing a phenomenal adjustment that leaves the IMF happy and creates the illusion of a positioning before the "power factors". These, supposedly disheartened by the Macri hordes increasingly determined to set the country on fire as quickly as possible, would be available to try their luck. Thus, apparently different stories are converging towards a certain project of power. The social and political cost is, however, enormous.

Having harvested the "soybean dollars," which entered through one window and exited through the other, the most vulnerable of the country's poor are still waiting for the "soybean bond." Meanwhile, the "reinforcement" of food that the government promised to send in October to the canteens and picnic areas to alleviate the shortage has not yet materialized and two out of three families that attend them have incomes below indigence.[18] The Alimentary card, which attends a household with two children, amounts to 13,000 pesos today. If it maintained the purchasing power lost since it was

created, it would be 20,700 pesos. These simple indicators show the enormous social debt invisible to society and to a government that promised in the election campaign that "the last would be first." This forgetfulness is not only hunger for many: it is also a damage to the social fabric and the credibility of the political leadership. Moreover, this does not contribute to the social stability supposedly needed to reach the next elections, nor does it eliminate the possibility of a currency run. This lurks crouched and salivates waiting for the opportune moment to unleash itself.

In these days there is also hope for an increase at the end of the year to compensate for the deterioration in the incomes of formal wage earners. However, from official spheres it is bastardized and it is discussed whether it will be a one-time bonus or an increase to be incorporated into the salary. Meanwhile, some parity closes around levels close to compensating for the deterioration of wages and some leader, satisfied with the work done, maintains that "we must recognize that beyond the economic difficulties, the government lets the paritarias be free." Would the latter be unheard of on the part of a government that came to power with the popular vote?

For its part, the growing violence of Macri's discourse seeks to confuse and block reasoning with irrational impulses, fear and loss of hope. However, we are far from having reached that point. Today there are international conditions for the development of a national project and we must reflect to break the current fragmentation and constitute a platform in which different social sectors capable of promoting this project of national inclusion and integration converge.

The "power factors" prioritize exports and impose extractivism and technological dependence on both the countryside and industry. This model divides the labor market into a thousand pieces and enhances precarious work and informality and has as another side the concentration of economic and political power.

A national development project cannot be absorbed by such a model, which is increasingly based on clientelism, institutional mafia and bureaucracies in trade unions and political parties. Today's elections should not be an end in themselves. They are one more incident in a process of change that requires reflection and decision to confront, when necessary, something that does not seem to abound these days.

Notes:

[1] Monica Peralta Ramos, last notes in this medium.

[2] Former commander of multinational forces during the wars in Iraq and Afghanistan, active until 2011.

[3] rt.com, 22/10/2022.

[4] cbsnews.com, 21/10/2022.

[5] Colonel Douglas Macgregor, foreignaffairs.com,
10/24/2022; <https://www.youtube.com/watch?v=Co-xsyYccZQ>.

[6] bloomberg.com, 27/10/2022; zerohedge.com, 27/10/2022.

[7] Missiles and projectiles traveling at speeds between 5 and 25 times higher than sound (1.6 to 8 kilometers per second).

[8] Antony Blinken, state.gov, 10/17/2022.

[9] zerohedge.com, 24/10/2022.

[10] zerohedge.com, 21/10/2022.

[11] [bloomberg.com](https://www.bloomberg.com), 10/10/2022.

[12] ft.com, 23/10/2022.

[13] bloomberg.com, 12/10/2022.

[14] As happened recently in the London market, forcing an intervention of the Bank of England and leading to a political crisis that ended the leadership of the newly elected Prime Minister.

[15] marketwatch.com, 22/10/2022.

[16] zerohedge.com, 28/10/2022.

[17] bloomberg.com, 12/10/2022.

[18] ISEPCi in pagina12.com, 28/10/2022.

Source: <https://www.elcohetelaluna.com/relatos-del-poder/>

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