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Planet of Fear

By Pepe Escobar
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Facing the gleaming Doha skyline on a Persian Gulf winter carries the merit of a panoramic perspective. Most nations around it are going into melt down and the remaining ones – with the exception of Iran – exhibit neither the political leadership nor the economic and institutional infrastructure to do anything other than to meekly accept whatever tsunami hits their shores. They are nothing but scared spectators.

The Empire of Chaos has enough warmongering hardware pre-positioned within spitting distance to turn the whole of Southwest Asia into ashes – as a gaggle of usual suspects in the Beltway, neocon or neoliberalcon, still can't find a cure to their itching to "really win the next war" in a sort of exponential Shock and Awe.

Fear reigns supreme. Jim Rickards, the author of *Currency Wars*, economist and CIA asset, has just released a new book, *The Big Drop*, with a pretty grim message. For his part Jim Rogers, a.k.a. the "Sage of Singapore," most of the time China-bound informing the Chinese elite where to place their investments, holds on to a nuanced perspective on the West blaming all the current global economy turmoil on China.

According to Rogers, yes, China is slowing. But mostly the world is doing so. Japan, one of China's largest trading partners is officially in recession. Much of Europe is worse. The US stock market was down in 2015 while the Chinese stock market was one of the strongest in the world.

Rogers adds, things are going to get worse worldwide so everyone will suffer and is to 'blame'. The original source is the US Federal Reserve and its ludicrous, artificial interest rates caused by massive money printing which the world has copied. Throw in staggering debt increases by the US government [which the world has also copied] and there will soon be hell to pay.

So no wonder apocalyptic war rumors are the new normal – even as old timers boost their case for *only* a "good old-fashioned world war", as if nuclear exchanges wouldn't be part of the equation. A few sound minds in the Atlanticist axis worry that if Il Duce Trump wins the next US presidential election, that translates into guaranteed bankruptcy for the US, and – what else – war if Il Trumpissimo implements half of what he's boasting about.

Short all the oil you can

The Davos annual talkfest is about to begin; that's one of those occasions when the Masters of the Universe – who usually decide everything behind closed doors – send their minions to debate the future of their holdings. The current debate centers on whether we are still in the midst of the Third – digitalized – Industrial Revolution and the Internet of Things or whether we're already entering the Fourth.

In the real world though all the cackle is about the age of old-fashioned oil. Which brings us to the myriad effects of the cheap oil strategy deployed by the House of Saud under Washington's command.

Persian Gulf traders, off the record, are adamant that there is no longer any real global oil surplus of consequence as all shut-in oil has been dumped on the market based on that Washington command.

Petroleum Intelligence Weekly estimates the surplus is at a maximum 2.2 million a day, plus 600,000 barrels a day coming from Iran later this year. The US consumption of oil – at 19,840,000 barrels a day, 20% of world production – has not increased; it's the other 80% that have been mostly absorbing the dumped oil.

Some key Persian Gulf traders are adamant that oil should be surging by the second half of 2016. That explains why Russia is not panicking with oil plunging towards \$30 a barrel. Moscow is very much aware of the «partners» that are carrying oil market manipulation against Russia, and at the same time is anticipating this won't last too long.

That explains why Russia's Deputy Finance Minister Maxim Oreshkin issued a sort of «keep calm and carry on» message; he expects oil prices to remain in the \$40-60 range for at least the next seven years, and Russia can live with that.

The Masters of the Universe – just like the Russians – have realized their oil manipulation cannot last. Hysteria, predictably, took over. That's why they ordered major Wall Street firms to short oil using cash settlement. Compliant US corporate media was ordered to spin the shortfalls will last forever. The target is to drive down the price of a barrel of oil to \$7 if possible.

The original Masters of the Universe strategy would eventually lead to regime change in Russia and the usual oligarch suspects back in the saddle re-conducting the massive looting operation Russia suffered during the 1990s.

A fearful House of Saud is a mere pawn in this strategy. Assuming the plan would work, the House of Saud under – virtually demented – King Salman, now confined to a room in his Riyadh palace, would also be regime-changed, via Saudi military officers trained in the West and recruited by Western agents. As a bonus, the Islamic Republic of Iran would also collapse, with «moderates» (rebels?) taking control.

So the Masters of the Universe strategy essentially boils down to regime-change in Russia, Iran and Saudi Arabia, leading to Exceptionalist-friendly elites/vassals; in sum, the ultimate chapter in the global Resource Wars. Yet what this is yielding so far is the House of Saud having absolutely no clue of what may happen to them; Riyadh royals may think that they are undermining both Iran and Russia, but in the end they may be only accelerating their own demise.

Losing my religion

In Europe, it's as if we're back to 1977 when The Stranglers sang “No More Heroes.” Now, no more heroes and no more ideals. Even as some of European youth's best and brightest have tried to fight the immense violence of neoliberalism, via alter-globalization, the poorest among the young are now mired in violence and suicidal nihilism – extreme Wahhabism which they've learned online. Yet this has nothing to do with Islam, and it's not a war of religion, as myriad extreme-right parties across Europe routinely insist.

All across the spectrum, driven by fear, the toxic mix of political and economic instability continues to spread, leading quite a few insiders to wonder whether both the Fed and the Politburo Standing Committee in Beijing don't really know what's happening.

And that once again feeds the warmongering hordes, for which that «good old-fashioned world war» is the easiest ticket out. Cancel all the old debt; issue loads of new debt; turn ploughshares

and iPhones into cannons. And after a little thermonuclear exchange, welcome to full employment and a new (waste)land of opportunity.

It's in this context that, under the volcano, surfaces an essay by Guido Preparata, an Italian-American political economist now based as a scholar in the Vatican. In *The Political Economy of Hyper-Modernity*, soon to appear in an anthology published by Palgrave/Macmillan, Preparata offers an account of the last 70 years of US/international monetary dynamics/history by using a single indicator: the overall US balance of payments – which has not been released since 1975.

Yet the most important conclusion in the essay seems to be that the neoliberal engine, which has had to run mostly on domestic fuel, has shown... appreciable resilience. The US Treasury and the Federal Reserve, together managed to erect a wall of money.

And yet US technocrats seem to have grown disillusioned with the neoliberal machine. So, “as a momentous alternative, the technocrats have called for some kind of ‘global rebalancing’.” The US-led system “seems to be transitioning to a neo-mercantilist regime.” And the answer is the TPP (The Trans-Pacific Partnership) and the TTIP (The Transatlantic Trade and Investment Partnership) trade agreements that, together, will place the United States at the center of an open trade zone representing around two-thirds of global economic output.

This would imply, ultimately, a sort of Make Trade, Not War endgame. So why so much fear? That's because in the internal battle raging among the Masters of the Universe, the freewheeling neoliberalcons have not yet imprinted the last word. So beware the Falcons of War.