

GLOBALIZATION AND TERROR :

the twin fundamental policy strands of Western Bloc imperialism in decline

by toni solo

Introduction

Ever since Condoleezza Rice infamously described the attacks on New York and Washington in September 2001 as “an opportunity”, the question of the relationship between corporate globalization and terror has been a key to understanding contemporary history. The Western Bloc countries – The United States, Canada, the NATO-member countries of the European Union, and Pacific allies like Japan and Australia – have all capitalised massively on their historical domination of economically vulnerable countries around the world, almost all of them former colonies. As Western Bloc countries' economic power diminishes, they find themselves competing more and more for markets as well as finite natural resources and raw materials with rivals like Brazil, Russia, India and China.

It is a curious coincidence that the Western Bloc “war on terror” has been exploited so ruthlessly at the same time as Western Bloc economic power has begun to decline notably relative to recently emerged rivals. Russia, Venezuela and Iran seem to be forming a powerful global partnership based largely on their deep shared mistrust of Western Bloc country motives. Countries like Brazil and South Africa, ruled by nationalist elites perhaps more sympathetic to the Western Bloc than to China and Russia, manage their interests in a way that might be termed discreetly non-aligned.

The articles that follow were prompted by the coincidence between Western Bloc country decline and the dramatic spike in Western Bloc country militarist aggression, against Afghanistan, Iraq, Iran, Lebanon, Pakistan, Russia, Somalia, Sudan, and Venezuela. Some of this aggression is direct. Some is via proxies. The common threads are the sadistic recklessness applied to execute the aggression and the cynical hypocrisy used to justify it.

These articles do no more than sketch a few characteristics of this coincidence between the Western Bloc relative decline and its member countries' response to that decline. Corporate globalization and the militarist aggression of the “war on terror” are inseparable twins. Imperialist free trade agreements have been the economic and trade accompaniment to “do what we want - or else” militarism.

The financial crisis of autumn 2008 almost certainly signals an intensification both of militarist aggression and of futile efforts to prolong historical patterns of domination. Western Bloc targets like Russia, Iran and Venezuela realize very well that only by combining can they expect to defend themselves against Western Bloc country aggression. That aggression will intensify along with the global economic crisis.

Globalization and terror

(September 2006)

The bomb attacks in Madrid in 2004 and London in 2005 raised the issue of racism especially starkly for politicians in Europe as well as for their North American and Pacific allies. No matter how they spin it, the fundamental question they face is whether they value people's lives on racist criteria or not. The record of their responses to terror attacks by the US government and its allies weakens their condemnations of such attacks against civilians in the US and Europe.

Those politicians have never been able to explain away their implementation of life-taking sanctions and bombardment through the 1990s against the civilian population of Iraq. Nor have they explained adequately their failure to act against decades of murderous attacks on civilians by Israel in the Occupied Territories and Lebanon. It is impossible to justify their own life-taking sanctions against the Palestinians. Nor can they legitimately excuse murderous attacks on civilians by their own and allied forces in Haiti, Iraq and Afghanistan.

Cuba, Nicaragua, Angola, Mozambique

Official responses to terror attacks and alleged bomb plots as well as the echoes of those responses in the corporate media are as interesting for what they omit as for what they say. Cuba has suffered attacks from US protected terrorists for decades. When the United States government was condemned by the International Court of Justice in 1986 for promoting terror attacks against Nicaragua, the silence on the part of European and other US allied governments was shameful. The clear impression one got at the time was that terror attacks paid for and facilitated by the United States government were acceptable to US allied governments because they happened in a tiny, far away, country unreasonably resisting US power.

A similar attitude characterised responses to the terror wars waged by South Africa's apartheid regime against Mozambique and Angola. In all these countries, attacks on public transport, on clinics, on schools, on farm cooperatives, by terrorists supported by the United States and its allies were routine. In Nicaragua, typical incidents included a couple of attacks - among hundreds of others - on buses in the rural areas of San Juan de Limay and San Jose de Bocay, killing over thirty civilians in each case and wounding dozens more. The US government paid for the explosives and trained the perpetrators. Margaret Thatcher and her colleagues cheered them on.

Unequal even in death

Since such attacks have begun to occur recently in Europe, the responses of governments have been both repressive and obtuse. In evading the question of racism, recent pronouncements by British government officials actually put it more sharply than ever. Do these officials think the lives of the victims of their government's policies are worth less than the lives of their own citizens?

Is a Palestinian or Lebanese child murdered by Israeli settlers or troops worth less than a child who dies in London in a bomb attack? Is an Iraqi or Afghan woman murdered by a US bomber worth less than a woman blown up on the London Underground? Perhaps the question appears absurd. In a sane world it would be. But if those lives are of equal worth, why does British government policy - and by extension the policies of all US allied governments - not reflect that?

This very issue prompted a letter by three British Muslim MPs to Tony Blair that has provoked a strong counterattack from the British government. British government ministers and their officials do not, in fact, seem to think those lives are of equal worth. This is clear from the long-standing and still current policies of the Blair government and those of its allies. Faced with those policies, their opponents in Iraq, Afghanistan, Palestine and Lebanon are entitled to dismiss US-UK axis appeals to long established moral and political norms as hypocritical and worthless.

By their very nature, those norms apply to everyone or, if not, then to no one. Given the general tendency of the Bush and Blair governments to trash fundamental humanitarian and human rights standards, the way Blair's officials try to spin responses to bomb attacks and alleged bombing plots is instructive. The tangled propaganda web they weave seems more and more to be an integral move in the great corporate globalization scam.

“Billy Liar” - Whitehall set text

Lately, the main front on which Blair government officials have attacked has been against accusations making the self-evident link between government foreign policy and terror bombings. A report in the London Observer of August 13th quoted Foreign Office Minister Kim Howells - "The accusations were 'facile' and 'dangerous', he said. 'I have no doubt that there are many issues which incite people to loathe government policies - but not to strap explosives to themselves and go out and murder innocent people.' ”

But what if those government policies themselves mean training, supplying and paying military personnel to "go out and murder innocent people" in Iraq and Afghanistan or if they give support to governments like that of Israel who "go out and murder innocent people"? It is implausible to think such policies might not invite reprisals of one kind or another, including vicious bomb attacks. Still, Blair's spokespersons mechanically blurt out the unchanging script. Whether from Howells or from malignant hoods like Home Secretary John Reid or from unconvincing, time-serving consiglieri like Margaret Beckett, the line seldom varies.

Critics of government are said to be "foolish". Suggesting a link between government policies and terrorist reprisals is "dangerous". A key part of the propaganda offensive is to try and shift the focus back beyond the invasion of Iraq even though no bombings in Europe involving massive loss of life like those in London and Madrid had happened for many years before the watershed event of the second Iraq war. The same Observer report quoted Beckett urging on the BBC, "Let's put the blame where it belongs: with people who wantonly want to take innocent lives.'

Few will disagree with that. Step forward George W. Bush, Tony Blair and the clutch of war criminals in their respective Cabinets responsible for wanton illegal aggression against the people of Iraq. One might leave it there, since things seem bad enough already given the criminal irresponsibility and recklessness towards human life of the governments concerned.

Does globalization require terror?

But things are probably much worse even than they appear at first glance. If one stops to ask why things should be as they are, one has to consider why these leaders and their governments are pursuing policies against the interests of their own peoples. The inherently racist double standard, the determination to instill fear, the refusal to engage criticism rationally, all indicate a deeply entrenched, radically anti-democratic narcissism.

A partial answer to the puzzle may be that the bogus "war on terror" is looking ever more like globalization's strategic twin. What is billed as the "war on terror", sired by the "war on drugs" out of "the communist menace", looks far more plausible when interpreted as a fight to enforce injustice – a "war on the poor" to keep them in their place. Corporate globalization does entail wholesale injustice, as all the auxiliary machinery of bilateral trade and aid trickery, debt extortion and "democratic" elections (optional in many cases) backed up by terrifying military power, makes so very clear.

The empire and its agents get to plunder resource-rich countries through political chicanery and terror, supported by palliative measures to patch up the bewildered victims. Equitable global economic policies would end the current privileged position of North America, Europe and their Pacific allies. If the World Trade Organization is now moribund, it is because those countries refuse to negotiate a fair deal with the rest of the world. But long before the most recent WTO debacle, they had already begun to pick off their victims one by one so as to get their way piecemeal instead of at one go.

The Israeli microcosm

In this they are following Israel faithfully. International tolerance of Israeli crimes against the Palestinians seems to be based on both envy and fear. The US government and its allies appear to envy Israel's colonialist settler State because it embodies what they want to do to the rest of the world. A racist entity grabs resources from a vulnerable population using unrestrained military force and bogus legality. At the same time it projects itself as "the region's only democracy", basing its political and economic practice on systematic injustice and discrimination against the people it has dispossessed. All of this is globalization in a nutshell.

But at the same time, the imperialist political networks fear the Israeli example because ultimately, like their own, Israeli power and privilege is based on the threat of nuclear weapons. What is that threat if it is not a terrorist threat - "do what we want - or else"? This is the relationship that subsists between Israel and the imperialist drive towards corporate globalization. Israel's defeat in Lebanon this summer at the hands of Hizbollah has brought that relationship into much sharper focus.

The infamous imperialist double standard becomes progressively more glaring as it becomes harder to apply. The equation of a nod's-as-good-as-a-wink law for the US and its allies, versus vicious sanctions plus shock-and-awe firestorms and depleted uranium munitions for everyone else, is breaking down. That probably means the agreed international settlement based on the 1948 UN Declaration of Human Rights is finished, since it can no longer be distorted to serve the purposes of empire. If it is done for, the fundamental reason will have been the refusal of the United States government and its European and Pacific allies to implement it in good faith.

Beyond terror - justice

In any case, time is against those traditional world powers. Latin America provides a good example of wider international trends confounding their imperialist project. For the moment, Latin America's drive towards integration as a powerful regional bloc has been stalled by Alan Garcia's dodgy electoral victory in Peru and Alvaro Uribe's narco-terror enforced electoral win in Colombia. Throughout the region the US government and its allies are fomenting crisis to try and stem their steady loss of influence and power.

The current crisis in Mexico is a clear example of this. Whereas the US and its allies vigorously condemned the rigged election in the Ukraine, in Mexico they are tacitly supporting their Mexican clients' electoral putsch to deny opposition leader Lopez Obrador his legitimate victory. Why? Because Lopez Obrador rejects the corporate globalizing agenda promoted by the US government and its European and Pacific allies.

But the disenfranchised majority in Mexico are unlikely to accept quietly an illegitimate government imposed by the local imperial clients. The Mexican ruling class may well have to resort to wholesale repression with an uncertain outcome if they want to suppress popular rejection of their coup d'etat. Whatever happens in Mexico, results in upcoming elections in Brazil, Ecuador, Nicaragua and Venezuela are very likely to deepen the developing crisis of the imperialist corporate globalization project in Latin America.

George W. Bush, Tony Blair and their allies represent an *ancien régime* desperately trying to preserve its privileges and power. To do so they are ignoring long standing international agreements and norms based on generations of accumulated experience and wisdom. To get what they want, they apply their customary sadism to hurt recalcitrant but vulnerable populations. Confronted with setbacks as in Lebanon, they deploy their usual hypocrisy to explain it all away.

Incapable of acknowledging the possible rightness of another rationality - a rationality based, not like theirs, on terror, but on justice - they are determined to drag humanity through one catastrophe after another. So maybe the war on terror is a real one, after all. Its main fronts are resistance to corporate globalization, defence of the legitimate rights of peoples, and re-affirmation of international humanitarian and human rights standards against the renegade war-mongers in Washington and London and their allies.

Virtual colonialism

(September 2006)

At the recent Labour Party conference in Britain, Tony Blair led a one minute standing ovation for Home Secretary John Reid for a speech in which Reid declared "And let's be clear. It cannot be right that the rights of individual suspected terrorist be placed above the rights, life and limb of the British people. It's wrong. Full stop. No ifs, no buts. It's just plain wrong."

This is the same logic he inherited from his predecessor Charles Clarke which led to the killing of the innocent Brazilian "terrorist suspect" Charles de Menezes. It explains the subsequent return to duty of the police officers who shot him dead. An officer responsible for the botched operation was recently promoted.

Likewise, Reid's spurious desire to look tough is probably why the individuals accused of the recent alleged plot to blow up passenger airliners were arrested on evidence probably elicited under torture from detainees interrogated by the security forces in Pakistan. New Labour gave a standing ovation to Reid's justification for such cynical folly. But it does nothing to protect people in Britain.

Reid's factitious bombast serves principally to cover up New Labour's foreign policy failures and its pathetic subservience to the Bush regime in Washington. It is hard to know how to begin an analysis of the self-evident contradictions and implicit abandonment of generally accepted international legal standards by New Labour in Britain. One might note that Tony Blair's sacred "British way of life" is now defunct.

Reid's declaration implicitly trashes protections for individuals accused of terrorism by abandoning fundamental principles that previously forced governments to deal with facts rather than their own feverish inventions. In New Labour Britain, people travelling by air now have to be wary of tubes of toothpaste and bottles of water. Or one might concur with observers who have pointed out that Pakistan is exactly the kind of tyrannical nuclear rogue state dictatorship the "war on terror" might be expected to target.

But perhaps a better place to start is to put the "war on terror" hypocrisy of Tony Blair and George Bush in context. 30 years ago this month a Cuban airliner was blown out of the sky by a terrorist bomb killing 73 passengers and crew shortly after taking off from the Venezuelan capital Caracas. Most of the victims were young athletes returning from a sporting event in Venezuela or students going to Havana for medical training.

Among the people responsible for that mass murder is an individual with a long record of involvement in terrorism, Luis Posada Carriles. Posada Carriles is currently in detention in the US for an immigration offence. The US government has ignored requests for Posada Carriles' extradition from the Venezuelan government. The Bush administration's refusal to extradite Posada Carriles to Venezuela is a gross breach of the Montreal Convention for the Suppression of Unlawful Acts Against the Safety of Civil Aviation.

But Posada Carriles has long been a protected accomplice of the United States intelligence services. The contrast between US behaviour in this case and that of the Lockerbie bombing is instructive. Following the Lockerbie atrocity, the US and Britain put pressure on the government of Libya's President Ghadaffi. In that case the British authorities, backed strongly by the US government, found it convenient to invoke the Montreal Convention.

But in the case of Posada Carriles, the Convention poses a problem for the US and its allies since Posada is a protege of the US government. The Bush regime itself has persistently intervened to undermine the government of Venezuela's President Chavez. The case indicates very clearly that the "war on terror" is an opportunistic motif manipulated at will by the US and its allies for political purposes.

Posada Carriles escaped from prison in Venezuela, while the authorities there at the time looked the other way. He then worked for the CIA in El Salvador. There, he helped organize the terrorist Contra war against Nicaragua for which the US government was condemned by the International Court of Justice in 1986.

Before his detention by the Venezuelan authorities he worked for the Venezuelan security police DISIP and was notorious for torturing detainees during interrogation. Information uncovered in the 30 years since the Cuban airliner was destroyed demonstrates clearly that the government of Carlos Andres Perez may well have been an accomplice to the crime as well as to Posada Carriles' escape from prison. Perez is in exile in disgrace in Miami from where he has called with impunity for the assassination of President Hugo Chavez.

Another indication of the falsity of the "war on terror" was the recent refusal by the British government to receive 9 British residents currently held by the US government in Guantanamo. The US knows it has no case against them and wants to unload the men onto the British. The British reject the terms the US authorities are demanding. British Home Office head of counter-terrorism William Nye was reported as saying the Guantanamo detainees "do not pose a sufficient threat to justify the devotion of the high level of resources" (2) that the US government wants.

In other words, there is no case against the men. The British regard them as of little or no risk in the "war on terror". While the US and British bureaucrats shift around at their desks, the men remain subject to cruel, inhuman and degrading treatment in Guantanamo. Both countries are in breach of their obligations under the relevant international conventions on the treatment of such detainees and on torture.

Guantanamo as a propaganda symbol of the Bush regime's "war on terror" has become a liability. Even its self-evident usefulness as a training ground for US torturers in readiness for other Guantanos on the US mainland and elsewhere no longer compensates for the stigma it has earned the US system of government and of justice. Both Guantanamo and the case of Posada Carriles are instances of the wider malignancy of US and allied policy for which the "war on terror" is the general pretext.

The obvious underlying logic to the deployment and manipulation of the "war on terror" motif is to justify injustice. This is apparent whether one is dealing with repressive domestic anti-civil rights and anti-immigrant legislation or with the various rationales for corporate globalization. The world leaders promoting globalization know their espousal of injustice and aggression is intolerable for the impoverished majority, their victims.

It represents a deliberate negation of the achievements of the anti-colonialist movements of the last century and of the UN Charter and Universal Declaration of Human Rights. In order to sustain the re-colonization of the resources they are accustomed to control without hindrance, the United States and its European and Pacific allies have decided to try and roll back the development of international law and institutions painstakingly worked out since the Nuremburg trials.

They have hit on the motifs of "globalization" and the "war on terror" as twin strands of a kind of virtual colonialism. One can see it. It has real effects. It achieves its purpose of enriching a tiny global elite at the expense of the interests of the overwhelming majority.

But when one moves to touch it, to pin it down, it mutates into a plethora of public relations images. The images range from the apparently benign "development cooperation" (we'll help you if do what we say) through "trade talks" (do what we say not what we do) to the pernicious monstrosity of the "war on terror" (do what we say - or else).

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The O'Loan report (January 2007)

Nuala O'Loan's recent report on UK government security forces' collusion with Loyalist death squads in the north of Ireland points up various historical reminders of relevance now as the Bush regime, supported by its European and Pacific allies, ratchets up conflict with Iran. The distance to travel is not great in terms of either geography or time and the reminders show that imperialism's ideological rationale and practice hardly change from one century to the next. The UN forces' Christmas massacre in Cite Soleil in Haiti (1), the almost daily murders by Israeli occupation troops in Palestine, the horrific reckless killings and outright mass murder by US and allied forces in Iraq, Afghanistan and now Somalia too, all follow the same imperialist logic.

O'Loan's report dealt with a string of up to fifteen murders carried out by Loyalist death squads with the knowledge and collusion of the Royal Ulster Constabulary's Special Branch. On the one hand, her report confirms in more detail UK government forces' collusion in terror that had been common knowledge from at least as long ago as the arrest in 1990 of British double-agent Brian Nelson, jailed subsequently in 1992 for his role in conspiring to commit five murders in the 1980s.(2) On the other hand, the report leaves open the extent of the collusion, noting, that "up to six officers at the level of assistant chief constable or detective chief superintendent in the Special Branch refused to cooperate. They either did not reply to requests for interviews or their lawyers sent letters on their behalf refusing to take part." (3)

As Irish opposition leader Enda Kenny said of the RUC, given the "shocking and appalling culture of collusion and illegality....one could only wonder what other unacceptable practices remain hidden from the public." (4) Still, Prime Minister Blair's proconsul in Ireland, Peter Hain, may well be right when he observes in his official statement, "As the Report acknowledges, policing in Northern Ireland has changed radically since the Patten reforms were implemented and new robust systems are in place to ensure that the failures of the past will not and cannot be repeated." Hain's statement offers stone-cold comfort to the families of murdered human rights defenders Pat Finucane and Rosemary Nelson and the relatives of the numerous other victims of terror promoted by agents of the British government.

Old colonial spots - EU unchanged

In Ireland and the United Kingdom now, all mainstream political options are New Labour - the logic of corporate consumer capitalism has levelled differences to the point where all the British and Irish political parties strain to offer varieties of corporate capitalism with a human face. Europe's political leadership in general pretends that their countries' prosperity is not sustained at the expense of the world's poor majority through the gross injustice of current international debt, trade and aid arrangements. In Ireland, Sinn Fein has been co-opted by Europe's dominant centrist-social democrat political ideology. The colonial apparatus of repression deployed against them through the Seventies, Eighties and Nineties has long been redundant.

The colonialist death squad machinery of terror, its operatives and managerial staff have shifted to Iraq, Afghanistan and the bogus "war on terror", dismissed recently as a fiction even by Britain's Director of Public Prosecutions, a lonely voice of dissent from the official line by a public functionary.(5) Samir Amin is certainly right when he notes(6) that most people in Europe believe, falsely, that their prosperity is based overwhelmingly on the inherent superiority and efficiency of their economic system. They tend to forget their good fortune is principally the unjust inheritance of wealth and advantage resulting from centuries of vicious criminal pillage to which Europe subjected the peoples of its occupied colonial territories.

Amin also observes Europe is not "in any shape to end up being an alternative to US hegemony.....they have instead reinforced Atlanticism and alignment with Nato and liberal socialism. There is no other Europe in sight. And in that sense, Europe does not exist : the European project is simply the European face of the North American project." European Union governments support the criminal US economic blockades against Cuba and now Palestine. They support the colonialist occupation of the Palestinian territories, of Afghanistan and Haiti, of Iraq and collude either actively or by default in helping the Bush regime develop bogus pretexts for conflict with Iran.

They do so because they have neither the domestic political support nor the military might to do the heavy lifting dirty work their collusion in corporate globalization's imperialist project requires. Domestically, they deliver the kinds of social benefits their populations demand. Overseas they follow long-standing double standards exemplified most clearly in Europe by left-wing political parties sieved over decades through the filters of consumer capitalism. Amin recalls the old Socialist Party in Italy. He might have referred to the even more cynical example of the left wing parties in France, whose dismal record current socialist presidential candidate Ségolène Royal is unlikely to enhance.

From Algeria to "extraordinary rendition"

As Youssef Girard recalls in a recent article on the Popular Front government of the 1930s (7) : "Beyond that social policy on behalf of the proletariat and subaltern classes in the hexagon, people almost never refer to the Popular Front policy in regard to France's colonised peoples in an era when the French empire stretched across four continents. Did that policy show significant advances in the struggle of colonised peoples for emancipation or did it rather define the continuation of the policy of conservative governments?"

Girard answers his own question by noting that among the first acts of the Popular Front elected to power in France in 1936 was the banning of the Algerian "Etoile Nord" independence movement in January 1937. That shameful capitulation to French colonialist practice was compounded just twenty years later when the French Communist Party supported the vote granting "special powers" to the French army in Algeria, institutionalizing death squads, terror and torture not just throughout Algeria but implicitly allowing those terror practices to become commonplace in France itself.

One should expect little from the political leadership of the European Union or the governments of its member states. When the European Parliament condemned European governmental collusion in the blatantly illegal Bush regime "extraordinary rendition" programme, it reported that "EU governments, including the British, knew about the practice known as extraordinary rendition - secret CIA flights transferring detainees to locations where they risked being tortured - but made a concerted attempt to obstruct investigations into it." (8)

A report in the London Times noted, "Giovanni Claudio Fava's draft report "deplores" the level of co-operation Geoff Hoon, the Europe Minister, gave the MEPs, and condemns the rendition of one British citizen and three British residents, two of whom were said to have been seized on the basis of "partly erroneous information supplied by the UK security service MI5". (9) So when Peter Hain remarks that things have changed in his jurisdiction, it just means that his cynical colleagues are up to the same old tricks elsewhere as their forbears were in Ireland for nearly three decades.

Ministers like Geoff Hoon, and the rest of Tony Blair's Cabinet, know very well they only have to procrastinate, block and obfuscate so as to evade accounting for the crimes in Iraq and in "extraordinary renditions" for torture, in which they have all colluded one way or another. Any investigation will happen many years in the future and no one will ever answer for the horror these politician's policies have inflicted on millions of people. What is true of Britain is true across Europe. As Diana Johnstone wrote recently in Counterpunch of the International Criminal Court, boycotted by the United States out of sheer necessity, international justice is to be administered in true colonial style, "In short, the ICC is established according to double standards to deal with small fry." (10)

First the League of Nations, now the UN

It is impossible not to conclude that the invasion of Iraq in 2003 - and on a smaller scale the coup in Haiti in 2004, organized between the Bush regime and its accomplices in the Canadian and French governments - spell the effective end of the UN Charter and associated humanitarian and human rights law as a credible normative framework governing international relations. The UN serves now only to mop up the blood and shit, the unconscionable destruction resulting from imperialist interventions by the US government supported by its European and Pacific allies. Its worthy aid, development and health programmes serve mainly to legitimize a criminally unjust neo-colonial international order. In Haiti, UN forces themselves have undertaken massacres and terror against civilian populations as part of a supposed "peace mission". There, MINUSTAH promotes "stability" via the cemetery gate.

Monopoly capitalism's (11) imperialist globalization project is on the rocks up against limits provoked by environmental deterioration, US dollar decline and economic instability, armed resistance to imperialist wars, and the emergence of contrary agendas backed by Russia, China and regional blocs, as in Latin America. That is why politicians who front for corporate monopoly capitalism, like Britain's Chancellor of the Exchequer Gordon Brown, call tritely for "a new world order". (12) As if people could reasonably have any faith in some new

consensus engineered by the self-same criminal politicians who helped wreck the UN as a credible clearing house for negotiating international differences and conflicts.

The US government and its allies have consistently, deliberately and cynically sabotaged the United Nations system through their abuse of the powers of the Security Council. Corporate globalization and the bogus "war on terror" are more clearly than ever twin strands of a ruthless rearguard campaign by the global corporate ancien régime to hang on to their privileges and power. To do so they have destroyed the post World War Two settlement based around the principle of self-determination of peoples and the humanitarian and human rights norms that consensus generated.

So the US government and its allies support Alvaro Uribe's narco-terror regime in Colombia but conspire against Cuba and Venezuela. They accepted Felipe Calderon's fraudulent electoral win in Mexico but condemned alleged electoral fraud in the Ukraine. They permit Israel to kidnap ten thousand political prisoners but condemn Hezbollah for capturing two Israeli soldiers. They accept Israel's threats of nuclear terrorism against Iran but deny Iran's legitimate right to develop peaceful nuclear technology.

Faced with the latest US preparations for war with Iran, the EU's foreign affairs chief Javier Solana said, "No path is envisaged by the EU other than the UN path," and "The priority for all of us is that Iran complies with UN security council resolutions." (13) His script is exactly the same as the one used prior to the criminal war of aggression against Iraq. For Solana and his US counterparts, the UN serves merely to rubber stamp decisions already taken by the imperialist mobsters in the White House. The facts have already been invented and spun. Solana's good cop humbug is part of the formal diplomatic deniability game necessary to conceal their self-evidently cynical concoction.

The terrifying circumstances endured by the peoples of Haiti, Palestine, Afghanistan, Iraq and Somalia all signal what the US government and its hypocritical allies are prepared to do to anyone who resists their will. The mirror-image of the State terror they employ against vulnerable peoples overseas can be seen in the attack on habeas corpus and other fundamental legal norms in the US and elsewhere. Nuala O'Loan's report on official British collusion with Loyalist terrorist paramilitaries is a useful reminder that the US government's European allies are fully prepared to countenance terror and abuse of legal norms against legitimate opposition in their own countries. It might easily be read as a simile of sinister European government collusion with the failed state terror regime of George Bush.

Notes

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12. "Brown wants a 'new world order'", *BBC News*, Friday, 19 January 2007
13. "Europeans fear US attack on Iran as nuclear row intensifies", *Ian Traynor & Jonathan Steele, Guardian*, January 31, 2007

Moloch's jellybabies

(May 2007)

The United States militarist plutocracy wrangled in recent weeks over assigning more than 500 billion of worth-less-and-less foreign creditors' US dollars to its imperialist war machine. The corporate media tried to foment vain interest in what terms the plutocrats may end up negotiating among themselves for that budget's approval. To confirm the essential obscenity of the US government and the rubber-stamp-with-vaudeville US legislature, their injustice system has just set free a terrorist - Luis Posada Carriles - despite a formal request from Venezuela that Posada Carriles be extradited for bombing an airliner, killing over 70 civilians.

Inherently inhuman, since it is deliberately operated to prioritize corporate profit, the US political system is geared to generate indiscriminate slaughter and death. Serious counting of people absent by death stopped long ago. Most-favoured-genocides, like Darfur, get a reckoning. US generated slaughter does not. Hence the Bush regime's dismissal of the authoritative Lancet report on Iraq's lost hundreds of thousands. In Diyala this week a US helicopter killed at least six school children in a strike on a primary school. Might be more, might be fewer - the US authorities could hardly care less. Remember Colin Powell's reply to a request for a total figure of Iraqi casualties during Desert Storm, "It's really not a number I'm terribly interested in."

Powell's role in the destruction of Iraq is a bit-part in the wider drama of corporate imperialism's drive to remake colonialism under the guise of globalization. The main coercive components of that drive are gross trade inequities along with heavily conditioned debt and "aid", accompanied by constant psychological warfare in the corporate media. When the standard components fail to generate sufficient power, covert action or outright aggression are used. Imperialist terror constantly shadows globalization, purposefully shaping and baiting enemies by way of self-justifying propaganda. Corporate media news manufacture and its atomization of information are among the most pernicious and insidious of the strategies involved.

The systemic terror inflicted on countries like Iraq, Haiti, Afghanistan, Palestine and Somalia is a continuation of unfinished colonial business. The terror system is active within countries too. From Mexico to Egypt to the Philippines to the imperial centres themselves, authorities keen to collaborate in the globalization project replicate imperialist terror strategies on a local rather than a global scale. Even the bitty, piecemeal clues thrown out by the corporate news machine make clear the depth and breadth of the challenge to humanity presented by the United States and its European and Pacific allies.

Depleted Uranium - horror by stealth

The deliberate degradation of Iraq's health system via years of UN sanctions and subsequent maladministration under military occupation is news in the sense that it provides headlines like "Infant mortality in Iraq soars as young pay the price for war" in the Independent of May 8th. Perhaps a more complete contextual report is the World Socialist Web Site article of May 9th "Iraqi infant

mortality soars by 150 percent—a damning revelation of US war crimes". Both help complete part of the overall picture's foreground but omit the horrific detail and controversy around depleted uranium-provoked cancers and genetic deformations.

Naturally, the US and British governments deny, and where possible censor, the steadily accumulating evidence of the horrific effects of their criminally reckless use of depleted uranium munitions in the two Gulf Wars. It is certain these munitions have not only irreversibly damaged the health of many hundreds of US and collaborating troops and mercenaries as well as many thousands of Iraqi military and civilians. They have also condemned future generations of the affected multitude to cancer and deformation. Despite its neutral and heavily technical emphasis, the Wikipedia entry on depleted uranium makes two very pertinent points.

Firstly, "DU is considered both a toxic and radioactive hazard that requires long term storage as low level nuclear waste. DU is relatively expensive to store but relatively inexpensive to produce or obtain. Generally the only real costs are those associated with conversion of uranium hexafluoride (UF₆) to metal. DU is extremely dense, 67% denser than lead, only slightly less than tungsten and gold, and just 16% less dense than osmium or iridium, the densest naturally occurring substances known. Its low cost makes it attractive for a variety of industrial and military uses."

Thus, DU poison costs a lot of money to store safely. Cheaper than tungsten and other expensive metals for producing effective armour piercing shells, DU weapons manufacture solves two problems at once. It camouflages the dispersal of nuclear waste and increases shareholder profits all round by removing high storage costs and converting the poisonous trash into expensive munitions. As so well-signalled by incidents like the Bhopal Union Carbide chemical plant disaster and innumerable other cases, human health has next to no place in the corporate profit equation. Costs of any health care for people suffering the effects of DU radiation exposure can be postponed through decades of obfuscation and denial and finally defrayed onto national governments. Arms corporations ultimately externalize potential health and legal costs by passing them on to forever-deceived taxpayers.

A second point in the non-committal Wikipedia article, here in relation to the link between DU, cancer and genetic defects is, "In general, the prevailing scientific view on the matter is that such data, and other scarce data available, do not conclusively prove a poisoning effect of depleted uranium; but that the possibility exists and cannot be ruled out either, and so a precautionary principle would suggest to suspend the use of such weapons." But the war criminals who launched their illegal aggression against Iraq in March 2003 explicitly and deliberately trashed all international norms by appealing to their factitious, bogus "war on terror". With them or against them, human life counts for little or nothing. Witness the Walter Reed hospital scandal and the generally despicable treatment of war veterans. If they treat their own side so callously, what can Iraqis expect? Iraqis bear witness to and suffer the terrifying answer day after day.

Figures from the Spanish group Research Collective on Radioactive Weapons (1)

suggest that now in Iraq as many as 20 babies in every 4000 are born eyeless. This source argues that the figure in a normal population should be 1 in every 50 million. The article notes, "In Iraq, they call doomed pregnancies "bellies of jelly". With reason, since from 1991 unformed lumps of meat have been born with deformations never seen before." The article cites a report from Al-Jazeera reckoning that since 1991 the incidence of cancer in Iraq has increased tenfold and birth defects fivefold, "due to the use of uranium weapons".

Cover-up

The response of the US and British authorities has been to repress awkward testimony about the facts of their deployment and use of DU armaments. The same article quoted above notes the case of Riyadh Lafta, an internationally recognised Iraqi epidemiologist highly critical of DU munitions and their use. Riyadh Lafta " tried fruitlessly for six months to get a visa to travel to Seattle to give a conference in Washington. The British government then refused him a 4-hour transit visa from the Middle East to Canada, where he was invited for another conference."

Back in 1999, four years before the second Gulf War, Felicity Arbuthnot (2) reported the case of Professor Asaf Durakovic "He is one of the world's leading experts on radiation, and sees a familiar pattern. 'Any doctor who becomes involved in this subject is pressurized, fired; records and samples go missing...'" Durakovic wrote of his concerns about DU munitions to President Clinton in 1997. "Shortly afterwards his senior position at the Department of Nuclear Medicine at the Veterans' Administration Authority in Wilmington, Delaware, was terminated." Arbuthnot goes on to note how at the same time in Britain, Iraq war veterans Ray Bristow and Colin Purcell Lee, returning from research in Iraq, "arrived home 'to find we had been called traitors by a senior Cabinet Minister' and that their homes had been raided by Ministry of Defence Police."

Craig Etchison of Global Research argues "I suspect the military-industrial complex will stonewall admitting the effects of DU for as long as possible to avoid accepting responsibility, not to mention liability, for their reckless actions. When John Hanchette, a founding editor of USA Today tried to publish stories about DU, he received a phone call from the Pentagon asking him to desist. He was later replaced at USA Today. The World Health Organization's chief expert on radiation and health had his report on DU suppressed. "(3)

DU and terror - Colin Powell again

The criminal use of poisons and chemicals against civilian populations by imperial powers is long-standing. For the United States the use of Agent Orange in South East Asia is perhaps the most well-known precedent. From 1962 to 1971 the US government applied over 20 million gallons of chemical poisons in Vietnam. (4) With its use of DU and other poisonous weapons in Iraq, the United States is following colonialist precedents like those of Britain's chemical warfare in Iraq in 1919 and Spain's chemical warfare campaign in Morocco in the 1920s or Italy's use of poison gas during its attack on Ethiopia in 1935.

The connection between the use of chemical weapons and DU munitions and

the deployment of US terrorists like Luis Posada Carriles and his kind runs through US policies of the last few decades. These policies form a seamless web interweaving hypocritical State Department diplomacy, sadistic war crimes and terror to achieve policy goals. The biographies of individuals like Colin Powell embody the connections. As an investigating army Major, Powell tried to cover up the My Lai massacre. Later as assistant to President Reagan's Secretary for Defence Caspar Weinberger, Powell supported the Iran-Contra transactions to fund the illegal terrorist war against Nicaragua. A key member of the regional team in Central America organizing that war was Luis Posada Carriles based at the time in El Salvador.

Powell was an enthusiastic supporter of the criminal terror war against Nicaragua, condemned as unlawful by the International Court of Justice in 1986. No surprise then that while Secretary of State his assistant was an even more sinister figure, Richard Armitage. The biography of Armitage takes in enforcement of the Phoenix assassination and torture programme in Vietnam, strong allegations of drugs-dealing in Burma and Thailand, dirty war activities in Iran to assassinate opponents of the Shah and a leading role in the Iran-Contra terrorist transactions. By using drugs to finance their terror activities US government functionaries are following another time-honoured colonialist tradition since both Britain and France in their time exploited the opium trade to further regional policy aims.

US narcotics-US terror : inseparable twins

Relentlessly sinister individual political continuities abound between the Vietnam and Reagan eras and the campaigns against Iraq. Another notorious figure is John Negroponte, who assisted Henry Kissinger during the Paris peace talks to end the Vietnam war. Like Powell and Armitage, he too facilitated Reagan's terrorist war against Nicaragua as well as overseeing the dirty war in Honduras via local US government proxy General Alvarez Martinez in the early 1980s. After helping facilitate death squads in Iraq while US ambassador there, Negroponte is now working alongside another hangover from the Reagan era, Condoleezza Rice, former protégé of Reaganaut corporate-grandee-diplomat George Schulz.

Now Negroponte and US government drugs functionary John Walters are accusing Venezuela of failing to cooperate adequately in the bogus US "war on drugs"(6). The view of the Venezuelan government is refreshingly frank: " The government discounted that Venezuela might permit activities by the US authorities in the country to fight drugs trafficking...Interior Minister Pedro Carreño declared that "the United States with its Drugs Enforcement Agency monopolizes drugs shipments like a cartel". Carreño, leaving a ceremony at the National Pantheon told reporters that when Venezuela agreed to suspend work with the DEA it was because "they were making large transfers of drugs using the cover of handovers under surveillance " and did not carry out "arrests of citizens, the dismantling of a single cartel.....We were able to determine that we were clearly in the presence of a new cartel." (7)

This exchange on drugs between US government officials and the Venezuelan authorities takes place at the same time that the US government is deliberately refusing to move against Luis Posada Carriles, a self-confessed terrorist, also

connected to narcotics, faced with a request for extradition from the Venezuelan authorities. In neighbouring Colombia, the US government has consistently provided billions of dollars to support the narco-terror regime of President Alvaro Uribe, irrevocably tainted by current revelations of its links to and dependence on drugs-dealing paramilitaries. In April this year, reports emerged of US and British government complicity in the opium trade in Afghanistan to the tune of over US\$120 billion. (8)

ALBA - gainsaying false gods

In Britain, the US government's most faithful ally, the Foreign Office has now dropped the "war on terror" motif. (9) It no longer serves a useful purpose. The global majority see clearly that terror - "do what we want, or else" - is self-evidently a fundamental policy of the United States and its European and Pacific allies in their drive to secure the trade and economic outcomes they need in order to sustain their neo-colonial power and privilege. The overweening determination of the global elite to ensure that corporate needs take priority over the needs of the world's impoverished majority springs from their worship of inhuman greed and from deep-seated racism.

The governments that front for that global elite are responsible for millions of needless deaths through criminal military aggression both directly, as in Iraq and Afghanistan, and indirectly, as in Lebanon or Somalia where they have supported proxy military enforcers. At the same time they wage a relentlessly strident propaganda war against countries like Cuba and Venezuela. Why? Because Venezuela and Cuba are responsible for saving and enhancing millions of lives through their promotion of health, education and broad cooperation initiatives via the ALBA - Bolivarian Alternative for the Americas - trade and cooperation treaty, now incorporating over 60 million people in South and Central America and the Caribbean.

ALBA shows up the United States government and its European and Pacific allies as agents of sterility, deformation and destruction. Their political and economic systems based on global exploitation of humanity's impoverished majority offer little to the rest of the world except extremes of injustice. The case of Posada Carriles marks their unremitting espousal of terror. The continuing genocide against the Palestinians is emblematic of their hypocrisy. The destruction of Iraq, its people and society, embodies their sadism. Through their fetish for poisonous technology of mass destruction, they feed their monstrous corporate capitalist god not just with live innocents, but with thousands of victims from generations yet unborn.

By insisting on international legal norms in the case of Posada Carriles and the related case of the five Cuban anti-terrorists imprisoned by the US injustice system, Venezuela and Cuba have exposed the United States government as a promoter of terrorism. By prioritizing the social dimension of their economic relations, the ALBA countries are effectively demonstrating the inefficiency and inhumanity of global corporate capitalism. Venezuela has abandoned the World Bank and the IMF. Bolivia and Nicaragua have joined Venezuela in rejecting the Centre for the International Settlement of Investment Disputes as an impartial arbiter. Ecuador, Bolivia Brazil and Paraguay have now thrown their weight behind Venezuela and Argentina's proposal for Bancosur as a regional

development alternative to the US and European dominated financial system.

These moves are as important as the diverse campaigns of resistance in Iraq, Palestine, Haiti, Colombia and Mexico or Iran's insistence on it's right to develop peaceful nuclear power. Determined support for these varieties of resistance is probably humanity's best and only chance to counteract the twin strategic strands of globalization and military terror used by the United States government and its allies. The changing of the governmental guard in London and Paris simply shuffles faces among the same old murderous caste of corporate capitalism's high priests. But the script has alternative endings now, rewritten by the former sacrificial victims. "Weighed in the balance and found wanting" - the writing on the wall for the US government and its allies is getting clearer, much slower than their victims need, but perhaps much faster than we think.

Notes

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Double bait-and-switch

(August 2007)

Recent interventions by central banks to flush liquidity into panic-stricken financial markets have demonstrated again the wistful make-believe of the corporate "free market" fairy tale. It has no happy ending. Free markets exist no more than fairies do. On the other hand, big bad transnational wolves and carnivorous fee-fi-fo-fum financial giants abound and rig markets to catch as many victims as they can.

Industries like financial services, pharmaceuticals, agri-business, oil and petrochemicals, mining, armaments production, media and communications are dominated by a handful of companies. Nothing is free about a market dominated by the few dozen corporations that together control such vast areas of the global economy. Likewise, the grotesque equation "free markets = democracy" touted so glibly by corporate-owned media and corporate-owned politicians amounts to a terminal corruption of language.

An underlying connection exists between the fraudulent verbal currency used by corporate media to misrepresent the conflicts in Iraq, Afghanistan, Palestine and elsewhere and worth-less-and-less monetary currency in the form of dollars and diverse credit derivatives paper blown around global financial markets by speculators. International markets have taken up the London Stock Exchange motto "My word is my bond" and turned it into "My word is my bond so long as some market-rigging bankers' cartel will somehow bail me out."

It was Czar Alexander and Talleyrand who with much satisfaction agreed they could change the meaning of words from one 19th Century G-8 meeting to the next. In those days, they called it the Congress System. Then, European despots ran the system to enrich themselves and their loyal elites, to sacrifice masses of their people to savage industrialization and to effect their colonialist genocides around the globe. In North America, their US and Canadian understudies learned the lessons well. Now similar kinds of elites sacrifice their peoples to corporate globalization and work their neo-colonial barbarism using double duplicity to get what they want.

Politically, they have exploited their peoples' fear of terrorism. Offering security, they have removed fundamental liberties and executed foreign policies violating the UN Charter and humanitarian and human rights law in a way bound to provoke terrorist retaliation. Economically, they have offered prosperity by deliberately fomenting an extended, unsustainable credit boom. Now they try to cover up the bust while still pursuing unsustainable policies that promote inequality at home and abroad. It is impossible to overstate the greed and cynicism of the global elites.

G-8 - an anti-democratic global mob

The G-8 latter-day Congress System is for all practical purposes a squalid cartel. These powerful countries use the G-8 process to work out how best to share quotas of power and to manage their respective spheres of influence. As an institution the G-8 process effectively sidelines the UN. The UN Security

Council serves mainly to offer spurious legitimacy to decisions taken elsewhere by the G-8.

The G-8 gatherings began in 1975 at the instigation of then French President Giscard D'Estaing. In those days the members were six, the United States, Japan, Britain, France, Germany and Italy. Canada joined the informal group in 1976. Russia began participating in 1997. The European Community, as it then was, began attending in 1977. Now the European Union, it is represented at G-8 meetings by the President of the European Commission and the President of the the European Council.

So this modern Congress System is in fact an imperialist Thing with far more tentacles than might appear from the economical-with-the-truth G-8 moniker. Although the summits happen once a year, they are the annual culmination of constant coordination on many policy areas by government functionaries. Quarterly meetings by a group known as the Sherpas, aides of government leaders, prepare for the summits on the basis of information from other groups, like finance ministers and the other ministries of which most governments are composed, Foreign Ministries, Interior and Justice Ministries, Health Ministries, Environment Ministries and so on.

Terror - factitious bait

Working groups of various kinds also contribute to the preparations for each summit. Currently organized are the High Level Group on Non-Proliferation, the Rome/Lyons Group on terrorism and organized crime, the Counter-Terrorism Expert Group among various others. An extraordinary amount of work and organization - as many as 80 meetings a year - by many bright, talented people goes into dressing up the avowed aims of the summit declarations. They make a fine public relations mulch for corporate media to cover up the genocidal colonialist roots of the bloody fi-fi-fo-fum G-8 imperialist beanstalk.

In matters of trade and finance, governments and central banks coordinate policy in partnership with the world's major financial houses and monopolistic transnationals. International relations reflect their fundamental gangsterism - "do what we want, or else" - rendering irrelevant established international humanitarian and human rights law because those basic norms impede the imperialist globalizing project. Even by the standards of consummate humbugs like George W. Bush and Tony Blair, the hypocrisy of G-8 summit declaration-speak is extravagant.

The declaration on terrorism from this year's summit in Heiligendamm, Germany, is a fine example of G-8 cant from countries who collude in violations of human rights in Iraq, Palestine, Afghanistan, Somalia, Haiti and elsewhere. The G-8 countries support vicious repressive regimes around the world., from Mexico to Morocco, from Uzbekistan to Colombia, from Egypt to Equatorial Guinea. European Union governments have collaborated in gross violations of the United Nations Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment by facilitating transfer of prisoners for torture either to third countries or to US clandestine prisons as well as to Guantanamo. Still:

"We reaffirm that the promotion and protection of human rights for all and the rule of law is essential to all counter terrorism efforts, and we recognize that effective counter-terrorism measures and the protection of human rights are not conflicting goals, but complementary and mutually reinforcing. We call on all States to ensure that any measures taken to combat terrorism comply with their obligations under international law, in particular human rights law, refugee law and international humanitarian law." (1)

Consider the unimaginable horror and suffering undergone by millions of Iraqis, brought about by these powerful leaders. Apart from the dead and wounded civilians - well over a million by now - several millions of refugees have fled the chaos provoked by the Bush regime and its allies. In Palestine, over a million people in Gaza are subjected to a medieval-style blockade by Israel supported by the European Union and the United States.

Israel holds around ten thousand Palestinian political prisoners and uses torture as a matter of routine. In Haiti, where thousands of civilians were murdered during the coup backed by the US and its European allies, hundreds of political prisoners remain unjustly imprisoned. Consider the hypocrisy of US allies' responses to the liberation of mass-murdering CIA man Luis Posada Carriles - a microcosm of their grotesque double standards.

And yet earlier in that same declaration these people stated, "We, the leaders of the G8, are united in condemning in the strongest terms all acts of terrorism and reaffirm that there can be no justification for such acts which constitute one of the most serious threats to international peace and security, and to life and the enjoyment of human rights. We remain resolute in our shared commitment to counter terrorism while promoting freedom, democracy, human rights, and economic growth and opportunity. Our sympathies belong to all victims of terrorist acts, wherever they occur and by whomever they are committed."

The horrific results of G-8 leaders' foreign policies have provoked terrorist retaliation against their peoples. The obvious best protection against terrorism is a genuine commitment to uphold existing, painstakingly established international law, not the ad hoc improvised G-8 counter-terrorism charade. G-8 leaders' insincerity is self-evident from the way their governments use anti-terror legislation to suppress legitimate dissent on contentious policy issues that have nothing to do with terrorism. Bait and switch.

From boom to bust - the "free market" switch

It can hardly be a coincidence that domestic repression via the abuse of anti-terror legislation, as in the US with Patriot Acts 1 and 2, the Military Commissions Act and recent legislation authorizing unlimited surveillance of ordinary citizens, accompanies looming recession in the US. Mainstream human rights outfit Amnesty International has this to say in the case of the Bush regime:

"The past five years have seen the USA engage in systematic violations of international law, with a distressing impact on thousands of detainees and their families. Human rights violations have included: Secret detention, Enforced

disappearance, Torture and other cruel, inhuman or degrading treatment, Outrages upon personal dignity, including humiliating treatment, Denial and restriction of habeas corpus, Indefinite detention without charge or trial, Prolonged incommunicado detention, Arbitrary detention, Unfair trial procedures. Yet at the same time, US officials have continued to characterize the USA as a "nation of laws" and one that in the "war on terror" is committed to what it calls the "non-negotiable demands of human dignity", including the "rule of law"." (2)

The past five years noted by Amnesty happen to coincide with the decline and fall of Alan Greenspan's long credit boom engineered atop the imperialist beanstalk by non-governmental financial giant, the Federal Reserve. The Federal Reserve sells money that appears out of nowhere, like golden eggs rolling off the back of a truck parked somewhere up the beanstalk, entirely in tune with the overall G-8 ethos, a showbiz mixture of pantomime and gangsterism. Here's the fairground barker spiel the G-8 woofed out earlier this year on economic stability.

"We note that the world economy is in good condition and economic developments are now more conducive to an adjustment than in the past, not least because we have made progress in implementing our joint strategy. However, further efforts will be required to better re-balance global demand. Global imbalances took a long time to build. Likewise, their unwinding is likely to be a gradual process, entailing a medium-term re-balancing of demand growth across countries.....Continued reforms to re-balance growth towards domestic demand, thus enhancing its sustainability, are key to reducing imbalances while sustaining the robust global expansion. In emerging economies with large and growing current account surpluses, it is crucial that their effective exchange rates move so that necessary adjustments will occur. Oil-producing countries should continue accelerating investment in capacity and economic diversification."

Translation : "Our major transnationals are doing great thanks to the global cartel-rigged economy we governments facilitate in partnership with central banks and the major financial houses. Things look a bit bad right now because people have been too greedy. But we all did well playing the markets we rigged on the way up. Now let's help our mates make a pile of money profit-taking as they go down. We can sustain big bucks for the corporate elites we serve so long as we strictly control redistribution of national income for the dumb majority. We just need China to revalue its currency - oh yeah, and keep that oil coming."

Here's what they said about hedge-funds:

"We discussed recent developments in global financial markets, including hedge funds, which, along with the emergence of advanced financial techniques and products, such as credit derivatives, have contributed significantly to the efficiency of the financial system. Nevertheless, the assessment of potential systemic and operational risks associated with these activities has become more complex and challenging. Given the strong growth of the hedge fund industry and the increasing complexity of the instruments they trade, we reaffirm the need to be vigilant."

Translation: "We haven't a clue about financial derivatives and hedge funds. Cross your fingers and hope for the best."

Plenty of signs now point to the worst. The "efficiency of the financial system" turns out to mean the insatiable greed inherent in capitalism's fundamentally anti-humanitarian dynamic. G-8 showbiz duplicity may well dump the world's economy into recession. Discontent at falling living standards will be exacerbated as climate change puts more stress on national economies. Military spending and support for repressive regimes like Israel, Colombia, Egypt and Pakistan will become problematic.

Public sector spending will be too over-stretched to meet the demands of the resulting mess. Governments unable to justify expenditure on foreign wars and interventions will repress legitimate dissent. This will happen at a time when dollar zone economies are battling to manage inflation and falling living standards provoked by a decline in the worth-less-and-less dollar. The G-8 governments just happen to have in place the repressive "counter terrorist" legislation necessary to manage widespread popular discontent.

US dollar water torture or one big waste-pipe sloosh?

Watching G-8 leaders perform on television one can hardly help thinking "my, what big teeth they have". Perhaps the most interesting question about the developing economic chaos is how far the G-8 leaders and their corporate accomplices can control the wreck the G-8 Congress System has set in train. Thanks to their persistent determination to prioritize corporate needs and perverse foreign policy priorities over their own peoples' fundamental interests, successive United States governments and their European and Pacific allies have themselves generated the current global political and economic crisis.

A principal tool of their failure has been faithless manipulation of interest rates and money supply. In 2004, established financial opinion in the US argued that the US could get by all right if China revalued its currency by about 20% at then current prices. But China has insisted on a gradual appreciation of its currency by no more than 5% a year. In the hall of mirrors of relative currency values since then, what the G-8 statement above calls "necessary adjustments", in relation to emerging markets' currencies, is a revaluation by China pretty much the same now as the one required back in 2004. Presumably that is why the G-8 declaration mentions it at all, albeit in dainty diplomatic language.

The dollar has declined against major currencies like the yen and the euro by 25% or more since 2003. Most commentators before last week's market chaos reckoned that the dollar would drop to about 1.38 or so against the euro by the end of this year, 2007. Perhaps the cartel of central banks and major financial houses managing that decline had not expected last week's sudden-death liquidity scare. The dollar had dropped from around 1.32 against the euro in January to 1.38 on July 20th. In a few days this August it rallied to 1.34.

A likely explanation might be that people anxious to settle dollar IOUs they were unlikely to be able to sucker other speculators into buying before

available credit dried up, rushed to buy dollars. Dollar speculators who had bought dollars cheap, sold dear and took their profit. With insufficient cash available to meet demand, central banks flooded money into the markets and have made clear they will do whatever is necessary to keep markets liquid. Presumably all those golden egg dollars came rolling off the back of that Federal Reserve truck. No wonder the US authorities no longer publish complete money supply figures.

For the moment the dollar's level will probably continue to sink, drip by drip, permitting regular profit-taking by institutions and individuals able to get cheap credit so as to bet against the dollar in other currencies like the yen. Inflationary effects in the US economy creep up quietly on consumers, wiping out their wealth cent by cent. This progressive devaluation is presumably meant to accompany the G-8 declared commitment of eliminating the US budget deficit by 2012. Somehow that commitment has not stopped US Congress voting increased hundreds of billions on military spending.

When Britain devalued sterling by 14% in 1967, Prime Minister Harold Wilson famously declared that "It does not mean, of course, that the pound here in Britain, in your pocket or purse or in your bank, has been devalued." Subsequently, from at least 1970 onwards official bank rates in the UK never dropped below 6% for over 20 years. It has been pointed out (3) that the US government has lost effective control over interest rates. Those are a hostage to fortune now just like the money supply. Maybe China's dollar leverage is all that is preventing an attack on Iran, one of China's most important energy suppliers.

No one knows the full extent to which the Federal Reserve moonshine-men have been slooshing bootleg dollars into the markets from their fabulous stash of golden eggs. Nor does anyone know exactly how much funny money foreign creditors like China will go on buying before they kick the habit. Away up in their Eccles Building, Washington beanstalk, the Federal Reserve fi-fi-fo-fum giants put their faith in global aversion to dollar cold turkey.

Over in the Pentagon, the bankers' high quality muscle wait as ever for orders to attack whoever may be next on the Bush regime hit-list. Out in the Homeland, the FBI spies on dissenters. Their G-8 government counterparts ape them loyally. They all mix the motifs of terrorism and globalization so as to strip away fundamental freedoms and protect the wealth and power of entrenched corporate elites against the interests of their peoples.

Notes

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Murder Inc. and Haiti

(March 2008)

"Evidence is mounting that United Nations peacekeepers shot and killed unarmed civilians, including children, during a recent raid in Haiti...Independent witnesses say up to 23 people were killed during the raid and that many were shot in the head." (1)

"Two women and two children were killed in an air strike called in by British forces in Afghanistan, the Ministry of Defence said." (2)

"Operations by U.S. and multinational forces and Iraqi police are killing twice as many Iraqis - most of them civilians - as attacks by insurgents, according to statistics compiled by the Iraqi Health Ministry." (3)

"Yesterday in Quito's Military Hospital, Mexican student Lucía Morett gave her first formal statement to Ecuador's public prosecutor William Pesantez, testifying that Colombian soldiers... murdered people who were wounded or who had surrendered." (4)

Corporate globalization depends on governmental readiness to murder. Peoples and organizations in countries that defend their right to self determination can expect no mercy. The Bush regime and its allies may squabble occasionally over ways and means, but their behaviour towards peoples like those of Haiti and Palestine leaves no room for doubt - the US and allied governments operate a system of murderous global gangsterism to get what they want. The UN Security Council now functions pretty much as a diplomatic version of Murder Inc.

Haiti's prolonged destruction by foreign powers is just one more example of rich country elites' determination to seize what they want by denying fundamental rights to peoples around the world. Four years on, the coup against President Aristide organized by the United States, Canada and France fits imperialism's familiar historical pattern. All the fake, elegant-suited blather about bringing democracy and prosperity to Haiti has boiled down to murderous military occupation by the United Nations defending a corrupt North American and European backed elite, while starving people survive by eating cakes made of dirt.

Immediately after the coup, George W. Bush said, "This government believes it essential that Haiti have a hopeful future. This is the beginning of a new chapter in the country's history." Then US ambassador to the United Nations, John Negroponte said, "Haiti has turned a new page in its history." (5) What, now, does this brave new world for Haiti, as prepared by George Bush, John Negroponte and their corporate gangster cronies look like?

The statistics of misery

Associated Press writer Jonathan Katz reported on January 29th this year "...in places like Cite Soleil, the oceanside slum where Charlene shares a two-room house with her baby, five siblings and two unemployed parents, cookies made

of dirt, salt and vegetable shortening have become a regular meal..."When my mother does not cook anything, I have to eat them three times a day," Charlene said. Her baby, named Woodson, lay still across her lap, looking even thinner than the slim 6 pounds 3 ounces he weighed at birth."

The World Bank reckons Haiti's population is just under 9 million. Gross national income per capita in 2006 was about US\$480. After two and a half years of foreign intervention, in September 2006, the IMF reckoned (6) that over 70% of people still lived on less than US\$2 a day with 55% of people living on a per capita income of just US\$0.44 per day. Four years after the coup, Katz's report shows nothing has improved. So if we say Haiti's population is now around 8.8 million- that means that just an hour's flying time from Miami, nearly 5 million people are effectively starving.

That 2006 IMF report - an Interim Poverty Reduction Strategy Paper - noted real per capita gross domestic product then equalled just 70% of Haiti's GDP in 1980. Also, "Access to basic public services (health, education, running water, sanitation) is very unreliable and social indicators are alarming. Infant mortality is estimated at 76/1,000 or two times the regional average, and life expectancy is about 18 years short of the regional average. Moreover, less than half of the population has access to drinking water in both rural and urban areas, compared to regional averages of 71 percent and 93 percent, respectively. Access to improved sanitary facilities is available to a very small portion of Haiti's population: 16 percent in rural areas and 50 percent in urban areas, whereas in Central America and the Caribbean, these percentages average 49 percent and 86 percent, respectively."

Another report, this one by the Council on Hemispheric Affairs, also appeared in September 2006. "Haiti's Dirty Little Secret: the Problem of Child Slavery", reported on the "restavec" system of forced child labour, "According to the Haitian government, there are about 90,000 to 120,000 children in bondage, but UNICEF estimates significantly larger numbers, ranging from 250,000 to 300,000." This, remember, from a population of just under 9 million.

Right now, the sustainability of Haiti's economy is doubtful. Haiti has suffered the same imperialist policy pressures as all the other countries in Central America and the Caribbean that have led to a decline of their rural economies along with concomitant environmental destruction. Those neoliberal policies were deliberately designed by rich country "development" planners to create a large pool of vulnerable easily exploited migrant labour all too ready to seek work either as illegal immigrants to the US or in local super-exploitative maquila industries serving luxury brands in North America and Europe.

The resulting agricultural collapse has been disastrous for Haiti's rural economy and for the poor majority's ability to get enough to eat. "Student activists in Haiti are calling for an overhaul of the nation's agriculture policies, which they say have resulted in Haiti importing more than half of its food while local farmers are mired in poverty."(7) The misery and suffering endured by Haiti's people four years after the coup against President Aristide prevails despite what passes for support from the "international community".

Return to colonialism

Looking at Iraq or Palestine or Afghanistan, one can see quite clearly that anywhere the US government and its allies have intervened people are at least as badly off and usually worse off than they were before that intervention. Haiti's case follows the pattern. The US government and its Murder Inc. allies on the UN Security Council decide it is time for "regime-change". They impose economic sanctions. They deliberately attempt to provoke internal crisis and conflict. Their propaganda media mount a relentless campaign to prepare public opinion among the Murder Inc. countries' domestic audience. Finally they resort to military force to install the regime they want. Invariably, it is a puppet government facing fierce, resentful opposition from the people on whom it has been imposed, able to survive only via enforcement by foreign troops.

This is readily apparent if one reviews quotes from the time of the coup. Colin Powell, then US Secretary of State, said in the coup aftermath "...we felt by the end of last week that the only real answer was if President Aristide would take a hard look at the situation and decide to step down, which is what he did. And we said that under those circumstances we would come in, and we came in immediately." Or, "...it became very clear to all of us and to the Canadians and the French that he [Aristide] had pretty much used up whatever political authority and credibility he had." (see note 5)

"We felt". "It became pretty clear to all of us." But who are these "we", these "all of us" except the most reactionary elements among the elites of the former colonial powers? Effectively nothing has changed since the days of the US military occupation of Haiti from 1915 to 1934. The only superficial difference is that the occupying forces are now UN mercenaries, most shamefully from Latin American countries like Brazil, Bolivia and Chile. The supreme, revolting irony is that United Nations member countries are themselves effectively trashing the UN Universal Declaration of Human Rights and the UN Charter. One wonders if Evo Morales does not see that something similar to President Aristide's fate could just as plausibly befall him once John Negroponte and hit-men like US ambassador Philip Goldberg have created the right conditions in Bolivia.

Human rights in post-coup Haiti

Corporate media coverage of hunger and poverty in Haiti fits snugly into the long standing racist stereotype Haiti shares with impoverished African countries. They are viewed as "basket cases" whom their former colonial owners, unfortunately and regrettably, can do hardly anything to help. To indifferent rich country public opinion, such clichés are sufficient to explain away the "international community's" abject failure to help promote sustainable economic progress in Haiti.

But it is much harder for the UN occupation forces and the "international community" to justify the persistence of gross human rights abuses which is what the 2004 coup was supposedly intended to stop. To cover up the shocking reality, Murder Inc. governments enlist media obfuscation and oblivion to tread softly around gross abuses. These include the thousands of people killed during and after the coup, the political prisoners held without due process for years, the hundreds of people unjustly convicted, mass victimization of members of Fanmi Lavalas, impunity for US-trained murderers, UN massacres and blatant attempts to rig electoral processes.

Constant advocacy for human rights in Haiti by respected, authoritative organizations like the Institute for Justice and Democracy in Haiti (<http://www.ijdh.org>) have been backed up by various studies since the 2004 coup describing and documenting abuse and violation of human rights in the country. The Center for the Study of Human Rights of Miami University's Law School published a report of an investigation by Thomas Griffin in November 2004. Griffin and his team documented the truly sickening security breakdown in Port-au-Prince with the police dominated by former Haitian army soldiers and gang warfare fomented by sinister US-supported figures like coup-instigator Andy Apaid.

Griffin gives important context in his report by explaining the role of US government not-so-non-governmental organizations like the International Foundation for Electoral Systems - funded directly by USAID on a no-competing-bid basis - in the coup against Aristide. The report's account of an interview with Pierre Vixamar, a stooge of the US and Canadian governments, is a classic portrait of the mentality of a colonialist catspaw. After documenting the nightmarish conditions in the Haitian capital's hospitals and morgue, Griffin concluded "Life for the impoverished majority is becoming more violent and more inhuman as the months pass since the elected government's removal on February 29, 2004."

A July 19th 2004 report by IJDH, also covering the post coup period, documented hundreds of violent deaths. Anthony Fenton (8) makes two important observations about that report. Firstly, he notes that like all the other reports on the post-coup human rights situation it was only able to cover the Port au Prince/Central Plateau area - implying rightly that the full extent of abuses and violent death throughout Haiti following the coup is certainly many times higher. Secondly, he focuses on the report's assertion that "With the exception of four victims and for those whom it has not been possible to obtain their identity, interviewees have reported that the victims were supporters of Aristide or Haiti's former constitutional government."

Corporate media silence on the post coup massacres in Haiti is in stark contrast to mainstream media coverage of government repression of the 2007 uprising in Burma or of the post-election inter-communal violence in Kenya. One is entitled to assume that since most of the victims of Haiti's violence seem to have been impoverished supporters of President Aristide, their suffering was and is unimportant as far as the Western Bloc propaganda media are concerned. At the time of the coup only a handful of journalists like Kevin Pina and Jean Ristil were faithfully reporting matters at grass roots - their reports were ignored by the major corporate media.

One can draw a similar conclusion with regard to the The Lancet article "Human rights abuse and other criminal violations in Port-au-Prince, Haiti: a random survey of households". (9) One of the report's authors, Athena Kolbe, wrote more graphically in at least one other article (as Lyn Duff) about the horrific use of rape and sexual abuse to destroy pro-Aristide families. (10) The Lancet article reported, "Our findings suggested that 8000 individuals were murdered in the greater Port-au-Prince area during the 22-month period assessed. Almost half of the identified perpetrators were government forces or outside political actors. Sexual assault of women and girls was common, with findings suggesting that 35,000 women were victimised in the area; more than half of all female victims were younger than 18 years."

The article's authors interpreted these findings as follows, "crime and systematic abuse of human rights were common in Port-au-Prince. Although criminals were the most identified perpetrators of violations, political actors and UN soldiers were also frequently identified. These findings suggest the need for a systematic response from the newly elected Haitian government, the UN, and social service organisations to address the legal, medical, psychological, and economic consequences of widespread human rights abuses and crime."

Given the Haitian government's meagre resources and the intimidating political context in which they are working, the promotion and defence of human rights in Haiti are likely to remain in the balance. The case of human rights activist Lovinsky Pierre-Antoine, still missing after seven months is emblematic of the the government's failure to impose whatever limited authority it may have. Amnesty International has issued repeated alerts lately documenting death threats to human rights activists, among them Wilson Mesilien, Franztco Joseph and Yveson Piton. (11)

Historical continuities : regional projections

Most of these reports of systematic human rights abuses have been either ignored or when they are impossible to ignore, like the Lancet article, they have been rubbished, the integrity of their authors challenged, their methodology questioned. That pattern follows the same pattern of perception management deployed by the US government and its allies against any steadfast opposition in Latin America, from Sandino's *pequeño ejercito loco* in 1930s Nicaragua to the FARC in Colombia for nearly years 50 years, from Guatemala's Arbenz to Allende's Chile, from the Cuban revolution to the Sandinista revolution to the Bolivarian revolution in Venezuela and the indigenous resurgence under Evo Morales in Bolivia.

During the Nicaraguan war, the historic 1986 judgement by the International Court of Human Rights against the United States government for instigating the Contra terrorist campaign against Nicaragua's elected government was buried by the media. Numerous reports detailing systematic and widespread contra atrocities were discounted while Nicaraguan government measures to combat US government directed terrorism were demonized. Against current adversaries, the US government - run by many of the same people who connived in trafficking arms and drugs to fund the Nicaraguan Contra - continues implementing with its allies what in the 1980s, against Nicaragua, Mozambique and Angola, they called "total war at grass roots level".

Just as in those former conflicts, they openly fund non-governmental organizations opposed to target governments under the guise of "strengthening democracy and human rights". At the same time they covertly organize paramilitary organizations and murder campaigns. Having deliberately provoked conflict and instability, they then accuse the target government of being incapable of meeting its people's needs. Then it is time for "regime change" via whatever puppet quisling opportunists they can muster, imposed by some cynically engineered "coalition of the willing" with or without a UN Murder Inc. permit.

The United States and allies like Canada or member countries of the European Union maintain the same colonialist mentality they have always had. Their priority is the maintenance of their own power and influence via local proxies and enfeebled governments. To achieve that outcome they will relentlessly and deliberately arrange wholesale murder so as to repress democratic popular movements. They represent an *ancien régime* whose overwhelming advantage - derived from slavery and genocide in countries they colonised - is slipping away. The horrific deliberate destruction of Haiti and the wholesale murder and imprisonment of supporters of former President Aristide has a double aspect.

On the one hand it is a reprise of imperialist policy as applied throughout the 20th century against peoples that insist on their right to self-determination. On the other it is the latest precursor in Latin America of renewed US and allied readiness to destroy progressive movements in Venezuela, Bolivia and Ecuador. The recent Colombian government massacre of FARC members and visiting Mexican research students in Ecuador was a trial run for what is likely to be a series of such provocations through 2008. After their success in Haiti, the US government and its Murder Inc. allies are moving on to bigger, oil-and-gas-rich prey.

Notes

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Moneyiness

(April 2008)

Does the US Federal Reserve balance sheet give a true and fair view of the US central bank's assets and liabilities? Alan Greenspan, the deregulators' favourite regulator and former Chairman of the Federal Reserve might know. Here he is talking to Congressman Ron Paul about the Federal Reserve's inability to count money : "Congressman Paul asked, "Well, if you can't define Money, how can you control the Monetary System?" Greenspan replied "That's the problem."" (1)

For nearly a decade, Alan Greenspan and Ben Bernanke and their colleagues in effect encouraged a free banking system to flourish beyond their reach and ken. Now along with Treasury Secretary Henry Paulson - former Chief Executive of Wall Street financial giant Goldman Sachs - they are trying to solve their Wall Street cronies' cash flow problems. Whether they succeed or not, the underlying bankruptcy of the United States economy will not go away. Faced with that intransigent reality, the US financial pharisees seem content to just go on creating more dollars - forever.

Wars cost money : don't ask where from

In 2002, Dick Cheney is reported to have responded to former Treasury Secretary Paul O'Neill's fiscal concerns by saying, "Reagan proved deficits don't matter."(2) His stupid remark only reminds us that all those Reaganite billions dedicated to Star Wars were the ancestors of the billions now funding war in Iraq and Afghanistan and the hundreds of US military bases around the world. Where do all those dollars come from?

The US government draws cash against its credit with the Federal Reserve. Since the government is broke and US savings are minimal, the credit is mostly based on government IOUs in the form of Treasury bonds. So long as the US Treasury can find enough customers to buy their IOUs, the Federal Reserve can credit those amounts to the US government's account. That seems to be the origin, for example, of all those pallet loads of dollars shipped to Iraq to be, sweetly and with due patriotic decorum, disappeared (3) and, perhaps more importantly, left conveniently unmeasured.

Holders of US dollar IOUs will never get repaid their original value because the deliberately inflated supply of dollars devalues the currency. Ron Paul was trying to talk about that to the unforthcoming Alan Greenspan. In 2006, the Federal Reserve issued this release, "On March 23, 2006, the Board of Governors of the Federal Reserve System will cease publication of the M3 monetary aggregate. The Board will also cease publishing the following components: large-denomination time deposits, repurchase agreements (RPs), and Eurodollars." (4)

Global dollar glut

The Federal Reserve's European market-rigging partners treat M3 more kindly. The Czech National Bank has written about M3's usefulness in Europe for central banks' balance sheets: "The liabilities side of the consolidated balance sheet of the euro area Monetary Financial Institutions provides the basis for the calculation of monetary aggregates (M1, M2 and M3). The liability breakdowns on the consolidated balance sheet of the MFI sector allow different degrees of moneyiness to be distinguished." (5)

On a charitable view, the Federal Reserve has conceptually leap-frogged old-fashioned, so-last-century Europe. If counting money has turned into arguments about moneyiness and central banks cannot count all the things that may be money any more, why not stick to what they can count and stop worrying? On the other hand, does a gang of cynical, sober, elegant-suited gangsters like the Federal Reserve Board deserve to endlessly float through life without facing an auto-da-fé at some point? It may be possible that the Federal Reserve governors are smarter than their European market-fixing partners. Or it may be they are just more intellectually dishonest and smug.

Financial analyst Henry Liu wrote back in 2005 of "a global dollar glut caused by the Fed printing money to feed the gargantuan US appetite for debt."(6) A couple of financial analysis web sites (7) have tried to reconstruct the M3 measure of US money supply and find that is growing annually at well over 10%. That probably means the US Federal Reserve and the US Treasury have worked together with other important financial actors to produce levels and varieties of moneyiness that are probably not fairly reflected in the Federal Reserve balance sheet. Come back Enron, all is forgiven.

Poor cash flow? Attack somebody....

Henry Paulson moved from being Chief Executive of Goldman Sachs to head the US Treasury, the Federal Reserve's partner in dollar creation. Components of M3 like institutional money market funds, repurchase agreements, deposit certificates over US\$100,000 and Eurodollars involve powerful Wall Street financial actors and overseas entities. The same people who created and crashed their very own shadow free banking system now work in concert with the Federal Reserve and important foreign players processing around US\$4 trillion beyond the official US dollar M2 money supply figure of about US\$7 trillion.

The moneyiness perspective puts a different gloss on the wars in Iraq and Afghanistan, all those hundreds of overseas US military bases and on military aid for sinister gangster States like Colombia, Egypt and Israel. Over a million Iraqis may have died in large measure to help US financial institutions' cash flow. Through a moneyiness lens, the US Drugs Enforcement Agency looks like a sub-department of the Federal Reserve regulating conditions to facilitate the flow of narco-dollars into tax havens for later recycling into financial markets. A monetary view categorically turns foreign "aid" in general and developing country debt in particular into cynically manipulated, humdrum components of a global, dollar-processing moneyiness engine.

All the media duplicity, all the false, skewed reporting of international affairs, is the propaganda corollary of funny-money high finance working relentlessly against any chance of a true and fair view of world affairs. The Bush regime and its corporate finance and media hangers-on have no loyalty to the people of the United States. Their loyalty is to the moneyness of their narcissism and greed. The corporate plutocracy will make sure no future US administration will be very different.

At the end of his 2005 article, Henry Liu asked "What kind of logic supports the Fed's acceptance of a 6% natural rate of unemployment to combat phantom inflation while it prints money without reserve, thus creating systemic inflation to bail out reckless private speculators to fight deflation created by a speculative crash?" With something like that process now taking place in Europe as well as in the United States, one can plausibly accuse the militaristic logic of ailing Western Bloc imperialism. Even now, in Washington and in the European capitals, the calculators are busy working out the moneyness of things like war in Lebanon, Syria and Iran, the eventual annihilation of Palestine and intervention in Venezuela.

Notes

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Clueless in Latin America

(April 2008)

Corporate globalization and its equally misshapen twin, the fake "war on terror", look like the Western Bloc's last crooked chance to sustain a few decades longer its member countries' habitual global power and privilege. John Pilger has noted that seven months after the attacks on the World Trade Centre in New York, Condoleezza Rice spoke of the "opportunity" that outrage presented. She and her Bush regime cronies subsequently imposed their imperialist agenda abroad and their fascist agenda at home.

Globally, corporate consumer capitalism now cannot even deliver minimal subsistence food security, let alone broader economic stability. The global crisis presents another opportunity for suave barbarian advocates of mass murder like Rice and similar-minded me-too's like Hilary Clinton to help provoke and exploit conflict around the world in the service of their corporate plutocracy's narcissistic greed. Accordingly, G7 leaders have recently gamed a streamlined variant of their endless hypocritical, sadistic war on the world's impoverished majority.

Still a shaky prototype at this stage, the "Clueless!" war-on-the-poor game builds on former versions like the "Offshore!" war-on-drugs game and "Un-Habeas!" the war-on-terror game. Rigged at the extra-superfluous end of the market, "Clueless!" - a completely predictable role-playing charade - is doomed to fail. Only corporate international bankers and chief executives and their majority shareholders will buy it. Only they can afford it.

Loneliness of the long distance hand job

Like a philanderer phoned up in flagrante by their spouse, "Clueless!" players bluff economic repair-work overtime in response to accusations of crimes against humanity of which they are unarguably guilty. In earlier versions, outcomes came too soon, amid froth and bubbles. New, improved "Clueless!" incorporates an esoteric central bank inflate-deflate sub-routine, the Extremely Visible Hand-job.

Designed to make "Clueless!" more stimulating, but somehow less adventurous, the Extremely Visible Hand-job introduces dismal financial policy ejaculations and fantasy roleplays of excruciating tedium. Mervyn, King of Pawn, was top role favourite going through the motions for recent game trials in London's louche, seen-it-all "City" district. For the US market, "Clueless!" has been adapted to take into account security considerations, financial constraints and perhaps, too, US prudery.

Ben Bernanke's five-mile-high-club helicopter has been taken away. Its substitute is a range of poorly maintained, second-hand, possibly former Soviet bloc, inflatable term auction muckspreaders. This should significantly cut the cost of "injecting" (downmarket Rupert Murdoch News International analysts might use the more lubricious "pumping") dollars into the world economy.

Wall Street Treasury tractor-driver Hank Paulson is gaming these inflatable muck-spreaders right now in un-level playing-field trials between Washington and New York. Everything flows to Wall Street. Hank and Ben are hoping their dollar manure will fertilize ground rendered sterile by decades of toxic GM (Greenspan Manipulated) credit. It reminds one of Eva Gabor in "Green Acres" doing the washing-up by throwing the dirty plates out of the window. Hank and Ben should weld a roll-bar onto their clunky dollar-spewing gizmos for when they finally turn over on top of them.

"Clueless!" corporate media

Global corporate media insist on confusing "Clueless!" with reality. "Clueless!" derived scripts comprise the bulk of corporate media uncoverage of international affairs. Perhaps most apparent in the Middle East, it prevails also in corporate and other anti-reporting of events in Latin America and the Caribbean. There, context for corporate disinformation on Venezuela or Cuba is created by anti-reporting non-coverage of countries like Colombia, Mexico, Haiti and Peru.

Western Bloc corporate propaganda media anti-reporting non-coverage constantly minimizes the murderous systematic global fraud practised by G7 countries and their allies. They accept G7 countries' agricultural subsidies in tandem with hypocritical invocations of never-existed-nor-ever-will "free trade" for everyone else. They never effectively criticize the obscene futility of a US military budget greater than that of the rest of the world combined. All the time, they and their governments falsely claim to be concerned about world hunger.

They play down the long history of outright US and European government terror practised throughout Latin America, Africa, Asia and the Middle East. Now that history has overtaken them with a vengeance in their own countries, G7 governments are implementing similar varieties of the repression they provoked in the countries they terrorized. Western Bloc corporate media accept as natural unjustly rigged international economic relations. They pass off as innocuous debt, aid and trade arrangements that channel massive net flows of capital to Western Bloc financial centres.

They support Western Bloc foreign policy in countries like Colombia and Afghanistan whose dominant political base depends on narcotics. Via their offshore banking associates, Western Bloc financial leaders knowingly launder hundreds of billions of illicit dollars from these and many other impoverished countries. Western Bloc propaganda media parrot faithfully the hollow slogans of the fictitious "war on drugs" which is operated deliberately and primarily to subvert security arrangements and manipulate political outcomes in target countries.

They repeatedly echo attacks on Iran's legitimate nuclear programme but never criticise Israel's blatant flouting of international nuclear proliferation controls. They faithfully repeat the lie that Western Bloc countries are committed to democracy and human rights while G7 countries facilitate Israel's genocide against the Palestinians. These countries work closely in league with Egypt and Saudi Arabia and prop up other tyrannies like Jordan, Uzbekistan, Uganda and Equatorial Guinea.

They mounted vociferous campaigns against alleged electoral fraud in the Ukraine but played dumb about outright fraud in Mexico. Above all one is faced with the genocidal mass murder sanctioned by G7 countries in Palestine, Iraq and Afghanistan and the crushing barbarism of their continuing occupation. The main reason to peruse Western Bloc propaganda media like the BBC, the New York Times, the Guardian, El Pais or Le Monde is certainly to inform oneself, but mostly about the latest corporate elite propaganda line.

Colombia - US funded corruption factory

Recent corporate media news on Latin America actually included minimalist bursts of real coverage with a sprinkling of negative references to US-Colombia relations, a worm-ridden corruption factory readily comparable to the ones in Iraq and Afghanistan. This coverage happened thanks to King Juan Carlos W. Bush's stalled Colombia free-trade-in-your-sovereignty deal, Queen-Isabella-wannabe Clinton's Colombia connections and also thanks in part, perhaps, to President Sarkozy's recent failed efforts to help Ingrid Betancourt.

But it is still almost impossible to learn from mainstream media the likely current extent of Colombian narco-terror President Alvaro Uribe's undeniable identification with the paramilitaries, of his narco-gangster power base and of his system of political subornment. Uribe's gangsterism almost never figures in mainstream Western Bloc media noncoverage of Colombia. Their focus tends to be on alleged narcotics dealing and terror attacks by the Colombian Armed Revolutionary Forces (FARC).

The Colombian guerrilla forces act within the terrifying circumstances of mass rural population displacement and systematic massacres created by the Colombian government and its Western Bloc backers for over twenty years. It is the Colombian ruling oligarchy and the paramilitaries they created, along with Western Bloc covert action and corporate criminal networks that have dominated and developed the narcotics business in Colombia. Human rights violations by the Colombian government's army and security services are many times greater than those of the guerrillas. So far this year over 20 Colombian trades unionists have been murdered either by government armed forces or police or by their paramilitary proxies.

This week, President Uribe's cousin, Senator Mario Uribe, faced arrest on charges relating to his paramilitary connections. He fled Colombia to seek asylum in Costa Rica. Costa Rica turned him down. Mario Uribe will join dozens of Uribe-associated politicians either already in jail awaiting trial or indicted on charges relating to illegal paramilitary activity. The extent to which Colombia's justice system is being used to work out conflicts and turf wars within the country's oligarchy is not clear.

The Uribe narco-terror regime recently declared their willingness to help secure release from captivity for Ingrid Betancourt. The announcement was completely hypocritical. The murder of FARC negotiator Raul Reyes back in March had three obvious objectives. It eliminated the then-imminent likelihood of Ingrid Betancourt's release, destroyed the groundwork towards peace negotiations laid by Hugo Chavez together with Colombian politician Piedad Cordoba and tested reaction to the use of US-Israeli preventive war doctrine in the Andes.

Un-reporting Mexico, Peru, Haiti

That interpretation is commonplace across a wide band of political opinion in Latin America. But it is one readers of Western Bloc corporate media are unlikely to encounter. Likewise, corporate media non-coverage and anti-reporting on Mexico make it impossible for its consumers to get a realistic perspective on Mexico's place in the current Latin American context. The UN Human Development Index places Mexico, after over a decade of the North American Free Trade Agreement (NAFTA), just below Cuba, the victim of nearly fifty years of US economic blockade and terror attacks.

Mexico's agricultural economy has been destroyed by NAFTA, leaving completely inadequate employment alternatives for the millions of people displaced from their former rural livelihoods. Mexico's experience proves decisively that the wealth-concentrating neo-liberal economic model represents a thorough betrayal of the needs of the impoverished majority in favour of a corrupt, already wealthy elite. The story of that betrayal and the repression applied to enforce it is another issue consumers of Western bloc corporate media consistently fail to encounter.

By contrast, quotes from President Bush or Condoleezza Rice or John Negroponte and misleading analysis to the effect that Venezuela's redistributive economic model has failed, are prominently quoted and circulated. Most Western Bloc news consumers very likely think Venezuela is a failed State tyranny, a kind of Andean Zimbabwe only propped up by its oil. In fact, Venezuela's economy is among the most successful in Latin America. While poverty levels fall in Venezuela, they get worse in Mexico. (1)

Similarly, Western Bloc media invent non-existent government human rights violations in Venezuela like the RCTV affair or misreport events like last year's minority student unrest, but un-report murders of rural workers leaders by Venezuelan landowners. Human rights violations in Mexico, like the ferocious repression in Atenco and Oaxaca in 2005 and 2006 or this year's murder of two local media-workers in Oaxaca are anti-reported, falling victim to standard corporate media non-coverage. Consistent government repression in Peru, for example of last year's protest strikes, and continuing repression by police and UN mercenaries in Haiti are likewise generally left unreported.

Latin America's deep historical cycle

This year will most probably see the Latin American Right and their US government sponsors recoup some of the ground they have lost so spectacularly over the last four or five years. The unconstitutional separatist referendums in Bolivia, municipal elections in Venezuela and in Nicaragua may all result in gains for the right wing opposition in those countries. Certainly, the Bush regime and its European allies will exploit the current economic crisis for all it is worth in terms of weakening the appeal of progressive governments in Latin America.

Latin America's oil, gas, mineral, water, forestry and biodiversity resources remain priceless targets for Western Bloc imperialist powers. Both Western Bloc media anti-reporting of Latin America and its social-democrat style fence-sitting

sub-varieties - all that glib "pink tide" nonsense - underestimate the depth of the changes in play. Latin America is undergoing a profound historical correction of injustice and oppression that has been checked and set back time and again, ever since the independence struggles of the 19th century.

That correction coincides with a relative decline in the power of the imperialist centres, Europe and the United States, in relation to global actors. Russia and China are obvious rivals for resources and markets along with India and Brazil. But regional blocs too have finally worked out that unless they work together, the imperialist powers will pick them off one by one. Central American countries recently decided to negotiate a "free trade" deal with the European Union as a bloc rather than individually. They have wised up after getting worked over good by Robert Zoellick and his US trade team heavies during the Central America Free Trade Agreement negotiations.

Venezuela's development relationship with Iran has meant a reconfiguration of forces within a different kind of bloc, OPEC. There, Iran partners Venezuela, accompanied now by Ecuador. These South-South alliances are detested by the US and Europe as are Latin America's sovereign regional integration processes, especially the Cuban and Venezuelan led Bolivarian Alternative for the Americas - ALBA.

It may be worth noting that the Venezuela-Iran coalition counteracts the US-promoted Colombia-Israel axis - another reason for the US government to gnash their teeth and pull their hair out. Venezuela and Iran have just agreed a packet of food and energy agreements. No wonder John Negroponte and his sidekick Thomas Shannon are going bald.

Dud delayed reaction

While the US promotes crisis in Bolivia, in Central America governments are working together on the looming food security crisis. In May, a meeting is scheduled to agree strategy for preventing widespread hunger in the region provoked by price rises and scarcities with an initial proposal for joint investment in food security of around US\$100m. Venezuela, which recently sent hundreds of tons of food to Haiti, has been invited. The meeting will follow up the recent ALBA country summit on food security in Caracas. Central America is acting to mitigate its food security crisis. Mexico's impoverished majority has the cold comfort of NAFTA.

Currently, US Assistant Secretary of State for Western Hemisphere Affairs Thomas Shannon is talking softly about a desire for dialogue with Venezuela while a powerful US carrier force engages in military manoeuvres off Venezuela's Caribbean coast. Combined with Colombia's trial provocation run, attacking Ecuadoran territory in March, that soft talk from the State Department probably means another US supported military provocation by Colombia against Venezuela will take place this year.

Such moves, like the US government-instigated separatist power play in Bolivia, go against the current tide of Latin American integration. For that reason, whatever short-term confusion they may foment, they are unlikely to prevail. In the case of Bolivia, Brazil and Argentina will not accept insecurity in Bolivian gas supplies on which their own industrial and domestic consumption depend. Brazil and Venezuela have already agreed in principle to create a common regional defence council. President da Silva of Brazil has made clear to the US government that it is not invited.

The Bolivian constitutional crisis is about to blow up. A centre-left president will shortly take power in Paraguay. Food and energy prices are putting unprecedented pressure on regional economies. The mix is right for Western Bloc propaganda media to continue anti-reporting Latin America in support of US and European efforts to roll back regional moves towards sovereign solidarity-based integration. That will certainly be overall policy in the run up to Latin America's next electoral round in 2010-2011.

Obvious questions suggest themselves about Western Bloc policy in Latin America. Why do the US and its allies support Colombia's murderous narco-terror regime while attacking Venezuela's redistributive humanitarian welfare state? Why do they support corrupt oligarchic regimes in Mexico and Peru while seeking to undermine positive social and economic reform in Bolivia and Ecuador? The self-evident answer is that the Western Bloc countries and their media too are controlled by a similarly corrupt vicious elite, one totally absorbed in a game of "Clueless!".

Note

1. "Poverty Rates in Venezuela: Getting the Numbers Right", Mark Weisbrot, Luis Sandoval, and David Rosnick, Center for Economic and Policy Research - <http://www.rethinkvenezuela.com/downloads/ceprpov.htm> and "La pobreza una bomba de tiempo" *Diario Monitor*, 12 de julio 2008 - (<http://www.diariomonitor.com.mx/hemeroteca/1153546150/tema-04-22072006.pdf>) cited in "Evidence of more Poverty in Mexico" - <http://machete2006.wordpress.com/2006/07/23/evidence-of-more-poverty-in-mexico/>

Inspector Clouseau meets Ocean's 11

(May 2008)

The Pink Panther's Inspector Clouseau has a new rival. Interpol Secretary General Ronald Noble's recent performance for Colombian President Alvaro Uribe's narco-terror regime was an autopilot sub-routine derived from Colin Powell's 2003 UN farrago justifying the attack on Iraq. Noble has form for this genre. Back in 1998 he justified giving evasive testimony (1) to the grand jury investigating allegations against Bill Clinton. At the time, Noble was one of Clinton's security team. British civil servants call it being "economical with the truth".

Colombia had asked Interpol to check out some computer gadgetry allegedly recovered from Colombia's illegal attack on Ecuadoran territory on March 1st this year. Over twenty people were murdered in the attack including members of the Colombian Revolutionary Armed Forces (FARC), four Mexican students and an Ecuadoran. The Uribe gangster regime and its US and European allies mounted a vicious propaganda campaign alleging the computer hardware contained proof of financial and material support for the FARC from Venezuela and Ecuador.

Both the Ecuadoran and Venezuelan governments contemptuously dismiss the allegations. Ecuador's President Rafael Correa recently said his government has reason to believe some of the hardware may already have been in the Colombian army's possession long before the March 1st attack.(2) Some incoherence between the cut-and-dried presentation of Noble's media conference and the somewhat more circumspect content of Interpol's report (3) confirm the legitimacy of scepticism about an affair that makes President Uribe's crisis-ridden regime look even more shifty and unconvincing than it did before.

Noble's media conference was reported by some European media as containing solid grounds for accusing the Venezuelan government, especially, of materially aiding the FARC. The UK Guardian's report (4) seems to have been typical. Rory Carroll and Sibylla Brodzinsky reported Noble's presentation of the report without noting that Noble's presentation was in part made less categorical by the report itself, which explicitly defines its limited technical remit.

The Guardian report does exactly what a group of academics and writers specializing on Latin America feared such skewed journalism might, when they wrote an open letter to the media on the affair. (5) They noted, "The Colombian interpretation has already proven so weak that OAS Secretary General Jose Miguel Insulza, testifying before the House Subcommittee on Western Hemispheric Affairs on April 10, stated unequivocally that there is "no evidence" linking Venezuela to the Colombian rebels, yet Insulza's statement has gone virtually unreported in the English language press."

The open letter perhaps puts misplaced faith in the Western Bloc propaganda media's ability to challenge their own side. The Western Bloc *ancien régime's* current relative decline leaves little margin now for ill-timed media stabs at objectivity, but plenty of room for lop-sided "balance". For example, the Interpol report consistently refers to the computer hardware as having been captured during the illegal raid into Ecuador. Few if any media outlets have questioned that.

But the only basis for making that assumption is to trust the Colombian government. This is a government whose narco-terror President currently faces an institutional crisis with dozens of his political associates, deputies and senators, either indicted or in jail. Uribe is desperate to internationalize his internal difficulties against an opposed and armed rival political project, just as another US puppet, Fouad Siniora is trying to do in Lebanon.

Carroll and Brodzinsky report "Ronald Noble, the Interpol secretary general, said internationally accepted methods for handling computers were not always followed, but Bogotá had not modified, altered or created files." However, Noble can hardly make that claim when not only the provenance of the hardware is completely in doubt but when, as numerous commentators have noted, the detail of the Interpol report itself is much more nuanced than Noble's presentation.

Conclusion 2 of the report notes that the computer hardware was managed incorrectly for two days between March 1st and March 3rd. Paragraphs 77 to 90 of the report explain how Interpol found thousands of system and user files activated or accessed between March 1st and March 3rd. Conclusion 3 of the report states that the Interpol analysts did not find any sign that any user files were modified during that period.

The report does not say the files were not altered, only that no sign of any modification as a result of meddling was found. So one is invited to take on trust that the Interpol analysts are smarter than possible interlopers. One wonders who might pay for the best help. Would that be Interpol? Or the CIA and the narco-dollar backed Uribe regime?

Ronald Noble's upside-down-Clouseau style - "we don't suspect no one.... and we don't suspect, everyone!" - mobilised underpaid, overworked Interpol geeks to fiddle about poking at bits and bytes of meaningless computer data. Alvaro "Ocean's 11" Uribe and his goons probably had a good laugh behind Noble-Clouseau's back after having slipped him the long pre-fabricated goods. The whole object of the exercise has been to create a sound bite for King Juan Carlos W.Bush, or whichever plutocrat-anointed dauphin may succeed him as US President, so as to justify US government support for an eventual proxy military attack by Colombia on Venezuela.

It is no surprise that Western bloc propaganda media like the Guardian preferred to make a biased report of Noble's humdrum media presentation than give a fair account of the startling extradition of 14 of Uribe's paramilitary allies to the United States on narcotics charges.(5) The Uribe regime's move conveniently eliminates the possibility of those paramilitaries giving chapter and verse to the Colombian courts on Uribe's links to paramilitary massacres and narcotics deals.

The laptop story falls into the long-standing, weary pattern of Western Bloc propaganda media manipulation, omission and outright deceit. Following the Interpol presentation, the Organization of American States Secretary General, Chilean Jose Miguel Insulza said, "I respect Interpol very much but the report issued was a technical opinion and does not refer to the production or to the content of the documents procured."(6) Insulza was speaking in Lima, Peru where he was attending the European Union-Latin America Summit.

The important story as regards Colombia in Latin America is that by now not even the pusillanimous Organization of American States is any longer prepared to give President Uribe credence. Colombia is isolated, regarded by most of Latin America as a problem state whose civil war and narcotics industry have irredeemably corrupted its political processes. Mexico is headed in the same direction.

That story is not one you will read in the Western Bloc propaganda media. They are irretrievably tied to their countries' trade, aid and debt hypocrisy and to their leaders' sadistic, militarist imperialism. Rather than reporting Latin America faithfully, those media are busy manufacturing material to attack the re-distributive, humanitarian, solidarity-based trade and cooperation model being worked out by the ALBA countries - Bolivia, Cuba, Nicaragua, Venezuela and others including very likely soon, Ecuador.

The upshot of the Interpol affair is that ALBA's enemies have got one of the sound bites they need for war. Tendentious, weak and dishonest as it is, that makes no difference for the purposes of deceiving people in the US or in Europe. It will suffice in the near future should the US and its allies decide on military aggression against Venezuela in tandem with a strike on Iran. One can just hear Dick Cheney and the Washington corridors echoing Rumsfeld, "Go massive...sweep it all up....."

Notes

1. *"Informe de Interpol sobre la computadora mizigica"*, Luis Britto, *Rebelión*, 18-05-2008.
2. (VIDEO) *Correa asegura que computadores no estaban en campamento de las FARC Aporrea*, *TeleSUR*, 17/05/08
3. *Interpol Report on computer hardware allegedly seized in Ecuador*
4. *"Laptop emails link Venezuela to Colombian guerrillas"*, Rory Carroll & Sibylla Brodzinsky, *guardian.co.uk*, May 16 2008
5. *"An Open Letter to the Media: Interpol Analysis of FARC Laptop Authenticity Will Not "Prove" Links Between Venezuela, Rebels"*, many authors, *ZNet*, April 27th 2008.
6. *"Extradition of Paramilitary Chiefs - a Blow to Truth"*, Constanza Vieira, *IPS*, May 13th 2008
7. *"El informe de Interpol, solo "una opinión técnica": Insulza"*, *AFP*, *La Jornada*, 16/05/2008

Fomenting inflation to pay for war

(May 2008)

Note: The abrupt reversal and subsequent financial crash from July to September made nonsense of the economic logic of this article. Deflation overtook the stagflation that seemed to be taking hold. But so much uncertainty persists about the role of coordinated intervention by governments, Central Banks and powerful private financial institutions, the underlying argument remains valid : the US and its allies, while squabbling about degrees of hegemony, still coordinate closely to defend their colonialist inheritance of power and privilege relative to the rest of the world; the US military machine is subsidised by its allies. Following the crash the system is consolidating so as to sustain itself in as cynical and determined a way as possible

Western Bloc central banks and financial and investment corporations are locked into an inflationary dynamic in order to sustain their system's militarist imperialism. The Bloc's European and Pacific components offer supportive economic collaboration. In exchange, the US serves as the Bloc's global enforcer.

The US Treasury, Federal Reserve and corporate financial houses work together boosting dollar zone money supply, devaluing the dollar. Their partners take compensatory steps, intervening in G7 financial markets. They seek to keep their currencies in some kind of sustainable relationship for purposes of mutual trade and finance equilibrium so as to support US budget and current account deficits.

As the value of the dollar declines the oil price has to rise so producers can maintain operating and marketing margins. A comparison of the US-Euro price trend with the oil price trend through 2006 and 2008 shows a surprisingly uniform correlation between the two. Against the Euro the US\$ fell from around 1.21 in January 2006 to around 1.45 in January 2008. The oil price fell on a similar trend from around US\$60 to just under US\$100. On average, for around every cent the dollar lost against the euro, the oil price rose a little under US\$2.

Oil US\$-Euro correlation

If one looks at the oil price and US\$-Euro figures through 2007 up to April 2008, one can see that the trend is even more uniform and continues more sharply. The US\$ fell against the Euro from around 1.35 in April 2007 to around 1.57 a year later. During the same period the oil price rose from around US\$63 to around US\$132. Roughly, an average increase of US\$3 for every one cent drop in the value of the dollar.

US\$-Euro v Oil price 2007-2008

The US Federal Reserve and the US Treasury will carry on increasing the money supply, devaluing the dollar. They do so to fund US government military spending, other components of the US budget deficit and to prevent insolvent banks and financial corporations from going under. The European Central Bank will continue to set its money supply and accompanying policies to sustain recent trends in the Euro's relationship to the US dollar and bolster its own shaky corporate financial markets.

If there really is a straightforward correlation between the US\$-Euro price and the oil price, then December 2008 will see the dollar at around US\$1.70 to US\$1.75 against the Euro and the oil price at around US\$170 to US\$180. A strike against Iran or a successful provocation against Venezuela would certainly intensify that 30 month trend. There seems no obvious reason for any significant short-term reversal.

If speculation is a significant component of the oil price why is the US\$-Euro price trend so uniformly similar to the oil price trend? The rising oil price tracks the dollar's decline - not vice versa. Even if speculation is a factor, the price will most likely remain well over US\$140-US\$150 because the US budget and current account deficits are not going to change much in the short term and may well get worse. As inflation gathers pace over the medium term, interest rates will rise more or less sharply to counter the threat of hyper-inflation.

That may signal the end of the current apparent correlation between the oil price and the decline of the US dollar against the Euro. Whatever way such a medium-term reversal - perhaps by mid-2009 - pans out, one can be absolutely certain the Western Bloc *ancien régime* will sustain its militarism in support of corporate globalization. Both the US and the European financial systems seem hostage now to inflationary processes in response to the collapse of their long stretched out credit and asset booms.

The European Central Bank prattles on about fighting inflation the same way the US Treasury waffles on about a strong dollar. In fact, it looks as though the Western Bloc finance system is locked into an incestuous fatal inflationary embrace. The US authorities are incapable of dealing with the country's deficits by ending its wars and the grotesque military spending levels they promote. US allies string along, unwilling or unable to force a correction.

Since the US plutocrat elite cannot give up their wars, the likelihood is they will savage domestic social security and associated programmes to try and cap the budget deficit. Certainly, the corporate plutocrats will not pay. Whoever wins the US Presidency in November, the wars, the militarism, the in-your-face corporate welfare will continue. If they cannot continue boosting the money supply as before to sustain credit and asset bubbles, they will attack the poor and disadvantaged and shrink the middle classes winning compliance by means of the "war on terror" motif.

They will do that domestically and internationally. In Europe, people will be told they cannot have their accustomed pensions and social benefits any more. But funding will continue for NATO commitments, for troops and materiel in Afghanistan, for the UN Israeli-protection forces in Lebanon, for interventions under various pretexts in Africa. Money will be found to support any US intervention against Iran and Syria, against Hizbollah, perhaps against Venezuela.

It may be possible for individuals like Bernanke and Paulson and their mates in the US, Europe and Japan to avoid lurching at the controls of their dollar-euro-yen-vomiting moneyness engines into some dank deflationary slough of despond. It may also be possible they end up knocking back unprecedentedly enormous swigs of neoliberal hemlock. The impoverished majority will continue to be terrorised, starved and deprived by hypocritical, sadistic Western Bloc politicians, the corporate elites they front for and their regional proxies and puppets.

Their corporate media will continue telling us how well intentioned all those politicians are. But it seems clear from the suspiciously uniform correlation between the US-Euro price and the oil price, those politicians are deliberately fomenting the inflation that is destroying the economies of vulnerable countries around the world. Why are they doing that if not to maintain their *ancien régime* power and privilege by means of military backed corporate globalization?

They and their corporate media tell us we live in the best of all possible worlds because no other world order is possible. All this suffering and moral debris and economic chaos we're sorting through... where could it all have come from? The anarchy of the "free market"?

Ever since Bretton Woods, G7 governments have worked together ever more closely planning economic strategy. They rig outcomes so as to protect and promote the interests of their corporate elites. Their corporate propaganda media call this the "free market". They are talking only to themselves.

US deficits, cause for war

(June 2008)

The US Congressional Joint Economic Committee's monthly memorandum for June 2005 stated, "Without an increase in national saving, any reduction in the current account deficit would be accompanied by reduced national investment that would harm future growth." Among the committee's recommendations was the suggestion of reducing the US budget deficit. Instead, US budget deficits, inflated by military spending, have got worse.

For the moment, with their massive holdings of US government debt, China, Hong Kong, Japan, South Korea, Taiwan and European countries continue to help the US government operate large budget deficits without high interest rates. Since United States savings have been so low for so long, the US authorities rely on foreign savings for investment to sustain growth. Currently, sustaining any level of US economic growth depends on the country's huge current account deficit.

In January 2007 representatives of the influential Peterson Institute said in testimony to the Budget Committee of the House of Representatives, "we have become so dependent on additional inflows of very large amounts of foreign funds that any significant setback therein would have substantial consequences for our economy." Those consequences are stagflation and recession, which are showing up already. The foreign policy response of both the US government and the rest of the two-headed single-party plutocracy in the US has been to balloon the budget deficit with increased military spending.

Accompanying that militarism, monetary policy has stoked inflation by devaluing the dollar, perhaps in the hope of shrinking the trade deficit. But even as the trade deficit diminishes thanks to the depreciating dollar, although exports may increase, imports may not fall much in the medium and long term. As foreign capital buys up US assets, that foreign investment should stimulate activity, increasing imports. Conversely, inward foreign investment to the US implies lower levels of investment in the countries originating that investment, which may adversely affect US exports.

In "Why a Dollar Depreciation May Not Close the U.S. Trade Deficit" Linda Goldberg and Eleanor Wiske Dillion note that 92.8% of US imports are invoiced in dollars rather than foreign currency. They observe that foreign companies may hold prices low so as to maintain market share. They also note that since imported goods' marketing and distribution costs in the US are in dollars, that too will diminish the effect on import prices of a cheaper dollar.

They write, "Together, these three factors suggest that, all else equal, we may not see the sort of significant escalation in import prices that would prompt U.S. consumers to curtail their demand for foreign goods and switch their purchases to equivalent goods produced at home. Improvement in the trade balance following a dollar depreciation will most likely be achieved instead through increased foreign purchases of newly affordable U.S. goods. Nevertheless, if the nation's consumption patterns are not "rebalanced" away from imports, then the total adjustment in U.S. trade following the depreciation of the dollar could still fall markedly short of expectations."

The trade deficit is sustainable as part of the current account deficit - so long as foreigners keep buying the requisite amounts of US debt. As the US dollar declines, the value of US assets overseas, mostly in Europe, increases. Income from those assets makes it easier to manage the country's external debt, but perhaps not enough to keep up with reaction against, among other things, the failure of the Doha trade round and Western Bloc military campaigns in Iraq and Afghanistan.

US and European imperialist hypocrisy over domestic subsidies has made other countries less inclined to open up their economies further and sell off their assets to Western Bloc corporations if they can avoid doing so. Outside the Western Bloc countries and their regional proxies, attitudes to those countries' hypocrisy on trade policy and on debt range from scepticism to contempt. Cuba, Iran and Venezuela are perhaps the most obvious examples of that.

This contributes to the obscure imperialist logic leading the US to sustain the blockade against Cuba, threaten Iran, foment regional conflict in South America and provoke Russia by trying to build military installations on its borders. The US is unlikely to leave Iraq or Afghanistan until its troops are eventually forced out. In South America, the US authorities have already signalled, via the now well-known Plan Balboa, they intend to use Colombia's army and paramilitaries as footsoldiers for an attack on Venezuela with US air and naval support. In eastern Europe, they have provoked Russia into a military build-up with echoes of the Cold War.

If it comes, an attack on Venezuela will be seen rightly as a new imperialist assault to make Latin America's resources and economies serve the economic needs of the United States and its Western Bloc allies. It will be a reckless gamble on how far Latin America's international relations and politics have been transformed over the last decade. The reaction is likely to be different to the impotent resignation that tended to greet US aggression in the 1980s, but perhaps not different enough to thwart the imperialist double-or-quits attack.

The US domestic economy is in much worse shape now. The threats against Iran and the menaces towards Venezuela, seem to be aimed ultimately at China, a major energy client of both Venezuela and Iran. The US plutocracy may have calculated that the benefits of outright aggression against energy suppliers to China outweigh the drawbacks. They may calculate, probably correctly, that Chinese - and Brazilian - leaders will prioritise maintaining the economic status quo over anti-imperialist solidarity.

The US plutocracy supports the militarist, uniformly cynical and sadistic Bush regime. Together they are clearly preparing for war against Iran and Venezuela, regardless of the damage to the people of the United States. Their unprecedented military spending and international network of military bases show they have given up any serious rational attempt to manage US deficits so as to benefit the ordinary people of the United States.

Like true fascists they seem committed to the idea of a violent aggressive breakthrough that will sweep away problems, leaving King Juan Carlos W. Bush and his retinue, like Balboa on that peak in Darien, unhindered masters of all they survey. Compromise and negotiation, like piggy banks and saving, are beneath corporatist supermen like them. Bush and his fellow warmongers seem intent on bombing their way to ensure the necessary and sufficient conditions for sustaining the US current account deficit.

It is of little comfort to remember that Pedrarias Davila executed Balboa for conspiracy. Corporate globalization for the benefit of Western Bloc multinational business is the decisive motive driving US foreign and domestic policy. Supposing the US elections go ahead as scheduled in November, whichever faction of the single-party US plutocracy wins will still be locked into the anti-sovereign nation state corporate globalization dynamic. Even without the insistent Israeli lobbying, fears of war against Iran are all too well-founded. A move against Venezuela is unlikely to be far behind.

Western Bloc barbarism

(July 2008)

It has not always been so hard to map the frontiers of North Atlantic Treaty Organization country foreign policy beyond which US imperialism goes it alone. Nor, until now, have NATO countries' relations with Israel encroached so blatantly on the enduring symbiosis between Israel's militarist aggression and the US government's militarist imperialism. If it is clear by now that US power and influence is less than it was even ten years ago, what might be the implications for how NATO is used and abused in terms of shifting international economic relations and, in particular, the diverse processes of corporate globalization?

A banal anecdote may help set those questions in some kind of manageable framework. Back in 1993, the Irish government, like many other Western European governments, got on the transparency and participation bandwagon prior to that year's UN Human Rights Conference in Vienna. So a bunch of NGOs working on a broad range of human rights matters were invited to a preparatory meeting in Iveagh House, the Department of Foreign Affairs' building on St Stephen's Green in Dublin. We all sat about a large conference table along with various DFA staff and an avuncular guy informally dressed who turned out to be an important member of the Irish government delegation to the United Nations.

While some of the discussion turned around the terms and logistics of Irish government funding to send a few representatives from Irish NGOs to the Vienna conference, much of it turned around the realities of Irish diplomatic policy, especially its policy within the UN. People anxious about Irish collusion with the United States and the NATO bloc pointed out that, in the early 1980s, Ireland and France were the only Western European countries to recognize the FMLN in El Salvador as a legitimate belligerent force. Many of us naively hoped it might be possible to resume and sustain such independence from NATO bloc foreign policy.

The fellow from the the Irish delegation to the UN scotched that with a couple of points. Firstly, he pointed out that Ireland's broad economic and political relations set Ireland irrevocably within what he called the Western Bloc of countries that shared common interests and generally worked together at the UN. Someone's observation that Ireland perhaps had at least as much in common with other former colonies, now members of the Non-Aligned Movement, was met with the argument that times had changed since Ireland's membership of the European Economic Community in the 1970s.

The second point the member of Ireland's UN delegation made was that small countries like Ireland could work most effectively from within the system, lobbying, essentially, to secure the least worst outcome on any given issue. Those were the days of the New World Order when a peace dividend was supposedly going to transform international relations after the end of the Cold War. But even then that meeting itself revealed an important part of what was in fact going on.

The main Western powers were co-opting smaller countries with aid and trade benefits. Ireland received over 8bn Euros from 1993 onwards from the European Union Structural and Cohesion Funds. On the back of that massive inward infrastructure and social investment, US multinationals piled into Ireland to take advantage of a well-educated, English-speaking workforce inside the European Union, at the time cheaper to locate into than the United Kingdom. Cue : Irish economic miracle.

And within countries like Ireland, as also in the wealthier European NATO member countries - former colonial powers like Britain, France, Holland, Belgium - an internal process of co-option was under way bringing NGOs on board to serve more than ever as the soft arm of Western Bloc and NATO country foreign policy. All that "aid" that never seems to change much but gives a warm humanitarian gloss to anti-humanitarian NATO country economic and financial exploitation of their former colonies. It has often been noted, but it bears repeating, that if one looks at many, especially the larger, of these so-called "non-governmental" organizations much of their funding, sometimes even the majority of it, comes directly from governmental sources, national development cooperation programmes for example, or the various budget lines of outfits like the European Commission.

It may be worth adding as a kind of footnote that the UN Vienna Human Rights Conference took place as planned and issued its declaration. That declaration was almost immediately negated just about anywhere one cared to look. It tended to be ignored in high profile crises from Iraq and East Timor, to Rwanda and the Congo, the former Yugoslavia, Palestine. On a more mundane level, its ratification of the Right to Development has been ignominiously junked. Reading it again reminds one of how far aspirations have fallen in just fifteen years. Now we regard it as a victory if some court in a Western Bloc country reaffirms the illegality of torture or the primacy of habeas corpus.

So then, knowing that in the early 1990s those processes were going on, one can trace their development to the present day. Now a country like Ireland offers untrammelled passage via Shannon airport to US military torturers and mass-murderers en route to and from Iraq, Afghanistan, Somalia and other countries whose peoples have fallen victim to the bogus global war on terror. Various EU country governments collaborated secretly for years in CIA torture flights. Recently NATO country member Greece, gave Israel permission to use its airspace for major military refuelling manoeuvres involving around 100 aircraft, preparatory to a possible strike against Iran.

The European Union recently upgraded its relations with Israel with a view to Israel's future integration into the European Single Market. This comes at a time when the European Union has deliberately collaborated in the collective punishment of the population of Gaza and the ethnic cleansing of the West Bank. The military forces of its NATO country members are in southern Lebanon, in effect defending what Israel defines as its northern borders against Hizbollah. All this indicates that the European Union is at least as committed as the United States government to defending whatever abuse of the Palestinians' fundamental rights Israel chooses to inflict.

It probably does not matter whether they are doing that on principle or in response to possible nuclear blackmail by Israel, along the lines of "ratify our land-grab aggression against the Palestinians or we'll go crazy and use nuclear weapons against our enemies". The motive is insignificant compared to the continuing catastrophe being inflicted on a people supposedly under the protection of the United Nations. The very powers legally obliged to protect the Palestinians are collaborating in their slow destruction and rewarding their destroyers with economic, social and cultural incentives.

Likewise in the case of Iran one is constantly presented with a mid-Atlantic dramatic confection whereby EU "good cop" Javier Solana cajoles and coaxes the recalcitrant suspect, Iran, while "bad cop" Dick Cheney fumes and seethes out in the corridor waiting to use special interrogation techniques, like bombing the country to smithereens. The Israeli government is regularly cast as the wicked vizier, cynically egging on a supposedly reluctant US government to this act of potential self-destruction. The many similarities with the prequel to Iraq are very disturbing.

But remember that when President Jean Bertrand Aristide was deposed in Haiti in 2004, that coup was managed by Canada, France and the United States - all NATO countries - with diplomatic backing from all the Western Bloc countries at the UN. When Pedro "the Brief" Carmona staged his abortive coup in Venezuela in April 2002, US ships offered supportive observation of the move from Dutch bases in Aruba and Curaçao. Spain gave immediate diplomatic support. Plan Balboa, military manoeuvres carried out in 2001 in which a country identical to Venezuela is invaded in support of a country identical to Colombia, was a NATO exercise.

NATO is supplementing US forces in Afghanistan. The International Security Assistance force is led by NATO and had 53,000 troops in Afghanistan in June this year in addition to over 14,000 US troops under a separate command. NATO's presence in Afghanistan is part of the process of transforming its role from one of European defence into one of global intervention. It is hard to see that role as anything other than one of military enforcement not just of US imperialism but of Western Bloc imperialism of which corporate globalization is the commercial and economic engine via Free Trade Treaties with the United States and Economic Partnership Agreements with the European Union.

Occasionally one comes across articles on economic competition between the US and the European Union or about conflicts over monetary policy between the Federal Reserve and the European Central Bank. Superficial spats over specific policy issues indeed exist. But it is unlikely that the US and the European Union are not collaborating intimately in every sphere not just to keep their corporate consumer capitalist system from failing but to reinforce it as an enduringly dominant corporate global presence. That, after all, is surely the point of the endless G7 liaison and coordination which goes on all year round in committees, punctuated by periodic summits.

If one looks at money supply, for example, the US monetary system is devaluing the dollar by issuing money and credit at a rate of over 16% a year. The ECB, Bank of Japan and the Bank of England are all helping keep their currencies in a steady relationship with the US dollar, issuing money and credit at about 10%-11% a year. Money velocity in the economic areas concerned may mitigate devaluation effects, but the inflationary consequences of such policies must surely be contributing to the general price inflation being experienced internationally.

Another area where US and EU policy is in harmony is migration. Widespread rejection and condemnation greeted news that the European Parliament had approved the Return Directive, applying harsh Europe-wide rules to illegal immigrants. President Ignacio da Silva of Brazil remarked of the measure, "The cold wind of xenophobia is again bringing false solutions to the challenges of the economy and society." In the US, steadily more restrictive measures are being applied to illegal immigrants across the country. Immigration policy there is symbolised by well-received proposals for a 2000 mile long anti-immigration barrier along the US border with Mexico.

So while the rich countries that promote corporate globalization demand poorer countries give big multinational corporations greater market access on extremely advantageous investment terms, people in poorer countries are denied the chance to exploit one of the few valuable resources they have - their labour. Capital must be free to move wherever it likes. But its victims had better stay put. Here, class meets race. Middle-class and working-class people in rich countries resent poor immigrants desperate to improve their families' lives back in countries out of whose ruthless exploitation the rich countries historically accrued their current advantage in the first place.

It may well be time to start taking NATO's role as an aspiring global enforcer of Western Bloc economic strategy more seriously. However true it may be to argue that it is still the United States government that makes the running, the US is less and less able to do so without the willing support of its allies. Their joint global military activity can well be interpreted as an effort to compensate for the growing discomfort they feel at the increasing power and influence of other countries like China and Russia, globally, and Iran and Venezuela regionally.

If Israel does strike targets alleged to be nuclear sites in Iran it will do so not just in a context of US government support. The European Union and NATO clearly support Israel's provocative military preparations, as the manoeuvres in Greek airspace indicate. Similarly, in the Caribbean, both the European Union and the United States are hostile to the ALBA countries led by Venezuela and Cuba. It may be that Iran and Venezuela are viewed with hostility by the United States and the European Union for different reasons. Iran for its uncompromising insistence on legitimate development of its nuclear programme and Venezuela for its uncompromising insistence on a fair deal from US and European energy multinationals.

But it may equally be that Venezuela, Cuba and Iran are regarded with hostility for the very same reasons. Firstly because they are all relatively vulnerable countries, compared to China and Russia, that reject Western Bloc economic domination. Secondly because Iran and Venezuela are important energy suppliers to Western Bloc competitors like China and India whom the United States and its European Union allies want to pressure one way or another into doing what they want. While Cuba's health and education worldwide cooperation programmes put Western Bloc "aid" to shame.

On that wider view, a global view of the kind that the major multinational corporations and their political front persons perhaps take, then the respective roles of the United States, of the European Union countries who are also members of NATO, of NATO's Pacific allies like Australia and Japan, of Israel, look less clearcut. And if such reasoning is accurate then any strike by Israel against Iran will be one that has been negotiated not just with the Bush regime but with the leaders of the European Union too.

The Venezuelan government may well react to any conflict resulting from an Israeli strike against Iran with oil sanctions against the United States. If it does, then the recently reactivated US Fourth Fleet is likely to be mobilised along with the US Southern Command's other extensive regional resources against Venezuela in support of whatever contingency plans the United States and its NATO allies have already worked out with the Venezuelan opposition and the Colombian government along the lines of Plan Balboa. Cuba too would become a more vulnerable target. All of this would certainly be supported by Western Bloc countries against the futile opposition of the UN General Assembly.

This stuff of nightmares may seem completely far-fetched and improbable. The murder of 1000 Lebanese by Israeli airpower with the acquiescence of the Western Bloc powers seemed improbable in 2006. The death of over one million Iraqis and the displacement of another 2 million with the acquiescence of the Western Bloc powers seemed improbable in 2003. The collusion of the Western Bloc powers in 4 million deaths in the Congo may seem improbable to anyone who has not read the numbingly horrifying accounts of that conflict and its context. Western Bloc collusion in the destruction of a whole people dragged out for over 60 years in Palestine might have seemed improbable once upon a time. But it is all true.

The market fairground

(October 2008)

"Unclean!..." Who could they be? Those bedlam-creature politicians hooked together by chains of debt filing across the television screens? A spike in the markets. Jerk. Their faces flush, feverish eyes light up. A plunge in the currency. Flop. The pallor returns, the faces drop. This week's coordinated rate cuts and accumulating announcements of bail-out capital injection plans may do something for the principal actors' demeanour, if little else.

Did we really not know default would undo so many? Down goes another finance outfit. "Unclean!...." The statesmen parade from one TV news spot to the next. Unbelievable contagious marketing mumbo jumbo drops via lie-ulcerated lips from unrepentant forked tongues. Too late, George W. Bush. Too late, Gordon Blair. Too late Nicholas Sarkozy-son-of-Chirac. Too late.

Watch out! Here's comes Ben with his giant dollar slurry spreader...whoosh!.....sloooosh!.....wheeeh! The kids are loving it!.... like snow the green dollar slurry melts all too quickly away. As the beautiful armouress would have said had she made it this far "But where are the dollars of yesteryear?"... Whoops! Crash!.... Hank's stuck beneath one of those dollar spewing gizmos he and Ben have so much fun with over there at Greenback Acres. The rest of the country the respective Clinton and Bush cliques betrayed might have helped him out once. But they're trapped right there with him too.

For years respected economists argued the need to curb excessive credit. They patiently explained how the grotesquely distorted asset price boom in the US and Europe was malignantly different from productive growth. In the US, the budget and trade deficits could readily have been turned around by controlling military spending, moderating consumption, applying environmentally sensible energy policies. But what is consumer capitalism if not a carnival of excess and profit-gouging while the impoverished majority plunge deeper into poverty?

And what is that but an engine for imperialist aggression? To people in Africa, Asia and Latin America the current fairground financial circus performance - look how high they are! look how far they dropped! - may as well be in another galaxy. What do Lebanese bombing victims still recovering from US and European backed Israeli aggression care? Or the hundreds of thousands of Somali victims of European and US backed Ethiopian aggression? What do the millions of victims of US and European engineered devastation in the Congo care? Or the Palestinian victims of US and European backed Israeli genocide?

Here comes a tumbrel piled high with pinstriped banks and finance houses. "Bring out your dead!" It creaks and rumbles down virtual electronic highways, respecting no frontier. Look at the illustrious corpses...Northern Rock, Bear Stearns, Countrywide, Indymac, Washington Mutual, Fannie Mae, Freddy Mac, Lehman Brothers, Merrill Lynch, Reserve Primary Fund, American International Group, Wachovia, Hypo Real Estate, Fortis, Bradford and Bingley, Dexia, Allied Irish. They seem to be having trouble loading Iceland onto the already overladen cart.....

For people who live on next to nothing and have no stake in the profligacy and waste of Western Bloc consumer capitalism, the current global debacle resembles a woebegone, mediaeval, made-for-TV fall-of-kings. The spectacle of million-millions of cash appearing from nowhere to bail out wealthy speculators must surely leave a long bitter taste in the mouths of people in impoverished countries told for decades they had to starve by greed-bloated Western Bloc "free market" ideologues.

Supposedly democratic Western Bloc electorates voted into power warmongering frauds like Bill Clinton, George Bush, Tony Blair and Gordon Brown along with continental European cronies like Jacques Chirac, Silvio Berlusconi, Jose Maria Aznar and others. The link between criminal imperialist aggression, corporate media mass-propaganda and systemic financial fraud suggests political morality may be worth more urgent study than political economy.

Current UN General Assembly President Miguel D'Escoto was surely on to something when he noted recently that we need to "save the planet from the swamp of insane egoism we are in, so as to return again to the path of building a better world." Western Bloc politicians and mainstream corporate media regard voices like that of D'Escoto as fatuous and irrelevant. Gandhi and Martin Luther King get celebrated once a year before being stuffed unceremoniously back into the archives.

Latter day preening narcissist political frauds trashed the accumulated wisdom of hundreds of years that had crystallised after World War 2 into a United Nations blueprint for an equitable global modus vivendi. The media who blagged for these supreme war crime aggressors - George Bush, Tony Blair and Gordon Brown, Jose Maria Aznar and Silvio Berlusconi and the rest - were accomplices in facilitating those politicians' campaigns of mass-murder and global people-trafficking torture networks.

Every now and then those media might publish a piece decrying torture or lamenting the effects of one or other of their countries' wars, while praising "our boys" or urging "support the troops". The predominant bulk of their reporting and coverage bolstered the underlying ideological vision - Western Bloc good, Others bad. That was the pretext for the crimes of their countries' failed leadership, predating the orgy of self-pity over the attacks of September 2001. Now, amid the economic distress and financial ruin of their vanity and hubris, those politicians and their media propaganda machine squabble about policy-tweaks, or will the Euro-zone break up or should the G-7 be expanded.

Most people outside the minority world Western Bloc countries could hardly care less. The profound political and economic failure of the United States and the European Union mirrors the longstanding Western Bloc moral failure to show a decent respect for the opinions of the majority world. Boring sideshows like the "your economy is worse than mine" freak-show scrap between sick-old-man Europe and undead Uncle Sam attract tiny audiences in continents like Latin America or Asia. Those regions have their own political and economic projects rendering Western Bloc country arrangements merely one, not especially attractive, model among many.

For example, the crash in the US will have self-evident consequences for Latin America generally, more especially for Central America and most emphatically for Mexico. Stock markets have fallen dramatically in Brazil and Argentina, with sharp falls also in Mexico, Colombia and Chile. Less employment for migrant labour, unwelcome falls in family remittances to home countries and a damaging drop in foreign currency earnings from exports to the huge US market, all will worsen in months to come. This has been clear for many months. The only industry likely to grow in the current environment is narcotics.

So the crisis renders of the utmost relevance regional integration initiatives. It will spur competition between the ALBA regional solidarity based trade and cooperation initiative, led by Venezuela and Cuba, and constipated structures like Mercosur or moribund talking shops like the Community of Andean Nations. The urgent need for a new financial architecture in Latin America has already prompted Argentina and Brazil to trade directly in their own currencies rather than via the dollar. Currently stymied negotiations towards activating Bancosur, the Bank of the South, will most likely burst into life once the full regional impact of the Western Bloc financial and economic crisis begins to be felt.

The main reason US decline seems to matter is that once people around the world have bought enough dollars to pay their dollar-denominated debt obligations the dollar will most likely tank again, just like it did after the August 2007 rally. So unless commodity prices are rescued from drowning in the dollar slurry-ocean, within months the cost of oil and food may well zoom up again as they did earlier this year. For the moment and probably well into 2009, the tug of war between deflation and inflation will go in deflation's favour.

Eventually the tug of war will reverse favouring inflationary trends once more. Western Bloc central bankers and governments will get the meaning and timing wrong yet again. The political corollary of their economic failure may well be renewed Western Bloc aggression in a vain, vicious attempt to cling on to global dominance. Under whatever management, imperialist globalization in retreat will deploy terror as readily and heedlessly as it did while it advanced.

The liquidity of the oligarchs

(October 2008)

Everything is too neatly scripted. Prominent serious warnings from respected establishment figures of a crash, ignored since at least 2003. Prolonged coordinated currency devaluation of the dollar and increases in money supply. That steady inflationary trend of the dollar over two years until early 2008. The sudden inflationary spike in commodities in March. The dramatic reversal in July. The apparent bewilderment in September, prompting abrupt decisive coordination in October. The sun-has-got-his-hat-on markets, all of a sudden. "Back from the brink...."

Surely all this is yet another internal struggle among the imperialist oligarchs, hopping and snapping, squabbling like rancid buzzards over what remains of democracy's corpse in the United States and Europe. What variety of oligarchy is to run Western Bloc countries now corporate consumer capitalism's corrupt "free market" bubble-mangle has wrung what value it can out of them? Much of what remains is in hock for an as-yet-to-become-clear slew of debt.

The G7 country oligarchs knew they were heading for a fall, because their economies since the late 1980s have been unable to sustain the required fabulous profit margins without systemic fraud and debt. From long before the LTCM failure in 1998 and the subsequent dotcom crash, a continuous power struggle has divided the oligarchic elites over their best response. The most greedy and aggressive faction ran the most profitable rackets, the financial sector.

They very obviously deliberately ran it into lucrative bankruptcy knowing governments would coerce taxpayers into bailing them out. For the moment, the elite's power struggle has abated somewhat. Bitching and bickering over what levels of consolidation can or should be achieved, they ponder how best to maintain some kind of status differential between their Western Bloc countries and the rest.

Before saying "told you so..." and welcoming the return of the State as a primary economic player to stabilize the current apparent chaos, it might be worth noting how the current round of government financial rescues follows curtailments of civil rights unprecedented since World War 2. Current "war on terror" moves are probably the financial phase of consolidation of oligarchic corporatist government control over society. They concentrate power more tightly than ever, closing down recognizably democratic, participative options.

The oligarchic anti-democracy of the latest coordinated response to the long foreseen crisis has gone mostly unreported. There was no democratic consultation worth the name. Least of all in the European Union. The theatrical exception of the utterly predictable five-day House turnaround in the US Congress over the Paulson save-my-cronies plan hardly counts. The plan went through cliché after cliché, dog and pony shows, hoop jumping, bells and whistles, hung like a Christmas tree and all.

So there is both a financial and a political concentration of power. In the US,

J.P.Morgan Chase now owns Bear Stearns and Washington Mutual. Bank of America owns Countrywide and Merrill Lynch. Citigroup has been frustrated by Wells Fargo in the oligarchy's noisome-buzzard-spat over the corpse of the Wachovia bank. The Federal Reserve has steadily expanded its powers, periodically reporting faits accomplis to Congress.

In Europe, Spain's Santander group snaffled up Bradford and Bingley in the UK. There too Lloyd's are taking over HBOS. France's Paribas BNP, another major villain of the piece, is taking over Belgium's Fortis. This wave of consolidation will continue, as one insolvent outfit after another owns up to its delinquent debt. The consolidation will run on into Eastern Europe as banks and insurance outfits there fail, in places like Hungary and other countries who contracted the poisonous asset-bubble plague.

Emblematic of the consolidation of government control over civil rights in this period has been the deployment of battle troops for duty in the US itself, as reported by Naomi Wolf and Amy Goodman. Right now, the UK House of Lords has rejected Gordon Brown's repressive 42-day detention law. But seasoned gambler-frauds like Brown always pitch for more than they need. Even without that measure, the new counter-terrorism bill gives Brown and his fellow oligarch frontpersons more power than ever to roll back fundamental rights.

While considering that fact, it may also be worth remembering that Brown has brought back into government two of his and Tony Blair's key supreme war crime accomplices - Peter Mandelson and Geoff Hoon - from the criminal aggression against Iraq of 2003 and earlier. One has to ask what that might prefigure. International news media recently made great play of reports that George Bush supposedly dissuaded Israel from attacking Iran earlier this year. Sounds like a good way of setting up a surprise attack.

One constantly needs to mentally track away from where the corporate media try to make one look and think. They mention institutional failures but focus away from institutional consolidation. In report after report of the bail out and rescue plans floated over the weekend, the need to stoke liquidity was repeatedly emphasised. But if one tots up what the US authorities have made available since December 2007 via their numerous liquidity creation schemes and bail out provisions, to date one is talking about nearly US\$3 trillion.

In Europe, the European Central Bank began flushing liquidity into the markets back in the summer of 2007. Since then in coordination with the Bank of England, between them one way and another, they have sloshed nearly US\$2 trillion into their financial markets. That is before the latest announcement from the central banks. They now still say they have to sloosh even more liquidity into the financial economies of the US and Europe. Here's what the central banks are coordinating:

"In order to provide broad access to liquidity and funding to financial institutions, the Bank of England (BoE), the European Central Bank (ECB), the Federal Reserve, the Bank of Japan, and the Swiss National Bank (SNB) are jointly announcing further measures to improve liquidity in short-term U.S. dollar funding markets.

The BoE, ECB, and SNB will conduct tenders of U.S. dollar funding at 7-day, 28-day, and 84-day maturities at fixed interest rates for full allotment. Funds will be provided at a fixed interest rate, set in advance of each operation. Counterparties in these operations will be able to borrow any amount they wish against the appropriate collateral in each jurisdiction. Accordingly, sizes of the reciprocal currency arrangements (swap lines) between the Federal Reserve and the BoE, the ECB, and the SNB will be increased to accommodate whatever quantity of U.S. dollar funding is demanded. The Bank of Japan will be considering the introduction of similar measures.

Central banks will continue to work together and are prepared to take whatever measures are necessary to provide sufficient liquidity in short-term funding markets."

"Any amount they wish against the appropriate collateral"...."whatever quantity of U.S. dollar funding is demanded". The banks are going to accept worthless corporate debt against good thin air funny money. Taxpayers and their children and grandchildren will be paying it back for ever. This is the Procrustes' bed foreign debt scam that has crushed developing country peoples into subservience. Now Paulson, Bernanke, Brown, Sarkozy and Merkel and their accomplices are applying it to Western Bloc electorates. The corporate media applaud.

When they talk about liquidity what they mean is debt. That and other obvious things are notably absent from mainstream corporate propagandist media coverage of the continuing economic debacle. Little if any mention is made of the role played by almost 60 fiscal paradises or tax havens around the world. Nor has any forthright analysis been made of financial institutions and their shifty Arthur Andersen-style auditors failing to come clean about massive off-balance sheet obligations.

The contrary insistence that impoverished taxpayers stump up virtually endless liquidity, means banks, insurance companies and investment outfits can keep their Enron-style off-balance sheet transactions and associated shell companies - often off-shore entities - afloat. It gives them time to work out how to magic away the losses those shell companies and subsidiaries hide. One way of doing that is to dismantle their fraud piecemeal dissolving it in a flood of liquidity, courtesy of taxpayers held hostage by the Western Bloc oligarchies.

Non-specialists can get a clear focus on those issues by stepping outside the general run of mainstream and peripheral media. If one reads principally Western Bloc media, only a handful of journalists, very late in the day, are finally currently writing honestly and critically, at least by their lights. Of that handful, hardly anyone was writing decisively, until the last month or so, on the scale of the collapse that has now arrived. All this writing and almost all financial blogging stays well within the accepted framework of oligarchic corporate capitalism.

Reading outside that framework, one ends up looking at Western Bloc imperialism's sadism and hypocrisy as it is, rather than draped in the fairytale benevolence of corporate news media. One finds oneself reading people like the experienced and respected Arab-world analyst Rene Naba:

"The Washington Consensus has above all hidden away, note against note, a planetary system articulated around multinational criminality. Western commentators have for a long time shown discretion on this subject, more readily denouncing the Islamist Peril or the Yellow Peril, after having for so long denounced the Red Menace. According to the International Monetary Fund, quoted by Le Monde on May 23rd. 2006, between US\$1.1 trillion and US\$2.5 trillion flows between banks, fiscal paradises and financial markets, despite tougher legislation and greater controls."

Those trillions are the proceeds of every imaginable kind of criminal activity and corporate fraud, including the wholesale Western Bloc financial institution off-balance sheet variety. Naba notes the contagious progression from fiscal paradises through offshore zones, into money market centre cash flows, outsourcing multinational company capital and wildly imbalanced budget deficits. Even his analysis seems to leave out the way hugely expensive Western Bloc military aggression also facilitates cash flows for dominant Western Bloc financial institutions.

Among countless others, a million Iraqis have died needlessly, among other reasons, to improve Wall Street and City of London moneyness. That is why, when the next oligarch figurehead takes over at the White House in January any change will be cosmetic. The wars engaging the US and its NATO allies directly in Iraq and Afghanistan will continue. The devastating proxy war in Somalia and the conflict in Palestine threatening Lebanon and the region will continue. Colombia's narco-terror regime and its civil war, along with destabilization of the ALBA countries will continue.

Avowing economic contraction, the European and US oligarchies may well cut back in real terms on healthcare, education and social welfare to their peoples. Pleading terror and menace, the 700-plus US military bases will not be cut back. Western Bloc governments are consolidating their system of terror-based global gangsterism abroad and repressive corporatist oligarchy in their own countries. The hypocrisy and sadism they have so cynically deployed to crush hope for peoples overseas is likely to be deployed ever more cynically against the pressing aspirations of their own peoples at home.