

## 21st Century Financial Warfare

by Al Wednesday, Jul 9 2014, 3:37am

international / prose / post

Prior to posting the RT interview with economist Michael Hudson I would remind readers that Libya, prior to the 'humanitarian bombing campaign' and assassination of its leader, was an affluent, socially stable, DEBT FREE nation. Now compare with the 'liberated,' fragmented, tribal warring, debt enslaved (to European/US Banks) thoroughly ruined Libya of today!



Where did all Libya's abundant cash wealth and substantial gold assets go overnight? Answer, it was STOLEN by the western Reserve Banking Cartel which panicked when Gaddafi threatened to return to the gold standard and force western oil purchasers to pay for oil in gold! It was the Bankers and Corporations that issued the order to assassinate Gaddafi and ruin the nation in order to enslave its now divided population and facilitate the thieving of its precious oil and other resources/assets.

Recall or research how the panicked (Zionist) Reserve Banking Cartel established (in the third week of the bombing campaign) a Reserve Bank, "with governor" in Benghazi, while the NATO slaughter raged unimpeded by bought mouse, Putin, Libya's former ally and current Ukraine sell-out -- as was/is predicted!

Establishing a Reserve Bank during a bombing campaign is truly astonishing but that is the measure of panic felt by the terrified (and they should be) international Banking/Corporate oligarchy. It was THE tell-tale manoeuvre of the 'humanitarian intervention' that gave the game away; I would add it was the first time the US/Israelis and Saudis utilised their new ground force ISIL/ISIS, which were keen to brandish their black extremist flag in victory videos, while also engaging in the destruction of numerous allied WWII Christian grave sites, verify for yourselves! But who really gives a shit, certainly not Zionist bankers and mega Oil corporations that control NATO, the USA and all other western 'democracies?'

A very simple, universally accessible way to neutralise these evil financial barons would be to withdraw YOUR belief/support in (essentially toilet paper) money or indeed any other abstract or mineral/metal medium of exchange that is currently invested (by you) with 'value!' Without YOUR belief -- WHICH ENSLAVES YOU -- everything 'valuable' becomes junk, coloured paper or just plain metal; by withdrawing your ideological support evil cartels collapse and become powerless; notwithstanding the REALITY that you automatically LIBERATE yourself from insidious (fake) financial/debt slavery.

RT Interview with Michael Hudson follows:

### **IMF pushes Ukraine to 'voluntarily commit suicide'**

Western support will allow more IMF and European lending to prop the Ukrainian currency so the Ukrainian oligarchs can move their money safely to British and US banks, economist and author Michael Hudson told RT's Truthseeker.

RT: Could you summarize for us the tried and tested steps that will lead from IMF loans, to Ukraine's best assets ending up in private Western hands - the IMF's 'knee-breaker' role as you memorably described it as?

Michael Hudson: The basic principle to bear in mind is that finance today is war by non-military means. The aim of getting a country in debt is to obtain its economic surplus, ending up with its property. The main property to obtain is that which can produce exports and generate foreign exchange. For Ukraine, this means mainly the Eastern manufacturing and mining companies, which presently are held in the hands of the oligarchs. For foreign investors, the problem is how to transfer these assets and their revenue into foreign hands - in an economy whose international payments are in chronic deficit as a result of the failed post-1991 restructuring. That is where the IMF comes in.

The IMF was not set up to finance domestic government budget deficits. Its loans are earmarked to pay foreign creditors, mainly to maintain a country's exchange rate. The effect usually is to subsidize flight capital out of the country - at a high exchange rate rather than depositors and creditors getting fewer dollars or euro. In Ukraine's case, foreign creditors would include Gazprom, which already has been paid something. The IMF transfers a credit to its "Ukraine account," which then pays foreign creditors. The money never really gets to Ukraine or to other IMF borrowers. It is paid to the accounts of foreigners, including foreign government creditors, as in IMF loans to Greece. Such loans come with "conditionalities" that impose austerity. This in turn drives the economy even further into debt - forcing the government to tighten the budget even more, run even smaller budget deficits and sell off public assets.

RT: Can Ukraine expect the so-called 'IMF effect' of 1 in 5 of the impoverished population emigrating to work abroad, and what consequence could this have on a country to lose its brightest minds?

MH: Ukraine already draws in foreign emigrants' remittances equal to about 4% of its GDP. (About \$10 billion a year.) Most of this money comes from Russia, the rest from Western Europe. The effect of IMF austerity plans is to drive more Ukrainians to emigrate in search of work. They will send some of their earnings back to their families, strengthening the Ukrainian currency vis-à-vis the ruble and euro.

RT: How are the IMF's tools in reality "weapons of mass destruction" as you quoted it?

MH: Lower budget deficits cause even deeper austerity and unemployment. The result is a downward economic spiral. Lower incomes mean lower tax revenues. So governments are told to balance their budgets by selling off public assets - mainly natural monopolies whose buyers can raise excess prices to extract economic rent. The effect is to turn the economy into a renting "tollbooth economy." Hitherto free public roads are turned into toll roads, and other transportation, water and sewer systems also are privatized. This

raises the cost of living, and hence the cost of labor – while overall wage levels are squeezed by the financial austerity that shrinks markets and raises unemployment.

RT: The IMF's perhaps also a weapon of mass destruction in a more literal sense. The organization has publicly threatened and blackmailed Ukraine that it will 're-design' its aid package, unless Kiev goes to war on fellow Ukrainians in the East of the country and stops them protesting. Does that not make it now literally a criminal accomplice or instigator of war and murder?

MH: The IMF's "conditionality" is that it "pacify" the East. Pacification may occur violently in today's Orwellian rhetoric. The only way in which actual political and economic peace can be achieved is by a loose federalization of Ukraine, to make each region independent of the kleptocrats in Kiev, who are appointed mainly from the West.

As for accusations of criminality, this always depends on who is the prosecutor, and what is the court! No country has yet prosecuted the IMF. All that voters can do is reject governments submitting to IMF conditionalities. Many voters who are able will "vote with their feet" and simply leave the sinking economy. So the IMF's defense is that Ukraine and other clients are voluntarily committing suicide rather than being murdered. Austerity is ultimately a policy – nobody is holding gun to their head, except when political leaders are assassinated as in Chile in 1974 under Pinochet with the US Government behind it. In this sense, Ukraine today is a replay of Chile four decades ago.

RT: Everyone knows austerity's effects on Greece and elsewhere; polls show most Ukrainians don't want it; even the IMF itself now admits austerity doesn't work. Why will Ukraine's leaders allow it to happen, are they guaranteed a cushy job in the West when they've voted out or something?

MH: Ukraine's leaders are mainly kleptocrats. Their aim is not to help the country, but to help consolidate their own power. George Soros has written that their best way to do this is to find Western partners. This will provide US and European backing for the kleptocrats tightening their hold on the economy. Western support will provide more IMF and European lending to support the currency so that the Ukrainian oligarchs can move their money safely to the West, to British banks and US banks.

RT: Do you think that the EU isn't stupid enough to make Ukraine a full member, so under the one-sided association agreement, member states will just strip the country of its best assets, and use its workers as near slave labor, with Ukraine's 91 US cents an hour minimum wage?

MH: The EU hardly can really make Ukraine a member. One reason is that a key policy underlying French and German creation of the original Common Market in 1957 was the Common Agricultural Policy (CAP). Ukraine has rich Western land, and that part of the country is largely still rural. Foreign investors would like to buy it out and "re-feudalize" it, creating large business farms. But the EU is unlikely to provide the subsidies that financed mechanization and capital investment in Western European agriculture.

The EU does not need to formally integrate with Ukraine to benefit from its inexpensive labor. Wrecking the economy Greek-style or Irish-style or Latvian-style is sufficient to send its workers to the West. And the most mobile traditionally are the best educated youth in their 20s, able to speak foreign languages and with skills in demand in the

West.

RT: You noted Ukraine 'must have asked the US first' before blowing up that gas pipeline. Do you think NATO will support anything even terrorism to make Russian gas seem less reliable, especially while US fracking giants currently are waging a big PR campaign in Europe.

MH: The US has pressed Europe to make its own economy much more high-cost and to rely on US gas exports mainly in order to deprive Russia of foreign exchange. The NATO rationale is essentially that which Prime Minister Arseniy Yatsenyuk tweeted on Monday, June 16: Ukraine "won't continue subsidizing Gazprom [to the tune of] \$5 billion annually, so that Russia can arm itself against us [with this money]."

The US position today is what it was in 1991: Without manufacturing, Russia cannot be a serious military power to defend itself. And without purchasing foreign technology and without large state subsidy – as US and European governments provide their own economies – Russia cannot create a manufacturing economy. So NATO is trying to prevent Russia from earning enough money to modernize its economy, on the principle that any industrial power is potentially military, and any military power my potentially be used to achieve political independence from the US sphere.

RT: Anything else you would like to add?

MH: What is at issue is whether economies throughout the world will let financial leverage dismantle the power of elected governments, and hence of democracy. Governments are sovereign. No government actually needs to pay foreign debts or submit to policies that negate the three definitions of a state: to create its own money, to levy taxes, and to declare war.

At issue is who shall rule the world: the emerging 1% as a financial oligarchy, or elected governments. The two sets of aims are antithetical: rising living standards and national independence, or a renting economy, austerity and international dependency.

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<http://rt.com/op-edge/170960-economy-imf-ukraine-oligarchs/>

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Jungle Drum Prose/Poetry. <http://jungledrum.lingama.net/news/story-1215.html>