

GLOBALIZATION - THE NEW IMPERIALISM: IMPLICATIONS FOR THE SOCIETIES AROUND THE WORLD

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Abstract

The term, globalization has caused more confusion due to its ubiquity and vagueness in social sciences. This article argues that globalization is a new kind of imperialism and is in fact Americanization of the world. Therefore, the term globalization or Americanization has interchangeably been used in this article. It has impoverished and corrupted the social fabric of societies and in some cases even led to mass violence to the point of genocide around the world. Moreover, this article refutes the mass media persistent claim that globalization is a natural and inevitable phenomenon. Rather, it should be seen as a political project driven by the powerful elites of this world with a radical agenda. The paramount priority of this agenda is to ruthlessly dominate the rest of the world.

Introduction

There is hardly another term, in the social sciences, that has caused more confusion due to its ubiquity and vagueness than globalization. Globalization refers to neoliberal processes of increased interconnectedness across the globe¹; this leads to a "shrinking" of territoriality ('a time-space compression')² as capital, people, and goods travel freely across all borders, producing in effect a borderless world. This has a huge impact on states, their economies, the world financial situation, military affairs, cultures, politics, religion, the environment and even private lives.

Back in the 1990s, the West promised a better world. The claim and its seemingly inevitable mantra was that "globalization will lift all boats"³ The mass media in the US and also in the Western nations worked feverishly to

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popularize the immense benefits that globalization would accrue to all. Peace and prosperity would go to nations embracing the “free market” economy; hence, privatization and deregulation was advocated to the point of adulation, not just by the ever fawning mass media but also by prominent academics, scholars⁴ and journalists⁵. It would be no exaggeration to assert that globalization itself was presented to the world as a panacea, a cure for all ills of nations and societies alike.⁶ All they had to do was to open their borders up as wide as possible for a massive injection of privatization, deregulation and capital, and development and progress would follow, almost as if it were akin to a natural law.

Even Presidents and Prime Ministers spoke about the alleged blessings of Globalization. Bill Clinton spoke about the “fact” that the train of globalization cannot and should not be stopped⁷, while Tony Blair praised it equally⁸, and Bush Jr., also extolled its virtues.⁹ According to Mark Engler US President Obama has taken globalization to new heights, even surpassing Bush Jr.’s championing role of it.¹⁰

The idea was simple: “free trade” would naturally see to it that once all borders were open there would not be only more goods and services to go around but that by this fact consumers, all over the world, would have (A) a wider variety of goods and services to choose from, and (B) such a wide variety also inevitably brought with it more competition and would hence bring prices down for all consumers everywhere. As an additional boost, it was argued that the internet would also be a new conduit for conducting e-business globally, which would again bring down costs and make communication almost instantaneous, connecting in the process, billions. As of January 2014, a staggering 2.5 billion use the internet (meaning 35% internet penetration worldwide).¹¹

Globalization and Hidden Hand of the Market

John Perkins in the bestselling autobiographic *Confessions of an Economic Hit Man*, confesses:

Economic hit men (EHMs) are highly paid professionals who cheat countries around the globe out of trillions of dollars. They funnel money from the World Bank, the U.S. Agency for International Development (USAID), and other foreign “aid” organizations into the coffers of huge corporation and the pockets of a few wealthy families who control the planet’s natural resources. Their tools include fraudulent financial reports, rigged elections, payoffs, extortion, sex, and murder. They play a game as old as empire, but one that has taken on new and terrifying dimensions during this time of globalization. I should know; I was an EHM.¹²

When Perkins began his work, in 1971, his trainer and supervisor Claudine told him straight ‘my assignment is to mold you into an economic hit man. No one can know about your involvement – not even your wife.’ only to add ‘once you’re in, you’re in for life.’ Moreover, Claudine never hesitated when it came to describing what John Perkins would have to do. His job would be:

... to encourage world leaders to become part of a vast network that promotes U.S. commercial interests. In the end, those leaders become ensnared in a web of debt that ensures their loyalty. We can draw on them whenever we desire – to satisfy our political, economic, or military needs. In turn, they bolster their political positions by bringing industrial parks, power plants, and airports to their people. The owners of U.S. engineering/construction companies become fabulously wealthy.¹³

Perkins was not only one EHM, he mentioned that the US gave such training to promising candidates and since the publication of his book, in 2004, the numbers of EHMs have increased significantly. He also draws an analogy to the mafia

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when describing EHMs. Asserting what EHMs do best is building global empire:¹⁴

Like our counterparts in the mafia, EHMs provide favours. These take the form of loans to develop infrastructure A condition of such loans is that engineering and construction companies from our own country must build all these projects. In essence, most of the money never leaves the United States; it is simply transferred from banking offices in Washington to engineering offices in New York, Houston, or San Francisco. Despite the fact that the money is returned almost immediately to corporations that are members of the corporatocracy (the creditor), the recipient country is required to pay it all back, principal plus interest. If an EHM is completely successful, the loans are so large that the debtor is forced to default on its payments after a few years. When this happens, then like the mafia we demand our pound of flesh. This often includes one or more of the following: control over United Nations votes, the installation of military bases, or access to precious resources such as oil or the Panama Canal. Of course, the debtor still owes us the money-and another country is added to our global empire.¹⁵

This makes a clear mockery out of the professed and ubiquitously propagated conventional wisdom, usually given to us by the mass media, that the playing field is level for all nations (and parties) when it comes to globalization. It also shows that the alleged business ethics exist only on paper and in oral form. In other words, while claiming to adhere to ethical standards, the norm is that EHMs from huge (MNC's) (Multi-National Corporations) bribe, corrupt, or threaten anyone who's not willing to play by their mafia type of rules. The threats are not without consequences, if leaders of certain nations (usually 3rd world nations) refuse to accept bribes or corruption, death is not an unusual way to dispose off them.

Perkin clarifies this by telling about EHMs: “We seldom resort to anything illegal because the system itself is built on subterfuge, and the system is by definition legitimate. However ... if we fail, an even more sinister breed steps in, ones we refer to as the jackals The jackals are always there, lurking in the shadows. When they emerge, heads of state are overthrown or die in violent ‘accidents.’” “And if by chance the jackals fail, as they failed in Afghanistan and Iraq ... young Americans are sent in to kill and to die.”¹⁶ In other words, when even the assassins (jackals) fail then it can and often does mean war, and the colossal US military machine attacks either overtly or covertly.

Perkins simplified it even more directly in an interview where he stated “we go to world leaders of mostly 3rd world countries and tell them I’ve got a million dollars in this pocket for you if you sign this deal, or I’ve got a bullet with your name on it in my other pocket if you refuse!”¹⁷

Therefore, instead of there being a fair level playing field ensuring prosperity and peace for all, both the US government and its power elite along with the corporate elite are actually waging economic warfare against primarily the 3rd world.

Wars tend to be costly, while economic warfare needs only EHMs & jackals, which are comparatively very cheap. Perkins also writes that this strategy is not only a stealthy one, but that it also deceives by claiming that globalization will do everyone good, as it’s mutually beneficial, or at least so in theory. So while the Europeans were easily condemnable for their blatantly visible imperialism, via the empires they established or tried to build, the US strategy of permanent economic warfare is more difficult to spot, especially as the US government can always claim that it desires no empire or colonies, and since it does not have any this becomes a specious but coherent argument. This argument is also supported via the clever rhetorical claim that the US only aims “to make the world safe for democracy”¹⁸, since it is claimed that democracies are more peaceful in general and specifically toward each other. Numerous political scientists see this as

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the closest thing that the field has next to a universal or general law.¹⁹ The logical conclusion is: If all or at least most nations of the world were democracies there would be no more or very few wars. Yet, many other experts see this so-called democratic peace theory as a myth or even as a deception.²⁰

However, it can hardly be denied that USA has historically used the democracy argument for its own advantage. The recent wars in Iraq and Afghanistan prove that point amply. As victory remained elusive and global public opinion turned massively against it, the USA quickly proclaimed, now even more vigorously, to be fighting those wars for democracy's sake and human rights. Yet, it did nothing to protect human rights or even democracy in both Iraq and Afghanistan. Abu Graib, Guantanamo Bay and other notorious torture bases show the downright hypocrisy of such cant. And when it comes to supporting democracy the US has a consistent historical record of suppressing democracy, or supporting pseudo democracy and compliant demagogues.²¹ Perkins states that Iraq was a classical case where all three steps were used. First the EHMs tried to persuade Hussein to do the exploitative oil deals; when he refused the second step was implemented by sending in the assassins, but his security was too good; then, in 2001-2003, the mass media lied about his alleged Weapons of Mass Destruction (WMD) & collusion with Al Qaeda. In March 2003, the USA then attacked Iraq in an utterly devastating war for Iraq in which Hussein was executed.²² This was also a clear warning sign to any leader who refuses the demands of the US power elite.

Globalization: A Tool to Suppress

It was no coincidence that those leaders who praised globalization to the point of adulation are almost without exception from western developed countries. It is also no surprise that along with globalization, the west, and specifically the USA, is demanding from the rest of the world to adopt democracy as its form of government. While both could somehow be gradually adopted to some extent if they

were not simultaneously imposed on the global south, meaning the third world and thus underdeveloped nations; however, the “Washington Consensus” leaves no room for any sort of deviation. Its message is more of a command than a proposal, and it amounts to the following compulsion; take the rawest form of both globalization along with a rudimentary and limitless form of democracy and then deal with it.²³

The first objection to such a dictatorial demand is that the much weaker third world countries are asked to do something that the West (and even Japan) have historically never been subjected to, when even so it could be argued that the western nations were better equipped to take on both simultaneously. Historically, however, there is not one western nation that has ever had to take on the colossal double burden of both simultaneous Globalization and Democratization. As a matter of fact, western nations had countries like Great Britain, France and the Benelux as well and the Scandinavian countries to take them on separately and not simultaneously, in stark contrast to the demand for the third world by the West. Moreover, all the experts and scholars who have written about democratization agree that there are at least two prerequisites for a democracy to be successful: those are (A) a high living standard and (B) a high level of education. The impoverished and mostly backward third world countries have obviously neither a high standard of living nor a high level of education for their usually big and young populations. Furthermore, virtually all experts agree again that democratization takes a considerable amount of time and efforts for it to be successfully taken in, meaning that a culture of democracy has to be developed, and as history has shown this happens, if at all, only slowly and gradually.

Again the dictatorial demand that the panacea to all developing nations is to take both democratization and *globalization* swiftly and at the same time amounts to needlessly putting a lot of pressure on third world societies that already suffer, in stark contrast to the West, from a general lack of the rule of law, and usually many ethnic

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tensions and grievances. Add to that, the usual lack of (high) technology, a backward agricultural economy, high levels of unemployment and underemployment, inflation, religious tension, lack of institutions and facilities, border disputes (deliberately left behind by former colonialists) and a strong brain drain, and the demand of taking in the “free market system” and democracy at the same time translate into a gargantuan burden for such fragile nations.

Amy Chua has consistently proved that both democratization and globalization of third world nations along the US lines has produced violence, ethnic hatred and even genocide. Whenever democratic elections are held usually the majority demands a more or less egalitarian distribution of wealth or at least a decent living standard for all. However, in those nations, almost by default, there exists a tiny minority that has most or almost all the wealth concentrated in its hands: often this minority is ethnically foreign, like the Chinese in South East Asia living outside of China or the Jews in Russia (6 out of the 7 billionaires were Jews in Yeltsin’s era), owning upward of 90% of the major resources & industries while they were only a fraction of 1% of the population. In Latin America anywhere from 7-10% of the fair skinned citizens (usually a mixture of the former colonialists and the indigenous population) controlled roughly 80-90% or more of the wealth. Similarly in parts of Africa, the white population of less than usually 10% owned up to 90% of the land, and an equal amount of its wealth in other resources and its MNC’s. But even in many other African nations a number of minorities usually less than 10% of the nations’ populations were Lebanese, Indian or Jewish, who again were a tiny elite, usually less than 5% of the population that owned anywhere from 2/3 to 90% or more of those nations’ wealth. There are also African indigenous minorities that own the majority of their nations wealth, such as the Ibo in Nigeria, who are a minority and own most of the resources and industries in those countries.

The story, according to Chua, is however, almost inevitably the same everywhere in those third world nations: whenever

democracy reigns, the elites become afraid that either their wealth will be ceased by popular demand, or that they will be forced to either leave the nation, while their wealth is confiscated, or worse still that they will be killed by the enraged masses of the poor. Since there are no prerequisites for democracy in those nations it quickly and reliably degenerates into some kind of mobocracy, where a demagogue makes all sorts of promises to the masses in order to stay in power (i.e. Mugabe in Zimbabwe) and; thus, once the almost inevitable recessions come, since income is totally unjustly distributed and globalization overwhelms those nations with tremendous exploitation of their wealth, the demagogues and politicians realize that a scapegoat has to be found (as one can only blame the West for so long). For strategic purposes, such scapegoats have to be weak in terms of their numbers, and even more important they have to be already hated by the impoverished masses. Hence, the wealthy ethnic minorities pose an almost ideal target, as they are tiny in numbers when opposed by the huge masses, and even more so since they are seen as the main culprits of abject poverty. Their lavish lifestyles and or their foreignness result in all sorts of socio-economic and ethnic hatred. The outrages and violence against them are too numerous to cite here, but it should suffice to say that the 1997-98 recession of South East Asia resulted in a massive campaign to kill the ethnic minority of Chinese in those nations, especially but not only in Indonesia.²⁴ Often, however, the political elites will collaborate with the economic elites because the latter recognizes its vulnerability and thus co-opts the political elite by supporting them lavishly with all sorts of funds and privileges, so that an interdependent, and symbiotic relationship is established.²⁵

Despite such consistent outbursts of violence, hatred and even genocide, i.e. in Ruanda (1994), ex-Yugoslavia (in the 1990s) or Sierra Leone (1999), to mention some of the worst ones, the Washington Consensus is kept firmly in place, and; the third world is told that there is no alternative to it.²⁶

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There is also a huge double standard at work when these advanced Western nations make such domineering and overwhelming demands of the much weaker nations, since their favourite phrase of so-called free trade was and is anything but free in its nature. As an historical example, G.B. only hesitatingly turned to a really limited free trade after it had gotten all possible benefits from actually using protectionism for its industry and markets for 150 years. And the USA followed the same policy. As Noam Chomsky has so aptly written:

Britain did finally turn to liberal internationalism—in 1846, after 150 years of protectionism, violence, and state power had placed it far ahead of any competitor. ...²⁷ After 150 years of protectionism and violence, the United States had become by far the richest and most powerful country in the world and, like England before it, came to perceive the merits of a “level playing field,” on which it could expect to crush any competitor. But like England, the United States had crucial reservations. One was that Washington used its power to bar independent development elsewhere, as England had done. In Latin America, Egypt, South Asia, and elsewhere, development was to be “complementary,” not “competitive.”²⁸

The immense irony of the neoliberal argument is that while weak, poor, exploited and underdeveloped nations are asked to open wide their young fragile markets and industries to the financially powerful predators, thus, in the process being taken over by huge, mostly Western, foreign MNC's and international banks, those same Western countries always made sure to protect their own industries and markets with high tariff walls and quota restrictions, so that their economies could grow and thrive. This infancy industry argument was first fully articulated by Alexander Hamilton in his 1790 Report on Manufactures, was systematically developed by Daniel Raymond,²⁹ and was later picked up by Friedrich List in his 1841 work *The National System of*

Political Economy.³⁰ Alexander Hamilton endorsed it to jump start the US economy, thus, protecting it meticulously from tough British competition. Needless to say, it worked wonders for both countries, as both became vast imperial powers. The British even based their entire trade relations on it, eventually establishing a gigantic empire, while the US more adroitly built up an empire in disguise and denial, with neo-colonialism as its primary additional strategy. But protectionism alone was apparently not enough for the avaricious greed that imperialism brings with it, and so covert interventionism was always a part of the wicked game.

India is an instructive case; it produced as much iron as all of Europe in the late eighteenth century, and British engineers were studying more advanced Indian steel manufacturing techniques in 1820 to try to close “the technological gap”. Bombay was producing locomotives at competitive levels when the railway boom began. But really existing free market doctrine destroyed these sectors of Indian industry just as it had destroyed textiles, shipbuilding, and other industries that were advanced by the standards of the day. The United States and Japan, in contrast, had escaped European control, and could adopt Britain’s model of market interference. When Japanese competition proved to be too much to handle, England simply called off the game: the empire was effectively closed to Japanese exports...³¹

These lines are simply astonishing and mindboggling to say the least, for they mean that India was actually ahead of England in key technologies such as steel manufacturing techniques, ship building, and in other industries, in the 1820s, so that British engineers were forced to copy those techniques to try to close the technological gap; also impressive is the fact that India produced as much iron as all of Europe in the late eighteenth century.

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But one does not have to look into past history, even today the USA and the EU protect their industries and agricultural markets, often leading to rows between these commercial giants. US President Truman's Air Force Secretary said that "we should not use the word subsidy and made sure that the word security was used to justify and promote what was in effect sheer protectionism, which is obviously a flagrant violation of "Free Market" principles". The same pattern prevails in all other important and dynamic US sectors of the economy, be they computers and electronics in general, automation, biotechnology or communications equipment. The irony is once again that the Reagan Administration was notorious for its mastery of the art of extolling the glories of the Free Market to the poor of the world while boasting proudly to the business world that Reagan had 'granted more import relief to U.S. industry than any of his predecessors in more than half a century'—"which is far too modest, as they surpassed all predecessors combined, as they presided over the greatest swing toward protectionism since the 1930s ... Without these and other extreme measures of market interference, it is doubtful that the steel, automotive, machine tool, or semiconductor industries would have survived Japanese competition, or been able to forge ahead in emerging technologies, with broad effects through the economy."³² To finally dispel the theory of "Free Trade" once and for all and its rhetorical nonsense Chomsky cites: "an extensive study of transnational corporations (TNC's) by Winfried Ruigrock and Rob van Tulder found that 'virtually all of the world's largest core firms have experienced a decisive influence from government policies and/or trade barriers on their strategy and competitive positions, ...'"³³ Meaning that protectionism in the West is the order of the day: the rule and not the exception.

As if to add insult to injury, the US government also officially made sure that democracy and real development would be suppressed in the third world. The documents are now available in principle.

George Kennan was obviously not just an advisor as he is credited with the theory of Containment that was used for over 45 years to stop any Soviet or East Block socialism from “contaminating the free West”. Declassified documents show that it was Kennan who wrote, in 1948, that the USA has 50% of the world’s wealth, but only 6.3% of the World population³⁴ but consumes about 25% of world energy, and other precious resources from primarily the third world. “In this situation, Our real task in the coming period is to devise a pattern of relationships which will permit us to maintain this position of disparity’.”³⁵ Under such conditions the US elite cannot allow such things as democracy or human rights, since that would lead to a huge demand for both and would mean that developing nations would, first of all, strive to improve their economic growth, not just for their tiny upper classes but for everyone. This had to be avoided at virtually all costs, even if terrorism had to be used on such third world nations. Kennan thus called for police states and dictatorships in those nations. Neo-colonial arrangements and collusion had to be forged between the greedy and traitorous elite of those nations and the US power elite.

Globalization and its Dreadful Results for the World

The type of capitalism that Washington and its colluding business elite is demanding for the rest of the world is based on speculative capital and a global banking system that inevitably inflates world currencies. There was, however, a time when the USA was far more productive and also increased wealth globally: these were the 1950s and 1960s when the US economy simply dominated globally due to its sheer size.³⁶ At the end of World War II, the US G.N.P. was about 46-50% of the world G.N.P., while US population was a mere 6% of world population. During this era, the US was not doing the world a philanthropic favour: the simple fact was that with such a huge productive capacity the USA elite needed markets, otherwise a severe recession was on the horizon in 1948, as business leaders, specifically from the aircraft industry lobbied Washington heavily for massive subsidies, much like the banks would do some 60 years later

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during the 2008 recession. In 1948, all the economic indicators showed that a massive recession was due and the fact that people still remembered the great depression of the 1930s scared policy makers and politicians alike. They knew that only massive subsidies for all sorts of industries could prevent another great depression or recession from smashing the American Dream, and being in severe competition with Soviet socialism, the USA could hardly let its economic system fail for the entire world to see. The Soviets would have gladly used such an opportunity propagandistically. However, Washington and Wall Street could hardly proclaim that the “free market system” had come to an end due to its failure, since its whole ideology was based around the propagandistic notion of the virtues of “free trade“. Thus it had to be disguised that Washington was giving all sorts of subsidies to its industries, as mentioned this was covered up by simply referring to all such subsidies as security issues. Thus, a massive recession was averted by pumping vast amounts of subsidies and giving all sorts of support to its aircraft industry at first, and then all other related industries from the late 1940s onward. Truman used the Red Scare of Communism, as former isolationist Senator Arthur Vandenberg advised him “to scare the hell out of the American people” if he wanted his containment foreign policy to work. Frank Kofsky has done a marvelous task of documenting this era, of how fear was used to get Americans to abandon any real Free Trade system and instead to embrace what actually amounts to a garrison state, with a gigantic military-industrial complex (M.I.C.).³⁷ As a matter of fact, ever since 1941, the US economy was in effect a war economy, or a heavily subsidized militarized economy. (Bruce Porter) For obvious reasons the US elite never talks or writes about this factual phenomenon, for to do so would discredit its alleged standing as a true Free Market state and supporter the world over.

Today and particularly since the demise of the Soviet Union, the USA is by far the biggest seller of weapons worldwide (about 57% as of 2013), but its form of capitalism has fundamentally and even radically changed. As mentioned back in the 1950-60s, the USA was still a real economy,

meaning that the overwhelming part of its G.N.P. consisted of tangible material goods and related services supporting such good. Today, however, the situation has reversed with catastrophic consequences for not only the USA economy but the whole world. The statistics do not lie, as Chomsky shows in his important book *Profit over People*:

The most important changes took place twenty-five years ago, when the Nixon Administration dismantled the postwar global economic system, within which the United States was, in effect, the world's banker, a role it could no longer sustain. This unilateral act ... led to a huge explosion of unregulated capital flows. Still more striking is the shift in the composition of the flow of capital. In 1971, 90 percent of international financial transactions were related to the real economy—trade or long-term investment—and 10 percent were speculative. By 1990 the percentage were reversed, and by 1995 about 95 percent of the vastly greater sums were speculative, with daily flows regularly exceeding the combined foreign exchange reserves of the seven biggest industrial powers, over \$1 trillion a day, and very short-term about 80 percent with round trips of a week or less. Prominent economists warned over 20 years ago that the process would lead to a low-growth, low-wage economy and suggested fairly simple measures that might prevent these consequences.³⁸

Nixon's decision on August 15, 1971 was to take the USA off the gold standard which opened the flood gates to global inflation. History has shown with remarkable consistency that whenever a nation or kingdom goes off a gold or silver standard not only does debasement of currency follow but even moral degeneration becomes reality.³⁹ What the USA has now has been aptly described as casino capitalism: a degenerative form of capitalism that thrives on inflation, which is then used to speculate on virtually anything in the world at huge stock markets. However, the immense new cash

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made in this scheme benefits only a few bankers and speculators, who often use illegal inside information. Even if they were not to use such information, this type of casino capitalism only produces cash based on derivatives, and put options and other exotic inventions. Thus, billion and trillion are made in cash but the real economy remains stagnant and even declines in overall living standard.⁴⁰ The reason is that such highly inflated cash doesn't produce more cars, aircraft or computer or other material goods for society off the mass assembly lines; it only bloats the pocket of the very few super rich, and they obviously have as single individuals only limited needs, hence, they don't need 100,000 new car or homes, but the majority of the population do need and want such goods. This means ultimately that US capitalism has been producing, especially since the 1990s, when over 90% of G.D.P. was solely based on the virtual economy, huge profits for the few, while the masses struggle to make ends meet. Yet, the US economy is desperately dependent on mass consumption, accordingly 75-80% of economic growth is relying only on mass consumption. Such consumption is not possible given that only a fraction of the US population has the necessary cash for it. The result are devastating both for the US economy and the rest of the world, since the US Federal Reserve (FR) is printing dollars in a surfeit and at the same time this money is coveted by nations and people all over the world.⁴¹ The reason is simply that 2/3 of world trade is still done in dollars. More and more the nations of the world have to earn those dollars by actually providing goods and services to the USA, but the USA can simply tell the FR to keep printing dollars, meaning that the USA doesn't have to actually earn them.⁴² This has the double negative effect that all other countries are not only cheated out of their hard work for those dollars, since massive printing of them inflates them, thus making them less valuable over time. Moreover, a few nations with huge surplus capital is lending this back to the USA, like China and Japan who have become the biggest financiers of the USA, but these nations only get 1% interest over period of 10 to 15 years on the US treasury and bonds that they buy. They know that by the time that the interest of only 1% is paid that it is actually a negative deal for them, as the dollar gets far more devaluated

due to inflation. Yet they are willing to play this losing game because they have huge dollar reserves, and if they were to dump them on the international money markets the dollar would almost by default take a huge tumble (losing anywhere from 40-50% of its value almost immediately), however, due to the fact that they themselves have some many dollars they don't want to see the dollar declining so drastically; they are also trapped due to them needing the US market, as it is usually the biggest market for those export driven nations. Thus, China had considered back in 2007-2008 about dumping their dollars, since 60% of their surplus capital which amount to over 3 trillion US dollars is actually held in dollars. Also, if the dollar were to take such a sudden tumble the political and economic consequences may easily result in China and Japan bashing, meaning that the USA might once again go into massive protectionism, as it did during the great depression, when the Harley-Smith Act was passed in the 1930, making over 20 000 foreign goods more expensive by 50 to 100%.

The end results of such highly speculative and inflationary US policies are not only devastating leading to recession and depressions in the USA but also impoverish the rest of the world, especially the global South. The famous saying that if America sneezes the rest of the world catches a cold, is not far removed from the truth. Since the FR is basically running global monetary and trade policies the USA has still a huge impact on the world financially.

Immanuel Todd, the French historian and demographer who predicted the demise of the Soviet Union in 1976, wrote a striking analogy of the USA's relationship with the rest of the world, comparing the USA to a black hole that continually sucks, goods, services, labour (brain drain), precious resources, and money (China and Japan) out of the rest of the world, and giving in return only devalued (inflated) paper bills in the form of dollars.⁴³ Such a predatory and highly exploitative relationship had to be hidden and justified by propagating the myth of mutually beneficial relations due to Globalization.

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When the US security analyst and preeminent futurist Herman Kahn was told of this scheme he is cited as having laughed and calling it the greatest swindle in human history. The effects of this swindle are easy to see everywhere. According to a new *Oxfam* report, in the U.S., the financially privileged – the wealthiest 1% – have "captured 95% of post-financial crisis growth since 2009, while the bottom 90% became poorer ..." Moreover, this translates into the fact that the richest 1% of world population own 46% of global wealth.⁴⁴ The headline of that report read: *85 richest people as wealthy as poorest half of the world*: and "It warned that those richest 85 people across the globe share a combined wealth of £1tn, as much as the poorest 3.5 billion of the world's population."⁴⁵

Globalization is the ideology that is driving this gargantuan inequality to ever continuing dizzying heights, and Wall Street and the US power elite are its main supporters as well as glaring beneficiaries.

Notes

¹ Kiely, Ray: *Empire in the Age of Globalisation – US Hegemony and Neoliberal Disorder*, Orient Longman, London 2005, p. 1.

² *Ibid*, pp. 9-10. Here Ray Kiely is briefly citing David Harvey (1989).

³ Chua, Amy: *World on Fire – How Exporting Free Market Democracy Breeds Ethnic Hatred and Global Instability*, William Heinemann, London, 2003. This book, first published in 2003, is now a classic in terms of showing how the *Washington Consensus*, meaning the simultaneous exporting of a "Free Market" economy system and Democracy, destabilizes especially 3rd world nations and leads to violence, and at times even to genocide. It produces a stunning and shocking narration and list of countries where ethnic hatred and violence and even genocide resulted directly from the *Washington Consensus*. Another book, with a similar theme, that has become a classic is *The Globalization of Poverty*, by Michel Chossudovsky. The facts and figures of both books speak a clear language and can't be denied!

⁴ In terms of academics most notable was Francis Fukuyama with his thesis of "The End of History", which he published in the summer of 1989, even a few weeks before the fall of the Berlin Wall. Francis was, however,

not just an innocent academic: before this publication he was in a leading official position in the State Department. His 1990 book by the same title as his article became a world bestseller and had decisive influence on massively promoting & globalization (in his words the “free market” system) and democratization.

⁵ The most influential journalist persistently pushing for globalization is Thomas L. Friedman, who’s wrote the bestseller *The Lexus and the Olive Tree: Understanding Globalization* in 1999.

⁶ As expected, there were a few critical voices on Globalization coming from the West, but these were far and few between and could thus not overturn or have any sustained effects on the eulogy of the mass media mantra. In retrospect this was only possible when the Neo-Liberal order was besieged by crisis coming directly from Globalization’s many failures. See for instance, the South East Asian Crisis (1997-98), Seattle 1999, Genoa 2001, Argentina in 2001,

⁷ Ethan B. Kapstein, "A Global Third Way Social Justice and the World Economy," *World Policy Journal*, Vol. XV, No. 4 (Winter 1998/99), cited from: <https://www.mtholyoke.edu/acad/intrel/kapstein.htm>

⁸ Ibid.

⁹ Bush's Globalization, by Mark Engler, Distributed to *Knight-Ridder/Tribune* newspapers by the Global Beat Syndicate, Published on Tuesday, June 8, 2004 by CommonDreams.org, cited from: <http://www.commondreams.org/views04/0608-09.htm>

¹⁰ President Obama Takes Globalization to New Heights - President Obama has surpassed George W. Bush as a champion of globalization, by Mark Engler, July 2, 2012, *Foreign Policy In Focus* - A project of the Institute for Policy Studies, cited from: http://fpif.org/president_obama_takes_globalization_to_new_heights/
See also: *Dissent Magazine - A Quarterly of Politics and Culture*, President Obama: Corporate Globalizer, by Mark Engler - June 28, 2012, cited in: <http://www.dissentmagazine.org/blog/president-obama-corporate-globalizer>

¹¹ <http://adelinapeltea.com/2014-the-state-of-worldwide-internet-social-media-and-mobile-penetration/>

¹² Perkins, John: *Confessions of an Economic Hit Man – The shocking inside story of how America REALLY took over the world*, Ebury Press, London 2006, p. ix.

¹³ Ibid, p. xi.

¹⁴ Ibid, p. xvii.

¹⁵ Ibid.

¹⁶ Ibid, p. xxi.

¹⁷ Documentary *Zeitgeist II Addendum*, 2008, directed by Peter Joseph. Part 2 has an interview with John Perkins where he explains how the whole range of economic warfare works, via Hit Men, Assassins & War if necessary. I have paraphrased the “quote” in order to convey briefly the quintessence of what Perkins said into one sentence; thus, the “quote” is a condensed summary of the rather long interview that he gave.

¹⁸ This was of course the rallying cry US President Wilson used to convince the US public, which was about 90% isolationist, to get the US into WW I. Revisionist Historians later uncovered that Wilson had already committed the US to join G.B. See the Documentary *Zeitgeist I*, 2006 & Lens, Sidney: *The forging of the American Empire – From Revolution to Vietnam: A History of U.S. Imperialism*, New Ed., Chicago 2003, pp. 260-268. & Khan, Mansur: *Die Geheime Geschichte der Amerikanischen Kriege* [English title would be: *The Secret History of America's Wars*], Grabert Verl., Tübingen 2003.

¹⁹ Levy, Jack S. / Thomson, William R.: *Causes of War*, 1st ed., Wiley-Blackwell, Oxford, 2010.

²⁰ Greis, Anna / Brock, Lothar / Müller, Harald (editors): *Democratic Wars: Looking at the Dark Side of Democratic Peace*, Palgrave, 2006.

²¹ Blum, William: *America's Deadliest Export: Democracy – The Truth About US Foreign Policy and Everything Else*, Zed Books, London/New York, 2013. Chomsky, Noam: *Deterring Democracy*, Vintage, New Ed., N.Y., 2006

²² Documentary *Zeitgeist II Addendum*, 2008, directed by Peter Joseph. Part 2. Khan, Mansur: *Die Geheime Geschichte der Amerikanischen Kriege*, Grabert Verl., Tübingen 2003.

²³ As stated in Amy Chua's book *World on Fire*, 2003.

²⁴ Ibid.

²⁵ Ibid.

²⁶ Ibid.

²⁷ Chomsky, Noam: Profit Over People – Neoliberalism and Global Order, Vanguard, Lahore/Karachi/Islamabad, 2004, pp. 34-35.

²⁸ Chomsky, Noam: Profit Over People – Neoliberalism and Global Order, Vanguard, Lahore/Karachi/Islamabad, 2004, p. 36.

²⁹ Chang, Ha-Joon. "Kicking Away the Ladder: How the Economic and Intellectual Histories of Capitalism Have Been Re-Written to Justify Neo-Liberal Capitalism". Post-Autistic Economics Review. 4 September 2002: Issue 15, Article 3. Retrieved on 8 October 2008.

³⁰ Ibid.

³¹ Chomsky, Noam: Profit Over People – Neoliberalism and Global Order, Vanguard, Lahore/Karachi/Islamabad, 2004, p. 35.

³² Ibid, pp. 37-38.

³³ Ibid, p. 38.

³⁴ Engdahl, William, F.: Full Spectrum Dominance – Totalitarian Democracy in the New World Order, Third Millennium Press, Louisiana 2009, p. 1, 10.

³⁵ Burach, Roger/Tarbell, Jim: Imperial Overstretch – George W Bush & The Hubris of Empire, Zed Books, London/New York, p. 56.

³⁶ Todd, Emmanuel: After The Empire –The Breakdown of the American Order, Constable & Robinson Ltd., London, 2003.

³⁷ Frank, Kofsky: Harry S. Truman and the War Scare of 1948: A Successful Campaign to Deceive the Nation, St. Martin's Press, 1995. This is a crucial book for understanding how and why the USA decided to make the Soviets into the new enemy, an enemy that provided the M.I.C. with trillions of Dollars of profits and proxy wars that were equally lucrative for the US business elite, while politically it unified the USA and made NATO possible as a military alliance of crucially important Western nations that would from then on be under the immense influence and guidance of the USA's power elite.

³⁸ Chomsky, Noam: Profit Over People – Neoliberalism and Global Order, Vanguard, Lahore/Karachi/Islamabad, 2004, pp. 23-24.

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³⁹ Goyette, Charles: *The Dollar Meltdown*, Portfolio, New York, 2009, pp. 46-48.

⁴⁰ See among other things the Documentaries: *Capitalism – A Love Story*, by Michael Moore, 2009 & *Zeitgeist II Addendum*, 2008, directed by Peter Joseph. (The Literature is simply too numerous to cite.)

⁴¹ *Zeitgeist II Addendum*, 2008, directed by Peter Joseph.

⁴² Prestowitz, Clyde: *Rogue Nation – American Unilateralism and the Failure of Good Intentions*, Basic Books, 2003, New York, pp. 70-72.

⁴³ Todd, Emmanuel: *After The Empire –The Breakdown of the American Order*, Constable & Robinson Ltd., London, 2003.

⁴⁴ Kim Hjelmgard, *USA TODAY* 3:05 p.m. EST January 20, 2014, cited from: <http://www.usatoday.com/story/news/world/2014/01/20/davos-2014-oxfam-85-richest-people-half-world/4655337/> [The research was compiled using data from Credit Suisse's World Wealth report and the Forbes' billionaires list.]

⁴⁵ Graeme Wearden, *The Guardian.com*, Monday 20 January 2014 09.24 GMT, Oxfam: 85 richest people as wealthy as poorest half of the world - As World Economic Forum starts in Davos, development charity claims growing inequality has been driven by 'power grab', cited from: <http://www.theguardian.com/business/2014/jan/20/oxfam-85-richest-people-half-of-the-world>