

Disastrous Outcomes From An Orchestrated Economic Crisis

By [Dr. Paul Craig Roberts](#)

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With the world concerned about US financial credibility and the poor outlook for the US economy, now is not the time for the Republicans to grandstand on the public debt. The debt ceiling needed to be quietly raised. Instead, the Republicans started a fire and then threw gasoline on it, creating an inferno that could burn up the US social safety net or the US Treasury's credit rating and the US dollar's role as reserve currency or what remains of the separation of powers.

Consequently, world financial markets, currency markets, commodity markets, central banks, and mutual fund money market and bond funds are on pins and needles.

This level of irresponsibility is seldom seen even from American politicians.

Republicans have created a totally unnecessary crisis and turned it into compelling political theater. Will the US default? Will entitlements be slashed? Will Obama seize the power of the purse from Congress in order to save the dollar and the US credit rating? None of these questions needed to arise.

While the world media fixates on the orchestrated debt ceiling crisis, the US government continues to bomb civilians in Afghanistan, Libya, Iraq, Pakistan, Yemen, and Somalia and continues with preparations to do the same thing to Syria and Iran.

The violations of other countries' sovereignties, the naked aggressions that constitute war crimes, the murder of noncombatants, and the horrible moral and economic expense inflicted by the maximization of the military/security complex's profits are somehow not a crisis. These are just routine, normal, everyday necessary events. Nothing to notice or to become upset about.

The offshoring of US jobs, GDP, tax base, and consumer demand that has eroded away the US economy and the government's tax base, thus elevating the deficit, is somehow not a crisis. These are just the imperatives of globalism and the routine maximization of shareholders' profits and management's performance bonuses.

The US has become such a ridiculous collection of fools that no real crisis can be recognized. Instead, the country is mesmerized by a fake crisis.

The fake orchestrated crisis can easily turn into a real one. If income support programs are slashed, so will be consumer demand, and the US economy will decline further, widening the budget deficit and national debt.

If the Republicans force the country into default, the dollar will suffer. At the least, import prices will rise and the trade deficit with them. At the worse, the dollar will lose its reserve currency role, and the US will no longer be able to pay its oil bill in its own currency. With its balance of payments deep in the red, it has no foreign currency with which to purchase oil.

If Obama has to seize the power of the purse in order to prevent a new financial crisis from landing on top of the ongoing financial crisis, democracy will take another big hit.

Americans need desperately to ask themselves why they put into political office such utterly irresponsible and incompetent people capable of creating such a totally unnecessary crisis loaded with such disastrous potential outcomes. It would appear that the American population is too insouciant to use the vote with any care.

Little wonder that the president is becoming a Caesar.

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About the author:

Paul Craig Roberts, former Assistant Secretary of the US Treasury and Associate Editor of the Wall Street Journal, has held numerous university appointments. He is a frequent contributor to Global Research. Dr. Roberts can be reached at <http://paulcraigroberts.org>

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