

The Capitalist Shakedown

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"It is only in these dire circumstances that the United States, where private property is more sacrosanct probably than anywhere else in the world, is talking about some kind of nationalization of banks, if only limited. In financial circles they are now calling this 'regime change,' borrowing the term of course from a different context. But it is clear what it means: the end of neoliberalism, and the rise of aggressive government interventions into the economy. It represents a clear recognition that this is not a liquidity crisis that can be solved by pouring more money into financial markets or by lowering interest rates." — Interview with John Bellamy Foster, "[Can the Financial Crisis Be Reversed?](#)"

On 4 October, I wrote:

So where's it all headed? The most likely outcome at least in the short term, would seem to be some kind of state capitalism given that the capitalists have proved themselves even more incompetent than was thought possible.

And this scenario is already being played out across the EU and of course in the US to a lesser extent. And in fact, it can be argued that everything that led up to the current situation makes the situation ideal for the creation of a Mussolini-style corporate, security state, a direct partnership between capital and the state. Fascism doesn't have to wear jackboots, Armani suits will do just as well (especially as we're paying for them).

I can't tell you how many times I've started this essay on the Capitalist Shakedown that's going on around us, totally disconnected from us even, due to some pretty nifty media work and, I might add, thirty years of revanchism on the part of our political masters to disconnect us all from the political process.

But millions of us *are* affected by this crisis but without any kind of input into how it should be solved, and most especially from our trade unions, what's left of them anyway, who have failed to voice any kind of alternative to this insanity. We have no voice with which to speak, so we are once more being dragged into a crisis not of our making. But a crisis that is endemic to the system and one the rest of us will pay for, unless that is, we take steps to halt it.

Bill Blum put it this way:

"Do we forget how to make things that people need? Do the factories burn down? Are our tools lost? Do the blueprints disappear? Do we run out of people to work in the factories and offices? Are all the services that people need for a happy life so well taken care of that there's hardly any more need for the

services? In other words: What changes take place in the real world to cause the crisis? Nothing, necessarily. The crisis is usually caused by changes in the make-believe world of financial capitalism.” — [Anti-Empire Report, 1 October, 2008](#)

For me, these words are a deja-vu straight from my youth, when the very same questions were being asked during some earlier crisis of capital.

I’ve started it so many times not only because it’s been difficult for me to decide on what the focus should be but also, because the leftie analyses has been coming at me from every-which-way, so I’ve been trying to digest it all before committing myself to any particular approach to this frankly, mind-blowing exercise in sheer incompetence on the part of the Lords of the Universe. It’s not like they couldn’t see it coming, in spite of all their protestations to the contrary. The basic laws of physics still operate even in a capitalist universe, namely that you can’t make something out of nothing, so they had to know that sooner or later, the whole crooked enterprise would go pear-shaped. Pear shaped? It’s gone off like a grenade!

One analysis that stands out is F. William Engdahl’s piece in which he suggests that this Shakedown was deliberately engineered by a handful of big banking combines, notably Citibank and JPMorgan Chase, in what’s come down to a power play between US and EU financial capital as to who will own (what’s left of) the planet.

“Knowing that at a certain juncture the pyramid of trillions of dollars of dubious sub-prime and other high risk home mortgage-based securities would come falling down, they apparently determined to spread the so-called ‘toxic waste’ ABS securities as globally as possible, in order to seduce the big global banks of the world, most especially of the EU, into their honey trap.” — F. William Engdahl: [Behind the Panic: Financial Warfare and the Future of Global Bank Power](#)

It is classic neo-Darwinism, only the fittest (that is to say, the least broke) will survive. But either way, conspiracy or not, it still comes down to the same thing in the end, chaos.

That said, come on now folks, doesn’t this demonstrate what we on the left have been saying all along, that we gotta get rid of these parasites, they do nothing good for any of us, all they can do is make money and destroy.

Even early on in the game, the rulers were well aware of what is at stake here, that the speculations of the neo-liberal era would at some point unravel, that indeed the Emperor wore no clothes.

“We want entrepreneurial capitalism not speculative capitalism” — president Sarkozy at the EU/G8 summit meeting, 4 October, 2008

But what’s the difference? The former just uses money stolen by the latter. But imagine if you will, that we *did* have the organizational power to offer an alternative? Now that would *really* scare Sarkozy and the rest of the gangsters. And as the media pundits never stop reminding us, it’s all hindsight, ‘cept it isn’t, this crisis has been simmering for years.

Talking of splitting hairs, here's a gem from the BBC, endlessly repeated over the years as crises came and went and with today's auto sales figures down the tubes and the FTSE suffering its biggest drop in history, the Beeb told us it was a reflection of,

"A weakening of consumer confidence". Translation: Broke, but more than that, as far as the Beeb is concerned it's don't panic the natives.

This is how Channel 4's email bulletin put it on 11 October,

"And so the grim cycle continues perhaps we should begin tonight's programme with the verbatim speech by Mr McCawber. Income expenditure happiness and misery etc. Timely perhaps, but a little late. Which is pretty much what they are saying of the efforts coming from Washington thus far, to impose some kind of sanity on the globally crumbling banking industry. So far lots of fine old words. More empty rhetoric from George Bush this afternoon."

Earlier, on the 8th October to be precise, Jon Snow, the author had this to say in his daily letter,

"I'm going to stick my neck out - I THINK it doesn't get much bigger than this. But then, I could have said that yesterday.

"This is massive, almost beyond financial description."

But Mr Snow, we don't need a description, we know what the hell is going on, what we need is a solution and a description that goes somewhat beyond your facile comments and utterly inane interviews with the 'experts'.

And lo and behold, as I type here comes another even more desperate-sounding notice from Channel 4, this time authored by Alex Thompson,

"As international capitalism continues to eat itself, we can take some comfort from the hope - surely more than a hope - that at least the further controls of governments upon banks mean more of the overpaid clowns who got us into this mess will lose their jobs -let alone their bonuses - at said banks."

Bonuses? Who gives a shit about the bonuses, what we want are the banks! After all, don't 'we' own them now?

What is amazing is the way the mass media plow on regardless of the reality of the situation but I do notice a number of 'experts' getting their (largely unread) copies of Das Kapital down from the attic and dusting them off. Seems the old man was right after all, not that I ever doubted him, after all how many times have we been here before, maybe not as extreme as this self-created disaster.

From 1 October, 2008

I mean, how right can you get?

Back in the middle of the 19th century, inbetween trips to the boozer and the British Library, Marx wrote a stunning predictive piece (not something he

speculated on very often) about what he thought it took for a truly global revolution to take place.

Chief amongst his offerings, I think, was his observation that before it would be possible for a global, socialist revolution to occur, capitalism would have to have completely taken over all the important countries before the right conditions could exist for said revo to even have a chance of succeeding. In other words, in his day at least, this meant industrializing, but above all incorporating their economies into their deadly embrace. We appear to have almost entered that stage. After all, if all available markets for capital are, to put it mildly, oversubscribed to, where else is there left to go to, except destruction.

Capitalist theoreticians, such as they are, got it right for once when they named it 'creative destruction', the built-in imperative to continually revolutionize the means of production and be expanding into new markets, even if it means destroying everything else first. And several centuries of experience to draw on that shows quite clearly that Capital is ruthless and remorseless as it seeks to duplicate itself like some kind of virus as it spreads around the globe.

So it seems to be the general consensus that the pirates *really* have fucked things up this time, for those erstwhile 'lords of the universe' aka the ruling elites, so much so that in Europe at least, even the capitalist press is just plain pissed off with the neo-cons, not that they complained when the going was good. Damn, when you need a reliable left alternative, you can never find one! Now *Der Spiegel*, owned by one of the lords of the universe, Springer Press, had this to say the other day,

"George W. Bush has grown old, erratic and rosy in the eight years of his presidency. Little remains of his combativeness or his enthusiasm for physical fitness. On this sunny Tuesday morning in New York, even his hair seemed messy and unkempt, his blue suit a little baggy around the shoulders, as Bush stepped onto the stage, for the eighth time, at the United Nations General Assembly." — [Der Spiegel, 30 September, 2008](#)

The crazy thing about this crisis, is that the world is awash with filthy lucre, tons of it, surplus capital sloshing about all over the place, all dressed up and no place to go. The entire mess is self-created, never mind the hedge funds and speculators, these are an intrinsic part of the last thirty years of neo-liberal capitalism.

World War III?

And frighteningly, if capital stays true to its form, then we can expect a *really* big war some time soon. It is, after all, the only way all that surplus capital can be literally burned up. It was a major cause of WWI and II and it will, unless we get rid of the bastards, be the cause of WWIII, or IV or is it V, I've lost count of the major wars they've initiated under one pretext or another.

The former imperial powers that started the previous wars are no longer major players, so we can rule them out (between them they can't even 'pacify' a motley crew of hill tribesmen). That leaves China and Russia, the only countries with the wherewithal to get down and dirty, but both are, unless actually invaded, unlikely to 'play the great game', so we can rule them out.

Now we know the US just *loves* starting wars and it doesn't take much in the way of excuses. But they need a comparable 'enemy' and Iran just doesn't seem to cut it right now, but it's a starting point I suppose. So perhaps lots of 'little' ones? Unlikely given what a disastrous, if still just as deadly, military force the US has become. Fat, nay, bloated to extreme, it's just not what it used to be, not if you need to fight a really *big* war and only conscription could do that.

Also, and I think even more importantly, the days of whipping up patriotic fervor for a *real* war seems to be a thing of the past. It's okay taking on a country like Iraq, bombed back into the Stone Age before occupying it and even then with only a few thousand dead US troops over five years, it's not a really big war (compare it to 58,159 troops the US lost in Vietnam and then there's the 3 to 4 million Vietnamese, 1.5 to 2 million Laotians and Cambodians but then they don't count), the kind that burns up capital in huge quantities and takes out the competitors.

"Shares in British banks have plummeted. Royal Bank of Scotland shares crashed in value today by a staggering 39 per cent. And shares in Halifax Bank of Scotland dropped 42 per cent."

The bottom line is that they're going have to do something and do it soon. But the insanity of a global capitalism must surely be apparent to all (except the corporate media of course). On the one hand, we have pundits talking about a global solution with regard to the regulation of the flow of capital across state borders and on the other, we have every nation doing its own thing!

But it stands to reason that if every nation is in competition with every other nation for markets, then hell will freeze over before they consider anything as sane as a global economic order that benefits ordinary people.

The bottom line is that without any kind of political clout to wield we are at the mercy of these gangsters of Mammon.

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