

# The Growing Threat of War and the Critical State of the Global Financial System

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*Three developments are shaping the current world situation: an increase in social tensions, the intensification of international political conflicts and the increasingly undisguised preparation of the Western alliance for war against Iran.*

The mainstream media try to miss no opportunity to tell the international public who will be friend and who will be foe in this coming war. Time and again, Iran's allies Russia and China are depicted in the most negative light possible, while there is almost no mention of Israel's and Saudi Arabia's crimes in Yemen and against the Palestinians.

At the same time, the media are doing everything they can to conceal the most important reason behind the drive for the war – the critical state of the global financial system. Journalists are bending over backwards to convince the public that the global economy has completely recovered from the 2007/2008 crisis, that we are witnessing a global economic boom and that the dangers in the system are under control.

In fact, none of these claims are true. The simple reason is that they all ignore the historic importance of the cross-border manipulation by the central banks, which was necessary to save the system from collapse after it nearly broke down in 2007/2008, and which still keeps it alive today.

The global financial system would no longer exist without manipulation

This manipulation has set in motion a development that can be compared to the fate of a patient who survives a severe crisis only through an injection of addictive drugs and who would be killed by a subsequent withdrawal treatment because of his poor state of health. In other words, without money injections and low interest rates and without the purchase of government and corporate bonds by central banks, the global financial system, as we know it, would no longer exist.

The world's leading central bankers are well aware of this. This is shown by their futile attempts to turn the wheel. Even the most timid announcements to contain the flood of money and significantly increase interest rates send such shock waves through the financial community that it is already clear: there can be no return to a normality in which no excess money is printed, interest rates are raised to a level that was once considered normal and no more bonds or shares are bought by the central banks.

So what will happen next? Will central banks simply continue the policy of the past ten years? After all, nobody can stop them from printing unlimited amounts of money and lowering interest rates – along the lines of the Swiss Central Bank – into negative territory...

In fact, nobody can stop them, but the consequences these measures would bring with them are foreseeable: A further increase in speculation, even greater volatility in the markets, an even stronger inflation of the bubbles, which are almost bursting already, the complete destruction of the classic banking business (lending against interest rates), the disintegration of traditional commercial banks and savings banks, the complete takeover of markets by investment banks and hedge funds, the collapse of pension systems – to name but a few of the expected consequences.

The biggest danger is the loss of confidence in the monetary system

Worse than any of these consequences is the creeping loss of confidence in the entire monetary system, which has not been tied to any real value since the decoupling of the US dollar from gold in 1971. It can be assumed that at some point it will affect the entire system, lead to a panic in the markets and cause the global financial card house to collapse.

How close we have already come to this point was shown by the dramatic price fluctuations of the US stock index Dow Jones in February of this year. It appears that this was a test run in which the US Federal Reserve, which is permanently on standby to prevent major price crashes, only intervened at the last second. These fluctuations were the strongest that the Dow Jones has experienced in its more than 100-year history.

This may have been a serious warning to the world's financial elite. In any case, both the Skripal affair in Great Britain, the trade war instigated by the US against China and the recent hostile reaction towards Russia by most EU states are strong indications that the elites have decided to seriously consider an option that the German economist Ernst Winkler in 1952 described as "the best means put off the final catastrophe of the entire capitalist system over and over again" – the option of waging a war.

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