

# Winter (Economic and Market) Watch

## Time for a Shock Doctrine Crisis

August 19, 2012

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*“Only a crisis, real or perceived produces real change.” — Milton Friedman*

*“Sovereign is he who decides the state of emergency.” – Carl Schmitt, Nazi political theologian*

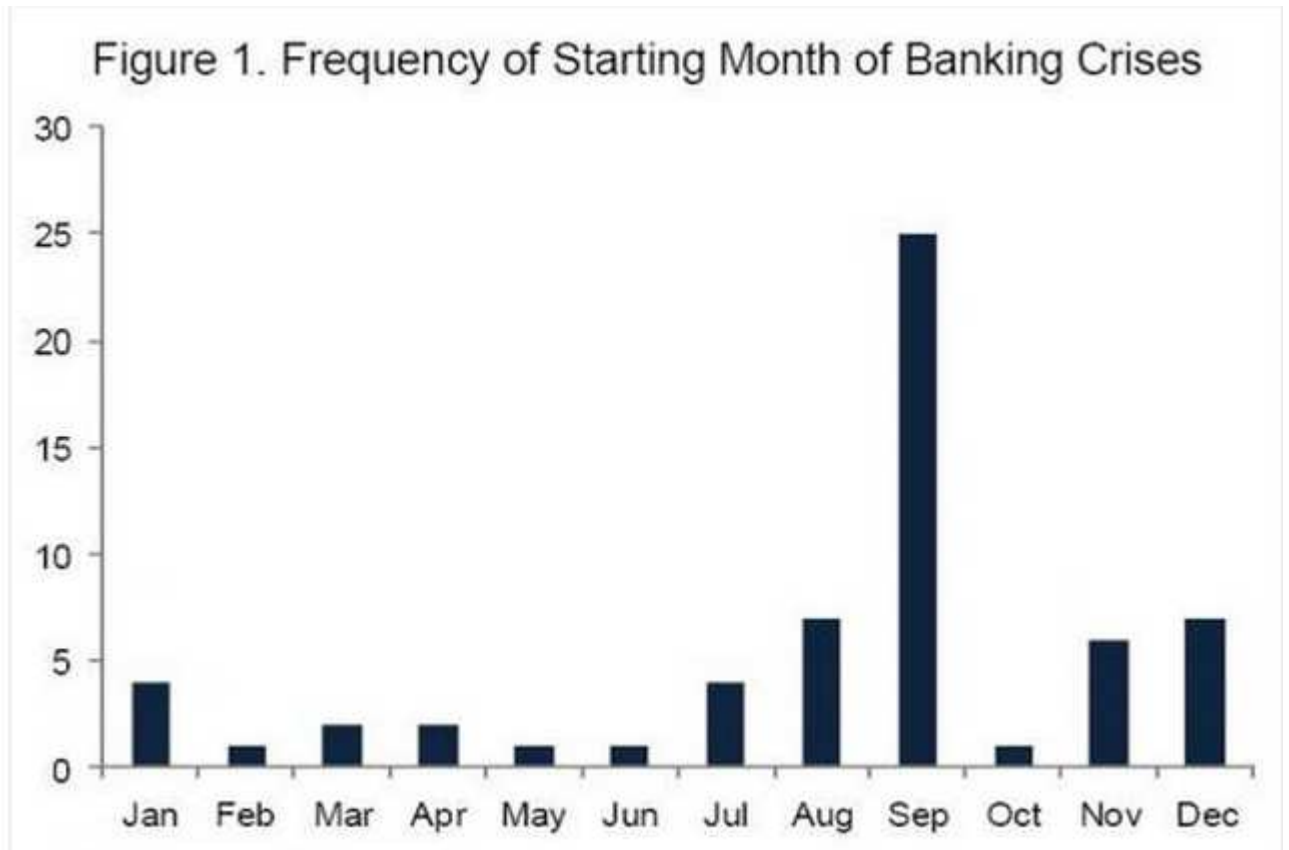
The global elite plutocrats may seek a “crisis” to push the presidential election toward the challenger. There are numerous ways to set up a crisis. As the IMF’s banking crisis frequency chart shows below, historically crises tend to erupt between late August and September anyway. The global economy is currently staged for catastrophic financial crises without even a push. All it takes is the slightest deviation away from governments’ heavy handed intervention in the markets. It could stem from another U.S. credit downgrade or the collapse of yet another among the many lingering Lehmen Bros.-like zombie institutions. I rate a Grexit (Greece’s exit from euro) high on the list of possibilities ([US Looks to Exploit Greek Re-default](#)).

Source: IMF

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The elite plutocrats are concerned about regulation and whether Obama might take a more populist turn, such as actually implementing a millionaire tax, during a second term. The kleptocrats have already milked Obama and the U.S. Treasury more than ever imaginable. Although the Obama/Holder theft and looting without prosecution model worked well, there are bigger fish to fry. Therefore the financial / kleptocrat elite are tossing him out like a used-up rag. Obama will be replaced with other sycophants readily willing to set up new types of loots.

Given that the U.S. Treasury is insolvent, held up only by financial rigging, the next major plutocratic objective will be to subject the developed nations of Europe and the U.S. to the economic model practiced under the Washington Consensus (WC). Western governments and banking interests created the WC in the '80s as a neoliberal policy to severely indebt and trap developing nations and capture their governments during financial crises. The main characteristic of the change to Romney-Ryan will be the transfer of public wealth to private hands via privatization. This would include Social Security privatization and the whole Univ of Chicago agenda. It will be like Chile in the 1970s.

The type of WC actually practiced will ignore sounder recommendations of capitalism such as free market interest rates, a degree of fiscal discipline, controlling rent seeking subsidies, and good property rights. Instead the focus or guise is on a corrupted exploitation version of WC or Cato Institute/ Univ. of Chicago doctrine: severe austerity, dismantled social safety nets, privatizing key assets, and distributing even more wealth from the gente, or lower and middle classes, to the elites. The trauma of the next crisis will lead the way to radical social and economic engineering. All of this was done in favor of the alternative: The restructuring of debt so that the losses fall on global banksters.

This is the classic "shock doctrine" or "disaster capitalism" [discussed by Naomi Klein](#) in her must read book. The pick of elitist neoliberal Paul Ryan as Mitt Romney's running mate all but ices the implementation of the neoliberal corrupted version of the WC approach for America's future. The Godfather of Shock Doctrine political economics Milton Friedman wrote, " A new administration has some six to nine months in which to achieve major changes: if it does not seize the opportunity to act decisively, it will not have another opportunity."

The next reason for impetus could play out around Israel. Israel distrusts Obama, sees him as too weak, and wants a U.S. administration that is motivated to provide military backup against Iran. Romney has not only been courting Israel for money, he has all but [endorsed its position in a speech in](#) Jerusalem.

In the U.S., Israel has the support of strange bed fellows: The evangelicals or “Christian Right.” [Listen to this American pastor explain why](#) (the Bible tells them so). Romney stated the U.S. with Israel would use “any and all measures” to lead the effort to prevent Iran from developing nuclear weapons. Romney even held an unprecedented campaign fundraiser in Israel. Three days after being put on the ticket, Paul Ryan [beat a path to Las Vegas](#), to meet with Sheldon Adelson, a casino magnate and a key American bag man for Israeli interests. That said Jewish voters in the US [in general largely still support Obama](#).

Although the U.S. on its face is a center-right country, the majority of Americans would never give carte blanche support an extreme neoliberal political economy or war with Iran as foreign policy agenda. Now leading by a very small margin, Obama needs to shuffle through to the election without troublesome events interfering with the election. [Surveys show](#) his previous support base has little enthusiasm for his “hope”-based candidacy, so Obama is depending mostly on a negative campaign to convince voters to support him as the lesser of two evils. I think such a campaign leaves him vulnerable. To ensure his vulnerability will require a crisis or “surprise.” The plutocratic agenda requires that the crisis tree be shaken to push the marginal voter into staying home, thus swaying the election toward the GOP and paving the way for the implementation of the WC model.

 [Wall Street Examiner \(http://s.tt/11ciY\)](http://s.tt/11ciY)