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The Collapse Has Begun

by Jon Spitz

During these past seven years under the Bush regime the US economy has been propped up through government military spending on the war in Iraq and a housing construction boom built upon a foundation of bad credit. And even though the price of a barrel of oil has nearly quadrupled under Bush (from \$23 per barrel to \$89 per barrel today), the still relatively cheap price for oil has also helped keep the economy afloat.

Aside from propping up the economy these Bush policies were also intended to transfer hundreds of billions of dollars of America's wealth away from tens of millions of average American workers over to a few super-rich military contractors, bankers and oil company executives. These and other massive transfers of wealth under the Bush regime have resulted in a greater portion of America's wealth now being owned by a tiny minority of multi-billionaires than at any other time in our history.

Now that the so called "sub-prime" housing market has collapsed, only the military remains as a growth industry in the US economy. Military spending may be great for stuffing vast sums of money into the pockets of corporate war profiteers, but building more bombs is not a very efficient way to stimulate the economy.

Add to this the fact that world oil production peaked at 86.13 million barrels per day way back in July, 2006, and in the 14 months since has not again equaled this volume despite surging demand and top prices. Current oil production for September '07 stood at 85.10 million barrels per day. It sure looks like we've hit world "Peak Oil".

Many oil analysts are predicting \$100 per barrel oil prices by the end of 2007 and up from there depending on winter weather conditions. As these higher oil prices are reflected in higher prices for gasoline, heating oil, food and virtually everything else, the dollar will significantly decline in purchasing power. This decline is already being felt in the dollar trading at historic lows against other major world currencies making imported goods, which nowadays is almost everything, more expensive for Americans. Americans consuming less stuff is going to have a further depressing effect on the economy.

All indications are that the US economy is headed for a serious recession.

So what is President Bush doing about all this? Rather than deviate from his ideology of transferring wealth from the poor to the rich for even one moment, Bush has held resolute to his principles by vetoing a bill that would have spent \$35 billion to provide health insurance to the children of poor people. At the same time he is stiffing poor children, Bush is calling for Congress to authorize another \$200 billion for his war profiteers to prosecute one more year of the interminable wars in Iraq and Afghanistan.

According to an article by investigative reporter Seymour Hersh (who seems to have a bug under Bush's lapel) in the October 2, 2007 New Yorker Magazine, Bush, who has designated Iran's military as a "global terrorist" organization, has already decided to make strategic air strikes against assorted military targets in Iran. But in fact Iran represents no terrorist threat to the US nor is the increase in military spending on a broader war in the Middle East going to improve the US economy. More likely such an attack on Iran would have a devastating effect on the economy by shutting down 40% of the world's oil supply.

At this point in his tenure I don't think Bush (read Cheney) is really concerned about propping up the economy any more. With the advent of "Peak Oil" he knows that the economy is headed for collapse anyway, so the real purpose of bombing Iran is to bring on the oil crisis, blame it on Iran, and then use this crisis to institute the next phase of their repressive totalitarian crackdown against dissent here in America.

As this policy of bringing on the collapse moves forward there is little resistance from congressional Democrats who have compliantly given Bush the authority to order warrantless wiretaps and who have also designated Iran's military as a terrorist organization which essentially declares war on them.

It looks to me like the post "Peak Oil" socio-economic system being constructed by Bush is going to be like a feudal system of serfs and lords. The multi-billionaires who now own most of America will use their unprecedented levels of accumulated national wealth to buy the allegiance of mercenaries who will be used to keep all the rest of us under control.