

# The Global Collapse

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Twenty-five years ago I was the editor of a journal called "Nuradeen" from which this website takes its name. I attended a private lecture by a "prominent teacher and mujahid" who I will refer to as the "the Teacher" or "Teacher" when mention is required. The lecture was entitled "Who Rules the World?" Several of you in the reading audience may know who this Teacher is, but for some reason that escapes me now, we decided to keep this person anonymous, so I will continue to respect that decision. In this lecture the Teacher proposed a general outline of the power nexus that dominates world economics and finance. This lecture was recorded, transcribed, edited and included in the Spring 1984 edition of Nuradeen.

The gist of the Teacher's argument was that the "sacred and mystical" myth of political democracy as enunciated by the nation-state enshrouds the world in a zero-visibility fog from within which it is nearly impossible to see the reality of how things really are. The real control of power devolves from a hegemonic cabal of financial institutions and mega-corporations that use the political machinery as pawns in their continued greedy, aggressive acquisition of money and power.

The Teacher concludes that,

...they are rationalizing the irrational all the time...they must keep it moving, looking for the tear, and mending it before it breaches...What we have confronted is a plan, a pattern of such complexity that it cannot be destroyed; it can only self-destruct by its own irrationality.

Sounds like a prediction of the current global economic collapse, doesn't it? Maybe, but maybe it was just correctly reading the signs on the horizon which most certainly lead to the manifestation of the truth in the future.

*In the earth and within yourselves there are signs for those who have certain knowledge. How is it then that you cannot see? (51:20-21)*

It is very difficult to enunciate the true reality of the global collapse that we are now engaged in. We are in the eleventh hour. The signs are all around, yet the majority of the world's populace is absolutely heedless. They hear, they see but they pay no attention. They are like ostriches with heads buried deep in the sand of their internalized world view that has been fed to them in media sound bites. The movie "Matrix" is an excellent metaphor for this condition. They believe in

the myth of democratic politics and capitalist economics which in reality are proving to be the demise of the world, the actual economic and physical eco-systemic collapse of the planet. We are now in an unrelenting quicksand which will radically transform the world as we know it. It may happen today, it may happen tomorrow or next week or next month or a year from now, but the end is near.

As Paul Farrell writes in his October 20, 2008 column for MarketWatch.com (produced by the Wall Street Journal no less):

Yes, we're dummies. You. Me. All 300 million of us. Clueless. We should be ashamed. We're obsessed about the slogans and rituals of "democracy," distracted by the campaign, polls, debates, rhetoric, half-truths and outright lies. McCain? Obama? Sorry to pop your bubble folks, but it no longer matters who's president... So you, me and the other 300 million better get out of denial. America is no longer a democracy. Voting is irrelevant. Best case scenario: We're a plutocracy, a government ruled by the wealthy, the richest 1%, the Forbes 400, the influential wealthy elite, while the other 99% are their "servants." Meanwhile, the inflation-adjusted income of wage-earners has declined for three decades.

The recent global financial collapse is just the beginning. What the Teacher broadly outlined in that discourse 25 years ago has now been brought to light with extreme and specific clarity.

We have this most amazing situation in America of political power aggregated in the hands of a neocon group of bandits headed by a polymathic (just kidding of course) president who comes from a blue-blood gene pool by way of a baseball team and Texas politics. Anyone interested in the roots of Texas politics should watch the PBS presentation entitled "LBJ". Our other Texas president stuffed the ballot box to get elected to the senate and then began the Viet Nam war to make sure Goldwater didn't have anything over him as a fighter of communism. Sure he pushed through the first civil rights legislation and began the Great Society, but these actions were propelled by his own intense, maternally-induced insecurity.

Sounds a bit like the Florida electoral vote in 2000, the War on Terrorism, and Barbara Bush as a mother doesn't it? The only difference is that "W" originally hails from Richie Rich's town of New Haven, Connecticut, so he is the perfect front man to advance the objectives of the financial-corporate power elite. He extends executive privilege beyond what any American president has ever done. He and his administration absolutely refuse congressional oversight.

Then we had in the seat of power at the Holy Temple of the Federal Reserve, the Great Lord Herr Greenspan ("Maestro" as he was called) proclaiming that the "banks are more capable of regulating themselves than the government." Greenspan. The man whom we worshipped for so long as the protector of our good fortune said that? Good grief! Letting bankers loose without regulation is like hiring a three-time convicted bank robber as a night security watchman and giving him the combination to the safe. Are we surprised that he robbed the bank?

On October 23, 2008, the Maestro was summoned to answer to Henry Waxman and his cronies on the House Oversight and Government Reform Committee, the principal investigative committee of the House of Representatives. Mr. Waxman (who looks like he belongs in the House of Wax) is the California Representative of West Hollywood and Beverly Hills (no joke), so in a theatrical fashion befitting his constituency, he took the poor, uncomprehending Maestro to task for his lack of oversight. Mr. "G" sat contritely before his inquisitors trying to explain how he and his top economists had stuck out so badly. They just didn't see the curve ball of the unprecedented housing downturn because, "we're not smart enough as people. We just cannot see events that far in advance." Mr. Greenspan, you're not smart enough? You sure had us fooled.

Mick Weinstein reported on Yahoo! Finance the following day some remarks about the Maestro's contrition:

Tim Iacono, author of the prescient blog 'The Mess that Greenspan Made' found the whole environment remarkable: "the most striking aspect of today's gathering... was the tone of it all. My how things have changed... the one-time second most powerful man in the world looked feeble and a bit unsure of himself as, time and again, he would attempt circuitous non-answers to direct questions only to be interrupted and pressed for a more succinct reply. Elected officials no longer just sit and listen with mouths agape. Like when Toto pulled back the curtain on the Wizard of Oz, all the magic is gone."

Paul Kedrosky in Tina Brown's new site, The Daily Beast: "Greenspan has driven home how badly he messed up in presiding over the creation of the largest credit bubble in U.S. history. He missed its causes, its expansion, and even possible fixes at every stage... In watching the carnage that he helped create, instead of sounding contrite, Greenspan acts more like a bystander at a slow-motion car-crash.

Mr. Greenspan, the trusted, grandfatherly old gent at the Fed, let the financial industry pick the taxpayer's pocket. But oh how they picked it—this is the beauty of it all. With these black magic financial instruments called "credit

derivatives" which include "credit default swaps" and "collateralized debt obligations" (CDO). In addition, there are the "collateralized mortgage obligations" (CMO). And of course let's throw in hedge funds and stock market short selling to spice things up a bit.

Lest you think that "black magic" is a metaphorical way of describing this financial hooliganism, consider the following quote from "The Complete Book of Spells, Ceremony and Magic" by Migene Gonzalez-Wippler:

When he causes harm, the black magician needs no excuse. His aim is personal power, and he could not care less who gets trampled in the process...the black magician's pride and arrogance eventually bring his downfall, and sooner or later he realizes the hopelessness of his quest. He must inevitably pay back nature for his excesses, and the debt may only be repayable with spiritual disintegration.

Just get a load of the dizzying array of financial options available to devastate the global economy. Aleister Crowley would have been proud. So would David Copperfield.

- Credit default swap (CDS)
- Total return swap
- First to Default Credit Default Swap
- Portfolio Credit Default Swap
- Secured Loan Credit Default Swap
- Credit Default Swap on Asset Backed Securities
- Credit default swaption (swap/option)
- Recovery lock transaction
- Credit Spread Option
- CDS index products
- Constant Maturity Credit Default Swap (CMCDS)

So what is all this financial ebola that is eating away the flesh of the global financial markets. Without going into great detail, CDOs, derivatives and CDSs are totally unrelated to any underlying asset value. In other words, there is nothing to back them up. If I take out a loan on my house, my house stands as collateral for the loan. In the case of these magical creations, there is nothing to back them up. Collateralized Mortgage Obligations are bundled real estate loans that are supposed to be backed up by real assets, but they have been dissected and repackaged so much that it is difficult to distinguish which asset backs up any CMO. Also, with home prices in free-fall it is difficult if not impossible to value the assets at all.

The most nefarious of all the ingenious devices created by our trustworthy bankers who need no regulation according to Mr. Greenspan is the Credit Default Swap. These amusing little Halloween goodies are issued as a guarantee to back up other credit instruments. Former staff member of the Commodity Futures Trading Commission, Michael Greenberger describes a credit swap in brief:

A credit default swap is a contract between two people, one of whom is giving insurance to the other that he will be paid in the event that a financial institution, or a financial instrument, fails. It is an insurance contract, but they've been very careful not to call it that because if it were insurance, it would be regulated. So they use a magic substitute word called a 'swap,' which by virtue of federal law is deregulated.

Deregulated here means not regulated at all. If John wants to sell Tom something, I can issue a credit default swap that supposedly protects Tom in case John can't pay him if something goes wrong. The only problem here is that I don't have to have a dime in my bank account to pay Tom in case this does happen. Tom trusts that I will honor my word. Right! Sounds like the trust I had in Grandpa Greenspan. Notice also that Mr. Greenberger also used the word "magic".

*They have hearts they do not understand with, eyes they cannot see with, and ears that do not hear. They are like cattle but even more unaware. (7:179)*

Anyone can issue these beauties. Now, are you ready for this? Here comes the Mother of All Shocks. Guess how much of this stuff is floating around the world? Just guess – taking a flying leap – several billion, maybe a trillion or two dollars worth? You better be sitting down holding on to your chair, because what I am about to tell you is simply not believable.

\$62 TRILLION DOLLARS!!! No, that was not a hallucination.

\$62 TRILLION DOLLARS of Credit Default Swaps orbiting the planet!!!

The entire Gross Domestic Product (GDP) of the WORLD was estimated at \$65 TRILLION DOLLARS in 2007!!!

So the value of this worthless space junk is as much as the total market value of all final goods and services produced on the PLANET for the year 2007.

To add to this mindboggling mess, for each \$1 of debt that was being "insured" by these swaps, \$10 of swaps were issued – 10:1 – this is beyond staggering. Wrapping your mind around this is impossible, so don't even try.

You may ask how the iconic Maestro and the great financial institutions around the world run by the elect of the elite Harvard, Wharton, and Kellogg MBAs and Oxcam economists stepped into this quagmire pile of steamy bull dung. How were these brilliant financial minds taken in by this massive fraud? The answer is a simple five letter word: GREED. And greed is the twin of ARROGANCE. They are like Romulus and Remus who fought over control of the deities in Rome.

But the signs were on the horizon as far back as 1987 when Michael Douglas playing Gordon Gekko in the movie "Wall Street" addressed a group with, "Greed, for lack of a better word, is good." Greed is good? This isn't something my mother taught me. Douglas portrayed a real-life address by the infamous trader-raider Ivan Boesky given at the University of California at Berkley on the "virtues" of greed in 1986.

And guess how these instruments were traded? Between banks and other financial institutions via e-mail. They designed them with the help of physicists and mathematicians and then traded them among themselves to bolster their profit and loss statements and balance sheets.

So there we have it in a nutshell. We have reached the point that the Teacher correctly states is a pattern so complex that only its own irrationality can destroy it. And this is what Mr. Bernanke, the heir to Greenspan's throne at the Federal Reserve, and Mr. Paulson, ex-CEO of Goldman Sachs, member of the IMF Board of Governors, and Dubya's treasury secretary, have set out to do: cure our over-indulgent financial excesses with a good measure of their banker's expertise by bailing out their buddies to save the world—leaving them unaccountable as usual. But they assure us that congress will tend to that later.

Messieurs Bernanke and Paulson presented America with The Great Bailout Package of 2008 in the midst of the stock market's meltdown. They scared congress and the rest of the world with imminent collapse. And in that they were right. The world was teetering on the brink of financial ruin. Credit had become the life-blood of global capitalism. Without the pumping mechanism of the banks pushing money through the system, the system was doomed. It would be swift and complete. So the deadly duo rose to the occasion with a gasping, grasping, wide-eyed proposal that was simply moronic: buy as much space junk as they could with the \$700 billion to get the drain unplugged.

The House shot it down but they were quickly chastened by a 900+ drop in the stock market that same day. In the meantime Ms. Merkel, the German Chancellor (she reminds me of Maggie but has a more genial smile) showed up Paulson-Bernanke with a guarantee on all deposits in all German banks, but Mr. Brown

and his rabble-rousing crowd on Whitehall demonstrated why they will once again rule the world as the ultimate colonialists 400 years from now when the American Empire is history. They immediately hammered out the solution of nationalizing their banks. It was easy. They have long had a socialistic streak running down their spines. Sarkozy and Ms. Merkel followed suit with their own similar measures.

Then came the Senate to the rescue like Mighty Mouse to save the day from the waffling House and cobbled together a bill with plenty of pork chops (442 pages) to be passed around so that the wolves wouldn't go hungry, and voila, America and the rest of the world that thought it was free of American tentacles were saved—or were they? Not quite. Interbank lending rates were slow to go down and the market continued to go down announcing an American and world recession, so Paulson starting injecting \$25 billion a piece into the coffers of all the major banks including Bank of America which didn't need it but gladly took the gift from their patron. And the party isn't over. There's much more to come.

Meanwhile, the provision of reducing executive compensation which the democrats, especially Mr. Obama, emphasized so strongly, went out the window as did just about everything else in the Emergency Economic Stabilization Act of 2008 which was written in the most general language that allowed massive interpretation. The issue of executive compensation was essentially left to Paulson-Bernanke's discretion to iron out. Good old Paulson-Bernanke, the bankers' main men. They eventually did get what they wanted initially: *carte blanche*.

Declan McCullagh of CNET News stated:

The bill has become, in other words, something almost unrelated to the business of bailing out Wall Street. The Beltway term for this is a 'Christmas tree bill,' meaning everyone gets to hang their favorite spending projects on it--though by the time Congress gets it through, it more closely resembles a slop bucket.

At first I was cheering on the sidelines as the whole thing started to unravel (see, we told you so), but then I reflected that I am on the shore of the approaching tidal wave with everyone else including my family and friends, and I recanted as a cheerleader. Personally, I have now reconciled myself to whatever efforts are undertaken to plug the dyke, but it will only delay the complete collapse of the system that has been founded on a false premise: usurious credit.

*Allah obliterates usurious credit and establishes increase through sadaqa. (2:276)*

Even if our great financial minds get us out of this one and the Euro-American governments regulate the financial industry, we have another tsunami approaching: the physical calamity of Global Warming spawned by the greed of the banking-funded world capitalistic system and its corporate overlords headed by the great energy companies like Exxon-Mobil. Carbon dioxide emissions will change weather patterns unalterably if there is no swift and uncompromising change to world energy use.

Fifty-two percent of carbon dioxide emissions come from the use of coal in America and the American Congress refused to change its own little personal power plant that provides its private electricity and cold water in Washington, D.C. from coal to cleaner natural gas because of their capitulation to the coal lobbyists. Clean coal, as Obama mentions in his rhetoric, is a complete fantasy. Obama, as all politicians do, has succumbed to insubstantial rhetoric. Of course, he has to. Look at who he is speaking to and who he must work with in congress. And McCain too for that matter: Joe Six Pack and Fred the Plumber (or was it Al).

I'm not looking down my nose at the majority of Americans and others abroad who follow in their footsteps. They are well-meaning, basically decent people. They have just lived in a Pets Mart and Toys"r"Us fantasy for too long, and therefore, have very little ability to comprehend things in a clear and unemotional way. Added to that is their unerring belief in individualism that leaves no room for objective truth. You're entitled to your opinion and I'm entitled to mine. So there!

The technology for clean coal simply does not exist. It is predicated on removing carbon dioxide emissions from burning coal, but then what is to be done with the emissions? The proposal is the same as with nuclear waste: bury them under the earth beneath salt deposits or ship them to Mexico to do whatever they want. What the hell. It's their country. Let them figure it out. We're paying them to take the stuff aren't we?

Clean coal is not going to happen. There isn't even one test that has been done to inject carbon dioxide into the earth. Nuclear waste in a few isolated spots is one thing, but billions of tons of CO<sub>2</sub> every year. It won't happen.

When the CEO of Shenhua Energy, China's coal-power giant, was asked why not controlling carbon dioxide emissions was not its top priority, he answered: "We must create money, not lose the money." In the name of money we do hereby consecrate our lives on this earth, so that our children may inherit the results of our quest for this unholy grail.

The other massive carbon dioxide pollutant is automobile exhaust emissions. Mr. Clinton gave the big three American automakers a billion bucks in 1993 to come up with an electric car alternative. GM came up with a fully electric prototype in 1997 and then literally salvaged (crushed into scrap) all they had produced because gas was cheap and the Hummer and Suburban were more in demand than some funny electric car. Now they've had to redesign a new car called the Volt which couldn't go faster than 10 miles per hour on its maiden test voyage while they are losing \$1 billion per month (don't worry if you bought GM stock at \$4 a share, the deadly duo or their heirs will bail GM out).

When "The Terminator" (our California governor in a previous incarnation) came up with a plan for mandating minimum miles per gallon in California, the EPA Administrator Stephen Johnson (Environmental Protection Agency for all you non-Americans) shot it down after having a shotgun pushed in his ear by the Bush Administration.

Glaciers are melting and chunks of ice the size of small states are breaking off the poles. The seas are rising. Hurricanes are becoming more intense as are floods and droughts. Scientists have predicted that there are about 10 more years left to make radical changes or there will be no possibility of return. A inexorable cybernetic movement will take over and what will happen will most certainly happen. The signs are certainly on the horizon, but few will reflect.

Andrew Revkin writes in the New York Times in October 2007:

The pace of change has far exceeded what had been estimated by almost all the simulations used to envision how the Arctic will respond to rising concentrations of greenhouse gases linked to global warming... But at the university in Fairbanks — where signs of northern warming include sinkholes from thawing permafrost around its Arctic research center — Dr. Eicken and other experts are having a hard time conceiving a situation that could reverse the trends.

What I have mentioned in this brief article is the tip of the iceberg (pun intended). It is meant to illustrate that we are in the throes of a huge global tragedy that will affect us all and particularly our children. The handwriting is on the wall. We are in for a rough ride.

The only way out is unacceptable to the world as it is today, and that is a system based on the original primal blueprint for humanity. It is a system based on knowledge of the soul. This knowledge is most easily accessed by utilizing an already proven system that addresses the highest aspects of human transaction in every situation. If we call it *Islam* than we immediately invoke all of the mental constructions that have been acquired and attached to this term. In order

to truly access this system we must go to the meaning, the inner experience of the term Islam and everything that attaches to it in our ordinary understanding. Islam must be felt inwardly by the heart of the self which is the soul. If the Islam we see today in the world were the genuine article, people would flock to it.

*When the Allah's help and victory come, you will see mankind entering the deen in droves. (110:1-2)*

We must discover its reality for ourselves and then try to pass it on to others in a way they can most easily understand. "Speak to the people at the level of their understanding." This is our prophetic dictum.

The model is there before us: it is actually quite easy, laid down in the Qur'an within a few ayats and in a few simple hadith. It is behavioral, transactional, but difficult to accomplish without tremendous insightful dedication. Socio-economically, it is non-usurious, based on contract and generosity, established with clarity of purpose, heartfelt and mindful of accountability and the Hereafter. The methodology is available, but the alchemical transformation has eluded us because we have not yet come to an inner understanding of ourselves as spirit-souls, and therefore, we have not been transformed by our *deen*.

We are gripped by a mental attachment to notions of Islam rather than submitting to the vibrant reality of surrender and purification which allows the self to be transparent to its true soul-nature and to unify itself in appropriate outward action. We must begin. There is no time left to fool around. We must not knowingly capitulate to the misguided influences of the ego-self. We must discover the essence of ourselves and bring it forth as best we can to guide and repair whatever is placed before us. This is our *amanah*.

*And upon Allah let the believers put their trust.*