

Top Financial Experts Say World War 3 Is Coming ... Unless We Stop It

Nouriel Roubini, Kyle Bass, Hugo Salinas Price, Charles Nenner, James Dines, Jim Rogers, David Stockman, Marc Faber, Jim Rickards, Paul Craig Roberts, Martin Armstrong, Larry Edelson, Gerald Celente and Others Warn of Wider War

Paul Craig Roberts – former Assistant Secretary of the Treasury under President Reagan, former editor of the Wall Street Journal, listed by Who's Who in America as one of the 1,000 most influential political thinkers in the world, PhD economist – wrote an article yesterday about the build up of hostilities between the U.S. and Russia titled, simply: “War Is Coming”. In the article, Roberts notes:

*As reported by Tyler Durden of Zero Hedge, the Russian response to the extra-legal ruling of a corrupt court in the Netherlands, which had no jurisdiction over the case on which it ruled, awarding \$50 billion dollars from the Russian government to shareholders of Yukos, a corrupt entity that was looting Russia and evading taxes, is telling. Asked what Russia would do about the ruling, an advisor to President Putin replied, **“There is a war coming in Europe.”** Do you really think this ruling matters?”*

In January, well-known economist Nouriel Roubini tweeted from the gathering of the rich and powerful at the World Economic Forum in Davos:

Many speakers compare 2014 to 1914 when WWI broke out & no one expected it. A black swan in the form of a war between China & Japan?

And:

Both Abe and an influential Chinese analyst don't rule out a military confrontation between China and Japan. Memories of 1914?

Billionaire hedge fund manager Kyle Bass writes:

*Trillions of dollars of debts will be restructured and millions of financially prudent savers will lose large percentages of their real purchasing power at exactly the wrong time in their lives. Again, the world will not end, but the social fabric of the profligate nations will be stretched and in some cases torn. Sadly, looking back through economic history, **all too often war is the manifestation of simple economic entropy played to its logical conclusion. We believe that war is an inevitable consequence of the current global economic situation.***

Reagan's head of the Office of Management and Budget – David Stockman – is posting pieces warning of the dispute between the U.S. and Russia leading to World War 3.

Investment adviser Larry Edelson wrote an email to subscribers entitled “What the “Cycles of War” are saying for 2013”, which states:

Since the 1980s, I've been studying the so-called “cycles of war” – the natural rhythms that predispose societies to descend into chaos, into hatred, into civil and even international war.

I'm certainly not the first person to examine these very distinctive patterns in history. There have been many before me, notably, Raymond Wheeler, who published the most authoritative chronicle of war ever, covering a period of 2,600 years of data.

However, there are very few people who are willing to even discuss the issue right now. And based on what I'm seeing, the implications could be absolutely huge

Former Goldman Sachs technical analyst Charles Nenner – who has made some big accurate calls, and counts major hedge funds, banks, brokerage houses, and high net worth individuals as clients – says there will be “a major war”, which will drive the Dow to 5,000.

Veteran investor adviser James Dines forecast a war is epochal as World Wars I and II, starting in the Middle East.

Economist and investment manager Marc Faber says that the American government will start new wars in response to the economic crisis:

- “The next thing the government will do to distract the attention of the people on bad economic conditions is they’ll start a war somewhere.”
- “If the global economy doesn’t recover, usually people go to war.”

Martin Armstrong – who has managed multi-billion dollar sovereign investment funds – wrote in August:

*Our greatest problem is **the bureaucracy wants a war**. This will distract everyone from the NSA and justify what they have been doing. **They need a distraction for the economic decline that is coming.***

Armstrong wrote a piece yesterday entitled, "Why We will Go to War with Russia", and another one today saying, "Prepare for World War III".

Bad Economic Theories

What's causing the slide towards war? We discuss several causes below.

Initially, believe it or not, one cause is that many influential economists and talking heads hold the discredited belief that war is good for the economy.

Therefore, many are overtly or more subtly pushing for war.

Challengers Give Declining Empires "Itchy Fingers"

Moreover, historians say that declining empires tend to attack their rising rivals ... so the risk of world war is rising because the U.S. feels threatened by the rising empire of China.

The U.S. government considers economic rivalry to be a basis for war. Therefore, the U.S. is systematically using the military to contain China's growing economic influence.

Competition for Resources Is Heating Up

In addition, it is well-established that competition for scarce resources often leads to war. For example, Oxford University's Quarterly Journal of Economics notes:

In his classic, A Study of War, Wright (1942) devotes a chapter to the relationship between war and resources. Another classic reference, Statistics of Deadly Quarrels by Richardson (1960), extensively discusses economic causes of war, including the control of "sources of essential commodities." A large literature pioneered by Homer-Dixon

(1991, 1999) argues that scarcity of various environmental resources is a major cause of conflict and resource wars (see Tiset, Gleditsch, and Hegre 2000, for empirical evidence).

In the War of the Pacific (1879–1884), Chile fought against a defensive alliance of Bolivia and Peru for the control of guano [i.e. bird poop; insert joke here] mineral deposits. The war was precipitated by the rise in the value of the deposits due to their extensive use in agriculture.

*Westing (1986) argues that many of the wars in the twentieth century had an important resource dimension. As examples he cites the Algerian War of Independence (1954–1962), the Six Day War (1967), and the Chaco War (1932–1935). More recently, Saddam Hussein's invasion of Kuwait in 1990 was a result of the dispute over the Rumaila oil field. In Resource Wars (2001), Klare argues that **following the end of the Cold War, control of valuable natural resources has become increasingly important, and these resources will become a primary motivation for wars in the future.***

Former Federal Reserve chairman Alan Greenspan (and many world leaders) admitted that the Iraq war was really about oil, and former Treasury Secretary Paul O'Neill says that Bush planned the Iraq war before 9/11. And see this and this. Libya, Syria, Iran and Russia are all oil-producing countries as well ...

Indeed, we've extensively documented that the wars in the Middle East and North Africa are largely about oil and gas. The war in Gaza may be no exception. And see this. And Ukraine may largely be about gas as well.

And James Quinn and Charles Hugh Smith say we're running out of *all sorts* of resources ... which will lead to war.

Central Banking and Currency Wars

We're in the middle of a global currency war – i.e. a situation where nations all compete to devalue their currencies the most in order to boost exports. Brazilian president Rousseff said in 2010:

*The last time there was a series of competitive devaluations ... it **ended in world war two**.*

Jim Rickards agrees:

Currency wars lead to trade wars, which often lead to hot wars. In 2009, Rickards participated in the Pentagon's first-ever "financial" war games. While expressing confidence in America's ability to defeat any other nation-state in battle, Rickards says the U.S. could get dragged into "asymmetric warfare," if currency wars lead to rising inflation and global economic uncertainty.

As does billionaire investor Jim Rogers:

Trade wars always lead to wars.

Given that China, Russia, India, Brazil and South Africa have just joined together to create a \$100 billion bank based in China, and that more and more trades are being settled in Yuan or Rubles – instead of dollars – the currency war is hotting up.

Multi-billionaire investor Hugo Salinas Price says:

What happened to [Libya's] Mr. Gaddafi, many speculate the real reason he was ousted was that he was planning an all-African currency for conducting trade. The same thing happened to him that happened to Saddam because the US doesn't want any solid competing currency out there vs the dollar. You know Gaddafi was talking about a gold dinar.

Indeed, senior CNBC editor John Carney noted:

Is this the first time a revolutionary group has created a central bank while it is still in the midst of fighting the entrenched political power? It certainly seems to indicate how extraordinarily powerful central bankers have become in our era.

Robert Wenzel of Economic Policy Journal thinks the central banking initiative reveals that foreign powers may have a strong influence over the rebels.

This suggests we have a bit more than a ragtag bunch of rebels running around and that there are some pretty sophisticated influences. "I have never before heard of a central bank being created in just a matter of weeks out of a popular uprising," Wenzel writes.

Indeed, some say that recent wars have really been about bringing all countries into the fold of Western central banking.

Finally, trend forecaster Gerald Celente – who has been making some accurate financial and geopolitical predictions for decades – says WW3 will start soon.

Debt

Martin Armstrong argued that war plans against Syria are really about debt and spending:

*The Syrian mess seems to have people lining up on Capital Hill when sources there say the phone calls coming in are overwhelmingly against any action. The politicians are ignoring the people entirely. This suggests there is indeed a secret agenda to achieve a goal outside the discussion box. That is most like **the debt problem and a war is necessary to relief the pressure to curtail spending.***

The same logic applies to Ukraine and other countries.

Billionaire investor Jim Rogers notes:

A continuation of bailouts in Europe could ultimately spark another world war, says international investor Jim Rogers.

*“Add debt, the situation gets worse, and eventually it just collapses. **Then everybody is looking for scapegoats. Politicians blame foreigners, and we’re in World War II or World War whatever.**”*

Americans Don't Want War

Poll after poll shows that the American people *don't* want to get involved in any more wars.

After all, we spent *trillions* in Iraq and Afghanistan, and Americans are exhausted. Not only does a top Pentagon

official say we're no safer – and perhaps *less safe* – after 13 years of war, but it has now been shown that war hurts our economy.

Never-ending wars are also destroying our democratic republic. The Founding Fathers warned against standing armies, saying that they destroy freedom. They were right ...

And they warned against financing wars with debt. But according to Nobel prize winning economist Joseph Stiglitz, the U.S. debt for the Iraq war could be as high as \$5 trillion dollars (or \$6 trillion dollars according to a study by Brown University.) The U.S. has the largest standing army in history, and treats anti-war sentiment as terrorism.

But war is great for the bankers and the defense contractors. And – as discussed above – governments are desperate for war.

So it's up to us – the *people* – to stop wider war.

<http://www.zerohedge.com/news/2014-08-01/top-financial-experts-say-world-war-3-coming-%E2%80%A6-unless-we-stop-it>