

Headlines:

- **The Next Global Depression is Coming and Optimism Won't Slow It Down**
- **Bahrain, Oman could be next to Normalize Relations with Israel. Saudi Arabia? Not so fast**
- **Threat of Atomic Weapons Grows as U.S., Russia and China Renew Arms Race**

Details:

The Next Global Depression is Coming and Optimism Won't Slow It Down

The world is confused and frightened. COVID-19 infections are on the rise across the U.S. and around the world, even in countries that once thought they had contained the virus. The outlook for the next year is at best uncertain; countries are rushing to produce and distribute vaccines at breakneck speeds, some opting to bypass critical phase trials. Meanwhile, unemployment numbers remain dizzyingly high, even as the U.S. stock market continues to defy gravity. We're headed into a global depression—a period of economic misery that few living people have experienced. A depression is not a period of uninterrupted economic contraction. There can be periods of temporary progress within it that create the appearance of recovery. The Great Depression of the 1930s began with the stock-market crash of October 1929 and continued into the early 1940s, when World War II created the basis for new growth. That period included two separate economic drops: first from 1929 to 1933, and then again from May 1937 into 1938. As in the 1930s, we're likely to see moments of expansion in this period of depression. First, the current slowdown is without doubt global. Most postwar U.S. recessions have limited their worst effects to the domestic economy. But most were the result of domestic inflation or a tightening of national credit markets. That is not the case with COVID-19 and the current global slowdown. This is a synchronized crisis, and just as the relentless rise of China over the past four decades has lifted many boats in richer and poorer countries alike, so slowdowns in China, the U.S. and Europe will have global impact on our globalized world. This coronavirus has ravaged every major economy in the world. Its impact is felt everywhere. Social safety nets are now being tested as never before. Some will break. Health care systems, particularly in poorer countries, are already buckling under the strain. As they struggle to cope with the human toll of this slowdown, governments will default on debt. For all these reasons, middle-income and developing countries are especially vulnerable, but the debt burdens and likelihood of defaults will pressure the entire global financial system. The second defining characteristic of a depression: the economic impact of COVID-19 will cut deeper than any recession in living memory. The monetary-policy report submitted to Congress in June by the Federal Reserve noted that the "severity, scope, and speed of the ensuing downturn in economic activity have been significantly worse than any recession since World War II." Payroll employment fell an unprecedented 22 million in March and April before adding back 7.5 million jobs in May and June. The unemployment rate jumped to 14.7% in April, the highest level since the Great

Depression, before recovering to 11.1% in June. These factors lead us toward the third definition of depression: a slowdown that will last longer than recessions of the past 80 years. The Congressional Budget Office has warned that the unemployment rate will remain stubbornly high for the next decade, and economic output will remain depressed for years unless changes are made to the way government taxes and spends. Those sorts of changes will depend on broad recognition that emergency measures won't be nearly enough to restore the U.S. economy to health. What's true in the U.S. will be true everywhere else. [Source: Time]

Despite governments trying to paint a V-shaped in a post Covid-19 world, the reality is much worse. A global depression is very likely and will sweep the world. This also means that more and more people will question whether Capitalism can continue for the foreseeable future. At this juncture, Muslims must take it upon themselves to portray Islam as the only alternative to crooked Capitalism.

Bahrain, Oman could be next to Normalize Relations with Israel. Saudi Arabia? Not so fast

The deal between Israel and the United Arab Emirates to establish diplomatic relations could lead other countries in the region to carve out their own plans, but it's unlikely that Saudi Arabia, arguably the most important geo-political Gulf state, will follow suit anytime soon, according to experts who specialize in the region. Whether any other Persian Gulf state follows the U.A.E.'s lead will first depend upon the domestic reaction and reaction across the Arab world to the agreement, said Dov Waxman, director of UCLA's Y&S Nazarian Center for Israel Studies. Autocratic leaders in the Gulf, who are facing economic challenges and can be sensitive to public opinion, might hesitate if there is a major uproar, Waxman said. Still, it's a watershed moment in Israel's relationship with Gulf Arab states which have been happy to have quiet, so-called under the table dealings with Israel until now, he said. "The U.A.E.'s willingness to go public with this and fully normalize relations is a historic breakthrough in that respect," Waxman said from Los Angeles. And it is significant, he said, because "now that the U.A.E. has taken the first step, taken the plunge, so to speak, it will encourage other countries to follow." Now, with the U.A.E. deal in place, some experts predict Bahrain and Oman could be next to forge agreements of their own. "Countries are very influenced by their neighbours, especially their neighbour who are seen to be in relatively similar situations," said William F. Wechsler, senior adviser for Middle East programs at the Atlantic Council in Washington, D.C. In the case of Oman, Israeli Prime Minister Benjamin Netanyahu visited Oman's Sultan Qaboos bin Said in a very public meeting that was broadcast across the country in 2018. But following Qaboos' death earlier this year, and with a relatively new sultan having just assumed power, a deal with Israel may have to wait, Wechsler said. As for a deal with Saudi Arabia, that would be seen as the "jewel in the crown," and their willingness to normalize relations with Israel would be the most critical development in terms of changing Israel's relationship with the Arab world, according to Waxman. But Waxman said he would be surprised if that happened any time soon. He described Saudi foreign policy as a bit more cautious. [Source: CBC News].

The Jewish state is a crusader project and will remain as such no matter how hard the rulers of the Gulf try to normalize relations the Jewish state. Just as Salahuddin liberated Jerusalem from the crusaders in the 12th century, the impending Caliphate will do the same.

Threat of Atomic Weapons Grows as U.S., Russia and China Renew Arms Race

Seventy-five years after the dropping of the first atomic bomb in Hiroshima, one nuclear non-proliferation after the other is lapsing. A new arms race is already taking shape between Russia, the United States and China. It's not very difficult for an industrialized country to build a nuclear bomb. The technology is already available, and it's astonishing that more countries haven't done it so far. The veto powers on the United Nations Security Council - the United States, Russia, China, France and Britain – all have nuclear weapons, as do Israel, India and Pakistan. Beyond that, there's North Korea and perhaps also soon Iran. Many worry that the proliferation of nuclear weapons could spin out of control. But those worries apparently don't go deep enough. Fears of nuclear war more or less disappeared after the Cold War and they haven't returned since. The nuclear weapons of the world's major powers seem to be in a state of slumber deep within their silos, like mythical creatures from a distant past. That impression, however, is deceptive. In recent years, one disarmament treaty after the other has been dismantled, including the nuclear deal with Iran, the INF treaty banning land-based, medium-range weapons, the Open Skies Treaty, which guarantees countries mutual reconnaissance flights – all terminated by U.S. President Donald Trump. The New START treaty on strategically offensive weapons is also about to expire. "We are returning to the days of the 1950s and 1960s, when each country decided for itself how many and what kind of weapons to deploy," says Vienna-based disarmament expert Nikolai Sokov. The Washington Post recently reported that Trump is considering conducting new nuclear tests in Nevada. The decommissioned test site there is still littered with craters left behind by around a thousand underground detonations – all traces of the Cold War. A new test would be a clear indication that, after three decades of silence, a new nuclear age is dawning. Meanwhile, Moscow is also tinkering with devices that seem to come straight out of a Cold War science fiction film. Last year, seven people died when a nuclear-powered cruise missile apparently exploded during an attempted salvage operation in the White Sea. A nuclear mega-torpedo is also under development that could wipe out coastal cities with artificial tsunamis. And in the shadow of the two major nuclear powers of U.S. and Russia, China is expanding its arsenal, unbound by the old arms control treaties. [Source: Der Spiegel International]

It is very unlikely that a renewed nuclear arms race will destabilize the world and lead to a nuclear apocalypse. The concept of mutual assured destruction (MAD) will ensure that ration prevails at the time of crisis. MAD has worked for 75 years and nuclear peace has prevailed ever since. There is no reason to suspect that MAD will fail as great powers compete for nuclear supremacy in the 21st century.