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Towards a "de-dollarized" world



Sources: The rocket to the moon

The dollar loses power as a weapon of war with which to subdue nations that dare to oppose American domination.

"If we have to use force it is because we are the United States of America, *the indispensable nation*. Strong and upright we can see the future, beyond what other nations can, and we see the danger that threatens us all." (Madeleine Albright, 1998) [1].

This is how the Secretary of State of former Democratic President Bill Clinton justified the impulse given by her Government to a *regime change* in Iraq. For Albright, this "exceptionality" ensured the defense of "freedom, democracy and the American way of life, put at risk" by Saddam Hussein, who produced and stockpiled nuclear weapons [2]. This warning by Albright triggered a "silent war" [3], marked by intense bombing and deep economic sanctions, which by then had already caused the death of more than 500,000 children under 5 years of age [4]. The regime change was brought

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about by Clinton's successor, Republican George W. Bush. After the attack on the Twin Towers in 2001, and warning all the nations of the world that now "they are either with us or they are against us [5]", Bush invaded Afghanistan and Iraq and enacted the *Patriot Act*, giving rapid development to the US security and intelligence apparatus, inserted in almost all the agencies of the state and federal governments. It also drastically limited individual freedoms and gave impetus to economic policies that led to a new phase of capital accumulation based on digitalization and espionage in all areas of social life [6].

The occupation of Iraq It is just one example of the foreign policy of a *neocon* — neo-conservative—elite. made up of Democratic and Republican leaders. Alternating in power, The main objective of this elite has been to impose an "international order". Rules *Based International Order*". Taken Unilaterally, these rules do not admit dissent and govern even if they transgress as stipulated by United Nations agencies. "The United States They have used hard and soft power to build this order." [7] which today shows in Ukraine "the final collapse of the *neocon* project" [8]. A project that "destroyed the middle class, made a laughing stock of power The military and morale pushed China into an alliance invincible with Russia, destroyed the dollar as the international reserve currency and did nothing to advance democracy." [9] Today the central axes of this project come to light: control over strategic resources, in particular control over oil and gas, and the imposition of the dollar as the international reserve currency.

The systemic crisis of global monopoly capitalism has stripped these parameters of American hegemony, giving rise to an increasingly unstable world, conflictive and dangerous that, paradoxically, opens the possibility of greater economic and financial autonomy of nations. At the center of this paradox There is the dollar, a real Gordian knot. With your feet in the mud of the Black gold and its role as an international reserve currency, the dollar allowed The United States will suck wealth and surplus from the rest of the world and boost the unlimited indebtedness and the Federal Reserve's increasing interference over the policies of nations and world finance. There is, however, something More: This Exorbitant Power Turned the Dollar into a Powerful Weapon of War with which to subdue the nations that dared to oppose domination American.

Dollar, oil and war

After World War II, the Bretton Woods Accords enshrined the convertibility of the dollar to gold and its use as a benchmark for adjusting the relative value of all currencies, conducting financial and commercial transactions, and accumulating international reserves. This allowed the United States to issue and accumulate fiscal and balance-of-

payments deficits, transferring its inflation to the rest of the world. It also allowed it to have "cheap" credit, by ensuring a continuous global demand for dollars and US Treasury bonds, necessary to feed the countries' international reserves. In February 1965, Charles de Gaulle, President of France, denounced this enormous privilege, changed his country's dollar reserves to gold and repatriated his government's gold deposited in the United States. Other countries followed suit and the *gold stock* in the United States shrank substantially. This, together with the growth of U.S. deficits and debt driven by military expansion and domestic politics, led President Richard Nixon to end dollar/gold convertibility in 1971. A short time later Nixon signed a pact with the Government of Saudi Arabia, by which this country would carry out all its oil transactions in dollars and the US Government would guarantee military security. The adherence of other oil-producing Arab countries to this policy consolidated the petrodollar. The importance of oil in world production and trade guaranteed the United States the privilege of unlimited broadcasting, while continuing to expand its control over regions with the largest oil and gas reserves and accumulating deficits and debt. In this context, the invasions of Iraq and Libya began to draw the veil that hid the essence of American world hegemony.

In 2002, Iraq had the world's second largest oil reserves. Besieged by US pressure, its President Saddam Hussein, determined to no longer use dollars in his oil exports [10], converted the billions of dollars of his strategic reserve fund into euros and announced that he would no longer award oil exploration contracts to US corporations. These measures accelerated the timing of the U.S. invasion, followed by the destruction of Iraq's economy, Hussein's death, and social implosion. Soon after, something similar happened with Libya, another oil-producing country. The government of Muammar Gaddafi promoted the issuance of a hard currency that, according to him, would free the African continent from dependence on the French franc, the dollar, and the IMF. Its repression of social unrest produced in the framework of the "Arab Spring" [11], unleashed in the region, gave excuse to a rapid military intervention of the US Government and NATO, with the consequent fulminant destruction of the economy, the irrigation and oil infrastructure, the Libyan army and the life of Gaddafi [12]. A short time later Hillary Clinton, Secretary of State of another Democratic President, Barack Obama, boasted of having quickly finished with Gaddafi [13]. The subsequent publication of Hillary Clinton's private emails revealed crucial objectives of the military intervention in Libya: to control the oil and cut off the project of a new currency to be used on the African continent [14].

Systemic crisis: financial implosion and recession

Under the reign of the Dollar, U.S. military expansion occurred in conjunction with a Economic policy that created a widening gap between growth of indebtedness and that of the real economy, leading to several recessions and financial crises. The last crisis, and the most dangerous for financial stability global, was that of 2008. At that time, a liquidity crisis in the market U.S. Real Estate Threatened to Set the System on Fire International Financial. The U.S. Federal Reserve saved a group of The big banks of the debacle and weathered the crisis by applying a policy of monetary easing (QE) at near-zero rates, which led to more deficits and More indebtedness. Today the relationship between private and public debt and GDP North America amounts to 450%. A similar trend can be seen in the more developed countries, while, at the global level, the debt-to-GDP ratio It surpasses all historical records.

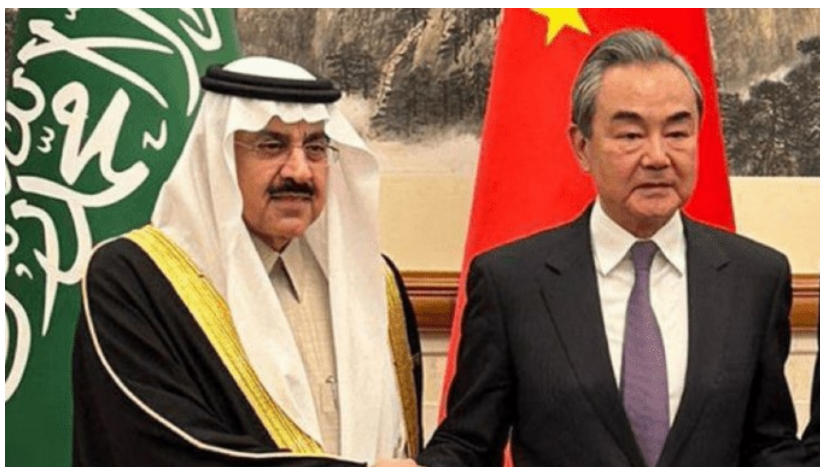
In this world of Indebtedness There are several points of extreme vulnerability to the rise of the interest rates by the Reserve to deal with inflation arising in the last few years. Among them: a global debt at negative rates, which in 2020 It amounted to 17 trillion dollars and a debt of Huge magnitude with derivatives that intertwine the big banks and makes them "systemically" important. Today, a crisis of Liquidity at any point can quickly spread to the whole system financial and there are not enough dollars to put out the fire. After A year of rising interest rates, this scrapie began to creak, detonated by the devaluation of financial assets and especially those considered safer: US Treasury bonds.

The recent leak of deposits of several U.S. banks, with strong exposure to these Bonuses, already causes side effects, among which the restriction stands out of credit in the last two weeks of March, the highest since 2007. This The latter particularly affects the real estate sector and small banks and medium, which account for 80% of the credit granted to this sector and have 1.7 trillions of dollars of short-term debt maturing term [15]. Thus, a spiral of negative effects that feed back and overflow towards the real economy locks the Fed into a trap: if it raises the rates of interest, threatens to trigger indebtedness and a severe recession; if not the rises, runaway inflation will end up eating away at the real economy and the finance. This trap, however, is even more intricate: the inflation that The threat to the U.S. economy today has structural and geopolitics of an unprecedented nature, and the Reserve has no means to control it.

Inflation, oil and dollar

The trade war unleashed by the Government of Donald Trump against China and then continued by Joe Biden, added to the pandemic and the economic sanctions imposed on Russia for its invasion of Ukraine, have caused a mismatch in global value chains, impacting on the prices and logistics of all goods produced and traded. In the context of a global economic integration that has reached a level unprecedented in the history of humanity, another core phenomenon is hidden: the loss of American control over the production and prices of strategic products for capital accumulation and war: energy, semiconductors and rare earths. In what follows, we only analyze the energy dilemma.

The economic sanctions imposed against Russia have operated like a *boomerang*: they especially affect the economy of the main American allies and contribute to unleashing the political alliances that for a long time allowed the United States to control energy prices. At the same time, these sanctions strengthen the strategic alliance between Russia and China. Currently, both countries are leading a mediation of conflicts in the Middle East and in energy-producing regions, which is already beginning to bear fruit with the reconciliation between Saudi Arabia, Iran and Syria, after years of violent hostility whipped up by the United States [16]. Saudi Arabia, which played a crucial role in the destabilization of the region, has today joined the Shanghai Cooperation Organization as an observer [17]; it has strengthened its relationship with China, signing cooperation agreements with investments in the two countries, which include transactions outside the dollar; it has brought the Gulf Arab countries into this cooperation and now leads an OPEC (Organization of the Petroleum Exporting Countries) ready to have a decisive impact on global oil and gas prices. All this implies a growing confrontation with the United States [18].



Iran and Saudi Arabia re-established relations with Chinese mediation: a blow to US hegemony.

These days Saudi Arabia led another production cut by OPEC, which violates the decision taken in December 2022 by the United States and the European Community of impose, from the beginning of this year, a ceiling on oil prices Russian [19]. OPEC's new cut seeks to mitigate the negative impact of the recession Global on fuel prices, consolidate Saudi alliance with Russia and show the capacity that oil countries have to dismantle U.S. policy. After this cut, Japan announced that it would not respect the ceiling imposed on fuel prices and other countries They consider doing the same. This exposes the weakness of the United States in a Decisive area for the maintenance of the dollar as the international currency of Reserve [20].

On the other hand, the Systemic crisis and the unlimited indebtedness that it generates have resulted in a progressive loss of the value of the dollar and Treasury bonds American. This devaluation was recognized in 2009 by George Soros [21]. One of the pillars of the *necons*. However, he ignored his Impact on US hegemony and its relationship with sanctions economic measures imposed for decades on several countries [22]. These sanctions led these countries to progressively divest themselves of the Treasury bonds accumulated in their international reserves and to start sporadic attempts at financial transactions outside the dollar. After the sanctions recently imposed on Russia, these processes have picked up pace unusual.

In the last week, Malaysia [23] has added to the 18 countries that already trade with India in their currencies, and this The latter now offers its currency as an alternative to trade to those countries. indebted in dollars that have difficulty in obtaining them and their currencies are besieged by currency runs [24]. Likewise, the Association of Southeast Asian Nations is moving towards replacement of dollars by local currencies and the volume of yuan transactions in Russia, Iran, Saudi Arabia, and the Gulf countries. The BRICS' decision to trade with a currency of their own, based on a basket of regional currencies, referring to gold and a group of goods strategic and eventually crystallized into a digital currency [25], poses a special danger to the dollar: the core of the BRICS [26] represents 40% of the world's population and accounts for 31.5% of global GDP (PPA) [27] surpassing the more developed economies gathered in the G7, which together account for 30.7% of global GDP (PPP) [28]. It seems, then, that the BRICS are the spearhead of the move towards a Global de-dollarization.

War and politics in the United States

On the eve of elections, the Republican and Democratic *neocoon* elite deepens the confrontation against Russia and China. In Congress, Republicans denounce de-

dollarization and the "formation of a secondary world economy", where soon the dollar can no longer be used to impose sanctions [29]. They also accuse the Biden administration of an erratic policy in the face of the growing influence exerted by Russia and China on Arab countries and call for greater sanctions against China "because it produces 60% of the most advanced semiconductors in the world" and "we must prevent it from monopolizing the digital economy." To this end, they propose to provide nuclear weapons to submarines deployed around the world and promise congressional support for the deployment of US troops in Taiwan [30]. In turn, the Biden government rules out the possibility of negotiations in Ukraine and bids for an imminent offensive of the troops of this country. It is thought that, this spring, this offensive will determine the Russian defeat. However, secret Pentagon documents, leaked to social networks, expose the insurmountable problems of supply to Ukraine and serious doubts about its capacity in the next offensive [31]. Beyond the details, the documents record the direct and instant participation of senior US commanders in the war in Ukraine, while allowing glimpses of the existence of internal dissidents within the Government.

This warlike climate permeates a political campaign that sharpens confrontations within one's own *Neocon* Elite. After promising immediate negotiations with Ukraine and the "ultimate elimination" of interference by intelligence on the censorship and politics of the country if elected President, Trump was criminally prosecuted in an unprecedented act, for a Misdemeanor, state jurisprudence and whose legal processing times have expired. In order to prosecute him, the Prosecutor linked this crime to another of federal jurisprudence, but the nature of the latter remains at secret. Both the Prosecutor and the prosecutors and the judge in the case have expressed in the past his opposition to Trump. All this contributes to complaints of *lawfare* against Trump, who has received the support of the Republican leadership and growing in the polls.

Biden, for his part, contemplates the possibility of running for the Presidency again and believes that "It is necessary to show Trump that he will not take power": he warned that if Trump presents himself as a candidate, "he will be ensured, with legitimate efforts constitutional, that he is not President again" [32]. In this rarefied climate, Robert Kennedy Jr. has announced his possible candidacy for the Presidency for the Democratic Party. Kennedy claims the legacy of his family and a lifetime of political activism against the growing interference in the political life of the country by large corporations, intelligence agencies and the military-industrial complex. Your candidacy It is an entirely new option, with unforeseeable consequences.

The embrace of the Biden administration

Argentina has the world's second and fourth largest reserves of unconventional oil and gas; the world's second largest lithium reserve; gold and critical minerals in abundance; One of the most important water reserves in the world and capable of feeding more than 400 million people. However, 40 per cent of its population is poor and almost 10 per cent is destitute; its minerals and energy products are exported by affidavit, paying negligible royalties and enjoying various subsidies; A good part of its grain exports are weighed and exported from private ports, triangulated, under-invoiced or withheld in order to influence the exchange rate. In the last two years, the government obtained a trade surplus of 35,600 million dollars and most of it was destined to the payment of the debt in dollars of corporations, many of them subsidiaries or associated with multinationals. Today the government lacks international reserves and seeks President Biden to help it meet the IMF's demands.

This scenario is a consequence of a productive matrix that for decades has deepened monopoly control over key sectors of the economy, technological dependence, an increasingly restrictive labor market and unlimited indebtedness. No democratic government tried to modify this matrix and all were victims of the political destabilization produced by inflation and the exchange rate runs driven by these monopoly groups, in permanent struggle to increase their incomes and profits and flee them abroad. The Agreement with the IMF; The importance of the country's resources in the current international situation and the imminence of elections sharpen this struggle and place the country in a situation at the limit, in which *lawfare* is simply another face of dollarization and looting, while the government bows to these attacks.

The Macri hordes fight for future positions, but they unify with the extreme right demanding devaluation, dollarization, wage insecurity, a hard hand against populism and privatization of natural resources. The differences are apparent: they all share the goal of "cleaning up" the economy with a clean slapstick. The government, in turn, believes that with Biden's promises and the gimmicks of an economy minister who seduces the IMF and has good contacts in Washington D.C. it will be able to radiate to Kirchnerism and eventually win the elections. The rest of the Frente de Todos does not have a program of change, which with clear measures shows the population that there is an alternative to the current chaos and a project for the future. In this context, the Vice-President's proscription should signal to everyone that *the lawfare* and the IMF adjustment are two aspects of the same phenomenon and that the Economy Minister's dealings and comings and goings

imply a waste of time and an inexorable political setback. Hence the need to propose a program with short and medium-term measures that show the people the commitment to immediate change. No more time can be wasted.

Notes:

[1] <https://1997-2001.state.gov/statements/1998/980219a.html>

[2] After Iraq occupied Kuwait in August 1990, by United Nations Security Council resolution 678 of November 1990, a military coalition of 39 countries, led by the United States, was formed to liberate Kuwait from Iraqi occupation. After intense bombing and a hundred hours of fighting in Iraqi territory, a ceasefire was declared, leaving Saddam Hussein in the Government of Iraq and subjecting the country to severe economic and political sanctions, including the destruction of its arsenal of chemical, biological weapons and its nuclear weapons development program. By 1998, this destruction overseen by UN experts had ended. Despite this, the U.S. government accused Hussein of continuing to produce them and began bombing the entire

country. <https://twm.my/title/twr147e.htm>; <https://www.theguardian.com/world/2005/jan/27/iraq.comment>

[3] A War that was never made explicit, developed outside the decisions of the United Nations Security Council and under the radar of the press.

[4] Proven by FAO (Food and Agriculture Organization of the United Nations) Agriculture) <https://inthesetimes.com/article/were-sanctions-worth-the-price>.

[5] <https://www.voanews.com/a/a-13-a-2001-09-21-14-bush-66411197/549664.html>.

[6] Such as we analyzed in several previous notes and also, among others, in *Reality Economic*, No. 309, 2017; and *Cryptocurrencies and Sovereignty*, chapter 2, UNDAV, 2022.

[7] https://www.rand.org/pubs/research_reports/RR1598.html

[8] According to Robert Kennedy Jr., son of Bobby Kennedy, who was assassinated after being nominee for Democratic Party President in 1968 and nephew President John F. Kennedy, assassinated in 1963 before the end of his term. Both murders were the product of conspiracies, whose investigation it remains in the shadows, under state secrecy. <https://twitter.com/RobertKennedyJr/status/1643053498483855361?s=20>.

[9] Ibid.

[10] Allowed by the "Oil for Food" Program, imposed in 1991, after the War of the Gulf, by the United Nations Security Council with the Resolutions 706 and 712.

[11] Protest movements against the governments of several countries in the region. This "spring" was part of the "color revolutions", which from the end of the Soviet era to the present are promoted, financed and armed by agencies of the US Government within the scope of the National Endowment for Democracy, an organization responsible for "promoting democracy" and which constitutes a powerful weapon to provoke regime changes. In Ukraine, this led to the "soft" coup of 2014, which preceded the current war. In 2020 a color revolution was attempted in Belarus, which failed due to Russian intervention. Recently, the US Secretary of State announced the appointment of a Special Representative, who will collaborate with the Government in "exile" of Belarus, located in Washington DC. This led the Russian government to install nuclear weapons in Belarus.

[12] A Synthesis of the brutality of the repression unleashed,
in: <https://www.aljazeera.com/program/the-big-picture/2018/11/5/the-death-of-gaddafi>.

[13] <https://www.youtube.com/watch?v=6DXDU48RHLU>.

[14] <https://wikileaks.org/clinton-emails/emailid/12659>; <https://theecologist.org/2016/mar/14/why-qaddafi-had-go-african-gold-oil-and-challenge-monetary-imperialism>.

[15] zero hedge.com, 8, 9 and 11/04/2023.

[16] Arabia Saudi Arabia and Iran have just re-established diplomatic relations, opening their respective consulates and initiating a negotiation to end immediately the war in Yemen. Saudi Arabia initiated direct negotiations with Syria and has announced the reintegration of this country into the League of Arab Countries, of which She was expelled a few years ago. In this negotiation, Russia and China play a role special.

[17] Created In 2001, it is an organization of economic, political and military cooperation, constituted by China, Russia, India, Pakistan, Kazakhstan, Kyrgyzstan, Uzbekistan and Tajikistan. There are several countries with *status* of observer, including Iran. Some time ago, the Organization rejected the request. North American integration.

[18] Once the war in Ukraine began, the US government tried to impose on Saudi Arabia, and therefore OPEC, an increase in oil production in order to limit the drastic rise in energy prices caused by the sanctions against Russia and thus ensure energy supplies to Europe, severely hit by the loss of Russian gas and oil. His proposal was rejected by Saudi Arabia.

[19] This The move was opportunely rejected by Russia, which warned it would not sell oil to countries that accept this ceiling at the price of it.

[20] Situation which is also affected by the rapid depredation of the productivity of North American unconventional oil and gas fields, occurring in the Later years

[21] <https://www.youtube.com/watch?v=884wXCT-i7A&t=26s>.

[22] From notorious cases such as Iran, Russia and Venezuela, to sanctions on companies European companies involved in the construction of the Nord Stream 1 and 2.

[23] According to The Industrial Production Index, the most expansive economies today they are India, Malaysia and Russia; S&P Global, zero hedge.com, 03/04/2023.

[24] This The situation has led Egypt, Sri Lanka and Bangladesh to take an interest in this situation. Alternative, bloomberg.com, 31/03/2023.

[25] thecradle.com, 31/03/2023.

[26] Compound by Brazil, China, Russia, India and South Africa. Iran and Argentina have Applied to integrate and other nations have expressed interest in it: they were Saudi Arabia and the United Arab Emirates, Nigeria and Mexico.

[27] Adjusted to purchasing power parity values.

[28] consortiumnews.com, 22/03/2023. The analysis is based on data from the World Economic Outlook IMF, September 2022.

[29] <https://www.youtube.com/watch?v=6culYsSCAyI>.

[30] Senator Lindsey Graham, zero hedge.com, 10/04/2023.

[31] cnn.com, 12/04/2023. For a discussion on the meaning of this document leak Secrets and the current situation, see discussion with two senior former officers of The CIA: <https://www.youtube.com/watch?v=DRs8pAWIjk&t=214s>.

[32] https://twitter.com/ImMeme0/status/1642303623274086403?ref_src=twsrc%5Etfw%7Ctwcamp%5Etweetembed%7Ctwterm%5E1642303623274086403%7Ctwgr%5E22401bbf1a944e53e1eeea2797dccbaebbeeb93f%7Ctwcon%5Es1_&ref_url=https%3A%2F%2Fwww.nakedcapitalism.com%2F2023%2F04%2Fthe-shambolic-criminal-case-against-donald-trump.html.

Source: <https://www.elcohetalaluna.com/hacia-un-mundo-desdolarizado/>

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