The U.S. Military: the armed wing of the international banking cartel

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"My assessment is that 90% of the value of the U.S. dollar comes from the U.S. military."
— Former Assistant Housing Secretary Catherine Austin Fitts[1]

For decades, America has used its armed strength to enforce the use of the dollar as the world's reserve currency, effectively making the U.S. military the armed wing of the international banking cartel (IBC). Since 1971 when President Richard Nixon stopped paying U.S. debt obligations with gold,[2] America has increasingly used its military might to prop up the value of the dollar and enforce a global financial structure whose primary beneficiary is the U.S. itself, and whose central bank, the Federal Reserve, serves as the IBC's supervisory authority.

Who or what is this IBC? It consists of Bank of America, JP Morgan Chase, Citigroup and Wells Fargo along with Deutsche Bank, BNP and Barclays. Eight families reportedly control the IBC: the Goldman Sachs, Rockefellers, Lehmans, Kuhn Loebs, Rothschilds, Warburgs, Lazards and the Israel Moses Seifs. Besides owning the U.S. oil behemoths Exxon Mobil, Royal Dutch Shell, BP and Chevron Texaco, IBC member institutions are among the top ten shareholders of nearly every Fortune 500 company.[3] While the IBC itself has no formal status, nevertheless its members are represented by an international body, the Financial Stability Board (FSB). Organized as the Financial Security Forum in 1999 by G7 finance ministers and central bank governors,[4] the FSB "seeks to give momentum to a broad-based multilateral agenda for strengthening financial systems and the stability of international financial markets."[5]

War is extremely profitable for the IBC, since not only do its members profit from financing arms sales to both sides during the conflicts that they themselves often initiate, but also from the post bellum reconstruction. In fact, the most powerful of the central banking institutions in the world, the Bank for International Settlements (BIS), was established in 1930 to oversee reparation payments imposed upon Germany by the Treaty of Versailles that ended the First World War. In addition to providing banking services for central banks worldwide, the BIS supervised the Bretton Woods international currency agreements from the Second World War until the early 1970s,[6] when Nixon reneged on pledges to pay U.S. debt obligations in gold. The BIS also works with the International Monetary Fund (IMF) to expand the IBC-imposed debt-dependency cycle among the nations of the world.

The methodology for global financial domination is really quite simple: America imports more goods than it exports and therefore dollars flow out of the U.S. and accumulate in the central banks of other countries. Since the U.S. has refused to honor these obligations in gold, the central banks are forced to invest in U.S. treasury bills, bonds and other U.S. financial instruments that pay interest which is financed by the issuance of further debt. The result is a U.S.-dominated global financial system dependent upon maintaining the value, or more correctly, minimizing the rate of depreciation, of the dollar,[7] allowing the U.S. to enjoy an extravagant consumer-based economy at the expense of the rest of the world.

Regarding the insidious U.S. debt-domination process, Wall Street analyst Michael Hudson explains that "by running balance-of-payments deficits that it refuses to settle in gold, it has obliged foreign governments to invest their surplus dollar holdings in Treasury bills, that is, to relend their dollar inflows to the U.S. Treasury."[8] The system is somewhat self-perpetuating, for should a non-U.S. central bank decide to divest its dollars, it would effectively sabotage the economy in its own country. Of course, foreign central banks and financial institutions are well aware that by investing in U.S. treasury securities, they will lose money since the Federal Reserve will only turn around and "print" more dollars, thus further diluting the value of their reserves. However, if these foreign institutions would fail to reinvest their dollars in more T-bills, the rate of depreciation of their dollar holdings would accelerate dramatically.[9] Such awareness holds most governments in check, preventing wholesale dumping of dollars, which of course would bring the entire global system down, along with the IBC.

"Hence, demand for U.S. dollars and government and agency bonds continues even as [dollar] value falls. The losses on these holdings represent a tax paid to the 'Empire'," writes Catherine Austin Fitts, adding, "The fundamental system is as old as the hills. It is based on force."[10] Conversely, this ability of the IBC to call upon the U.S. military, which incidentally consumes 40 percent of global military spending, whenever and wherever the cartel's interests are threatened, results directly from the global dominance of the dollar.[11] India-based scholar and social activist Rohini Hensm writes, "It is the dominance of the dollar that underpins US financial dominance as a whole as well as the apparently limitless spending power that allows it to keep hundreds of thousands of troops stationed all over the world."[12] In short, dollar dominance allows the obscenely profligate spending to maintain the U.S. military's global presence, which in turn insures the continuing hegemony of the dollar.

Nevertheless, an increasing number of challenges to this dollar hegemony regime have arisen, some of which have necessitated suppression by the U.S. military. Iraq is a good case in point. In November of 2000, former Iraqi dictator Saddam Hussein announced to the world that Iraq would no longer accept dollars for petroleum transactions. Despite the declining value of the Euro, Saddam demanded payment for Iraqi oil in the troubled currency while declaring dollars to be "the currency of the enemy,"[13] demonstrating that even murderous tyrants, on occasion, can do the right thing. By 2002, Iraqi oil was being traded in Euros, effectively dumping the dollar.[14] Former U.S. President George W. Bush, who was a deputy of the IBC from the oil industry, used the 9/11 terrorist attacks as a convenient excuse to invade Iraq in March 2003,[15] thus eliminating Saddam's threat to dollar domination.[16]

When former Libyan leader Muammar al-Qadhafi tried to establish a state-run central bank and trade petroleum in non-dollar currencies,[17] the IBC tapped NATO to intervene. On March 19, 2011, a mere month after initial internal unrest, the Transitional National Council "rebels" announced they were establishing the Libyan Oil Company as the supervisory authority on oil production and policies, and designated the Central Bank of Benghazi as the authority for monetary policies. That a local group of rebels one month into a rebellion would form a national oil company and designate a private central bank astounded Robert Wenzel of the Economic Policy Journal who remarked, "I have never before heard of a central bank being created in just a matter of weeks out of a popular uprising."[18] Confirming suspicions of IBC involvement, the U.S. Treasury placed sanctions on Qadhafi's National Oil Corporation, but assured the rebels, "Should National Oil Corporation subsidiaries or facilities come under different ownership and control, Treasury may consider authorizing dealings with such entities."[19]

Other countries have had enough of the IBC and its armed wing. Both Russia and China have expressed their distaste for the dollar status quo and U.S. threats of sanctions or military force. On Thursday, Sept. 6, 2012, China announced that any nation in the world that wishes to buy, sell, or trade crude oil can do using the Chinese currency, not the American dollar. Following suit the next day, Russia announced that it would sell China all the crude oil it wanted but it would not accept U.S. dollars.[20] In addition, Russia has recently unveiled a payment system, called the PRO 100 Universal electronic card, designed to bypass the IBC should it again decide to block credit card services to Russian banks.[21] "There is little doubt in my mind but that Russia and China and no doubt many other countries around the world are getting angry as hell about the U.S. abusing its foreign currency privilege," wrote investment banker Jay Taylor.[22]

Iran, of course, has long been targeted by the IBC for refusing to surrender to U.S.-imposed sanctions and threats of military force. Iran had completely eliminated the use of U.S. dollars for oil trading by December 2007[23] and inaugurated its Bourse for trading petroleum in non-dollar currencies in February 2008, coinciding with the 29th anniversary of the victory of the Islamic Revolution.[24] Additionally, the IBC has tried to cut off Iran from using SWIFT, Society for Worldwide Interbank Financial Telecommunications, for international transactions,[25] but with the world's second-largest gas reserves and third-largest oil reserves, Iran retains the potential to strike a major blow against U.S. dollar hegemony.[26]

The question is how can we put an end to this stranglehold on the global financial system by the IBC and its armed wing? Hensm gives us a simple, straightforward answer: "Destroy US dollar hegemony, and the 'Empire' will collapse."[27] If more nations join Iran, Russia and China, and opt out of the U.S. dollar protection racket, then this evil "Empire" will surely collapse along with its armed wing.

Endnotes

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