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SPECIAL REPORT

# The Petro-Yuan and the End of "*Imperium Americana*": With or Without A World War? 12 Questions And Answers

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*The dormant masses may not have figured it out yet, but as 2017 draws to a close, there is definitely a smell of World War in the air.*

## 1. A World War: between whom?

A World War between the main power centers in the world today is rapidly evolving out of the wars that have been going on for several years now and has ramped up since 2015.

These first power center is constituted by the US-led alliance and the institutions on which that alliance is built, mainly:

- The European Union (EU)
- The North Atlantic Treaty Organization (NATO)
- The Organization for Security and Co-operation in Europe (OSCE)

The second power center is constituted by the Russia-China-led alliance and the following institutional and security apparatus on which it is based:

- The BRICS (Brazil, Russia, India and China)
- The Association of South East Asian Nations (ASEAN)
- The South Asian Association for Regional Cooperation (SAARC)

## 2. A World War: why?

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A World War is being risked by the US-led alliance in order to preserve its superpower rule, or what may be termed "Imperium Americana". It is only for its preservation that the hawks within the US power elite will risk provoking a World War.

This hegemonic position the US has enjoyed since the end of the Second World War and throughout the Cold War had reached its pinnacle in the period following the end of the Cold War. With the fall of the USSR, "Imperium Americana" had reached its pinnacle.

This imperial or superpower position of the US, built primarily on the petro-dollar structure of the global financial system, is now being threatened by the rise of an alternative global financial system, built, not on the petro-dollar but on the petro-yuan.

This systemic change in the global financial system from a petro-dollar-based to petro-yuan based is threatening the very foundation of "Imperium Americana". To prevent this change, at all costs, even of a World War, is what is currently at stake on the grand chess of international affairs.

## 3. A World War in the nuclear age?

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A World War isn't impossible just because we are living in the nuclear age. The hawks inside the US power elite believe that a World War, albeit in the nuclear era can be won through a combination of conventional warfare and small-scale nuclear weapons without "Mutually Assured Destruction" (MAD)

“Tactical nukes” are different from the more devastating “strategic nukes” in terms of their yield– the former have a smaller yield than the latter - and their target – the former target local military targets while the latter are designed to completely destroy both civilian, military and industrial targets.

And no, Nagasaki and Hiroshima weren’t the only known instances of battlefield utilization of nuclear weapons. Since 2013, at least four instances of battlefield utilization of small-scale nuclear weapons (tactical nukes) have been documented.

These are: Syria (Homs – 2013), Ukraine (2015), Yemen (2015), Syria (Hama – 2018)

## 4. Has World War already started?

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A World War - esp. in the nuclear era - doesn't just pop out. It escalates from local regional conflicts or tensions between competing world powers. This is done in stages or through “escalation ladders” (H. Kahn).

All the different proxy wars we are witnessing are only “surface events” of this much more – for the US – systemic problem of countries trying to exit the petrodollar system in favor of other currencies, esp. the yuan.

Whether we take a look at what is happening in Syria, Yemen, Ukraine, North-Korea, Venezuela we are systematically looking at countries in which a proxy war is being fought between these countries – who are part of the China-Russia-led alliance – and the US.

World War III is when one or several of these local conflicts fought in an indirect confrontation – indirect because nuclear powers do not directly confront each other – escalates into a regional and then a global confrontation in which nuclear powers fight each other directly.

From an economic standpoint, World War III has therefore already started, and militarily this has for the moment translated into these local wars.

## 5. The petrodollar has been threatened for long, why 2017 suddenly as the “Big Year”?

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The petro-yuan is set to be launched by China, after many delays by the end of 2017\*. The official launch of this platform for selling and buying oil in another currency than the dollar will be the final nail in an already dying petrodollar.

Several nails were put in that coffin starting in the year 2000 up until 2017 with that platform set to be officially launched within a few weeks\*. It is true to say that this process of killing the petrodollar did not nor will not start with the official launch of the petro-yuan.

But it is equally true to say that this launch is the most important threat to this petrodollar-based system: not only because China will propose to buy oil from oil-producing nations in its own currency, the yuan, but also because such a move is being organized by a nuclear-capable country.

This systemic change will cause the fall of the dollar and with it a global financial crisis. The thing is that, short of nuclear war, the US can't prevent this imminent economic crisis.

\*UPDATE: China officially launches the platform on 26 April 2018

## 6. What is the relationship between the petrodollar and the US’ “Imperium”?

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Every country over the past 15 years who has tried to challenge the basis of the US Empire has faced a terrible fate. Iraq, prior to the 2003 invasion was selling its oil in euros, Libya prior to the 2011 invasion wanted to sell its oil in a gold-backed currency before being also invaded, Iran has been organizing an independent oil market and has been crippled with economic sanctions, while Russia and China are now in the crosshairs.

The petrodollar is a mechanism whereby oil-producing countries sell their oil to other nations exclusively in the dollar. Now, since there is a constant demand for oil, this means that there will be a constant demand for the dollar.

This is one of the reasons why the US dollar has maintained its status as world reserve currency and the reason why it is the very foundation of the CURRENT global financial system, the reason why the US can maintain its economy afloat why it is consumer-based.

The US military is not the BASIS of “Imperium Americana”: it is only a tool to protect, expand and impose this mechanism and where necessary to sanction countries who try to exit from this system:

## 7. What can the US do in order to prevent this systemic change in the financial system?

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The US will not engage in a large-scale military conflict with the BRICS and esp. not with Russia, China and Iran as a first option.

Rather, a large-scale military conflict should be seen as a last resort the US will use should all the other measures fail.

These measures include:

- Economic sanctions
- Regime change
- Targeted assassinations
- Demonization campaigns
- Starting a proxy war

It appears all the measures have been attempted and have so far failed. The US will have either to accept the inevitability that its superpower moment has come to an end and face the coming economic crisis without a war. This is the “soft landing” scenario. Or, the US can try to military prevent this change and escalate a conflict into a major war with Russia and China.

## 8. Are tensions high on the Middle-Eastern Front?

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Structural conditions for a global war between the US-led alliance and the Russia-China-led alliance are first and foremost present in the Middle-East. Not only because both the US and Russia came very close to directly exchanging blows with each other over the past two years, but also because tensions are high between two of their respective allies, both important regional powers and amongst the world’s top oil-producing nations.

Both Iran and Saudi Arabia, belonging respectively to the Russia-China-led alliance and the US-led alliance are also and indirectly fighting each other in Yemen for a couple of years now.

In recent weeks, the potential flashpoints across the Middle East have been dangerously intersecting with each other.

They include the deepening war in Syria, the risk of direct Israeli involvement, the humanitarian disaster in Yemen, the disarray within Lebanon, the continuing sectarian conflict in Iraq and the fear that new nuclear weapons may be introduced in the region.

The risk of a new major war in the Middle East instigated, either by accident or by design, has grown exponentially between both regional powers.

## 9. Are tensions high on the East-European front?

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Another important geopolitical structural condition for a global war between the US-led alliance and the Russia-China-led alliance, is also present in East-Europe.

NATO has put no less than 300.000 troops on high-alert by late 2016. Let me repeat this number: 300,000.

NATO continues its aggressive troop buildup around Russia. With each passing day, the constant NATO activity is looking more and more like a preparation for full scale conflict with Russia. Something that would become a very real possibility

Secretary General of NATO, Jens Stoltenberg announced that NATO member nations are at this very moment putting hundreds of thousands of troops in a state of high alert, in an effort to deter the fantasy threat from Russia. Stoltenberg said.

NATO is preparing a military force of up to 300,000 personnel, capable of being deployed within just two months to attack Russia.

## 10. Are tensions high on the Pacific front?

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The third important theater of operations when World War III starts will obviously be the Asia-Pacific region.

Here also, we can observe that military escalation has been going on for some time. The important thing to notice here is that the military build-up is not aimed at North Korea – despite what is being said.

The real target of this military build-up by the US in this region of the world is China, the architect behind the alternative financial system based on the petro-yuan.

Despite the media hype around North Korea's nuclear tests, these are being used as a pretext to target the superpower behind North Korea which is China.

The US "is continuously increasing its military deployments and military base network in the Asia-Pacific region," Wu Shicun, the institute's director, said at a press conference on Friday. "Currently the scale of US military deployments in the region is unprecedented."

# 11. How close are we to global escalation?

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Like previously said, the US will try all non-military means short of war to try to preserve its eroding power.

But the fact of the matter is that we are closer to a full-scale military conflict than people really realize.

All non-military means aimed at curbing Russia's and China's economic behavior towards the petro-dollar have failed. Economic sanctions and currency wars are reaching their maximum effects.

The killing of many high-level people on both sides (diplomats, high-level politicians, bankers, etc.) is another important indicator that things are about to get serious.

On the political level we also notice a similar trend of aggressive rhetoric, false accusations, expulsion of diplomatic staff, the withdrawal from key international treaties are also important indicators to consider in that regard.

How close is something nobody can predict with exact accuracy. But there is definitely an odor of World War III hanging in the air.

# 12. How does one financially prepare for such an event?

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A World War is usually caused or does cause a global financial crisis. We have seen this in the past:

- World War I and the 1907 Crisis.
- World War II and the Great Depression of 1929
- World War III and the Great Financial Crisis 2008-2018/2019



At this point we don't really know which of both processes will trigger the other: World War > Financial Crisis or Financial Crisis > World War. But we know based on historical record that we are dealing with both.

The petro-yuan is going to bring a gradual end to the petro-dollar-based global financial system. The ending of the petro-dollar will cause the fall of the dollar – and of all other currencies worldwide -, and the fall of the dollar will cause the fall of the US economy followed by the other economies of the world.

If we know that all fiat currencies are doomed – it's only a matter of time, we know that the future of money is elsewhere: in real money, i.e. gold and silver.