

Reality Check: Bank of England Governor Criticizes the Petrodollar!

By [Cheikh Amma Diop](#)

Global Research, August 30, 2019

Region: [Europe](#)

Theme: [Global Economy](#), [Oil and Energy](#)

GR Editor's Note.

Mark Carney is a Canadian citizen and former senior official at Goldman Sachs before becoming Governor of the Bank of Canada (2008-2013).

He was the first foreign national since the founding of the Bank of England in 1694 to be appointed to the position of Governor (2013-). He broadly reflects the interests of the The Washington Consensus and the Anglo-American banking establishment. He is a candidate for the position of Managing Director of the IMF.

Carney talks about "dislodging the U.S. currency" with a view to developing "a diversified multi-polar financial system".

But what does this new global currency arrangement -which he describes as a "Synthetic Hegemonic Currency (SHC)-imply?

Is it not a process of integration of the dollar process, namely the dollarization of existing national currencies under a new (dollar hegemony) SHD label?

Michel Chossudovsky, Global Research, August 30, 2019

It is remarkable that Bank of England Governor Mark Carney recently spoke publicly about "the U.S. dollar's "destabilizing" role in the world economy", going on to suggest that "central banks might need to join together to create their own replacement reserve currency (see link at end of article)." This is very significant because in his capacity as Bank of England Governor, Carney serves as Chairman of the Monetary Policy Committee, giving him a major role in directing national economic and monetary policy.

The destabilizing role Carney's referring to is the massive free ride that European-American capitalists (EACs) have enjoyed since going off the gold standard in 1971 and creating the petrodollar in 1974. Since then, EACs have raided the treasury so ruthlessly and completely that the financial system in the U.S. collapsed into insolvency in 2008.

The fiat, petrodollar has allowed EACs to project military power beyond America's borders to an extent unprecedented in human history without collapsing the economy as happened to imperial Rome. The results are 800+ military bases and facilities in over 60 'nations.' EACs have used the petrodollar arrangement to finance aggressive and illegal military actions in the Americas, Afrika and the Middle East for the past thirty years.

EACs and their European brothers have also used their domination of foreign currency reserves, totaling a whopping 82%, as a weapon to coerce recalcitrant 'nations' into following their dictates with the imposition of economic sanctions. EACs have placed heavy sanctions on several nations that possess major strategic petroleum reserves, effectively attempting to manipulate the oil market in their favor. While European capitalists have recently been a bit more circumspect in their efforts to maintain the supremacy of European capitalist men than their American brothers, they have yet to completely break ranks.

Domestically, the U.S. economy is running on fumes. Citizens have been stuck with stagnant wages, the loss of jobs resulting from manufacturers deserting the U.S. for 'nations' with cheaper production costs, brutal changes in work conditions such as the explosion of part time and contract jobs, the loss of benefits, rising cost of living, disastrous health care, crumbling public education, crumbling infrastructure, etc.

The Federal Reserve has added to the malaise with quantitative easing, in other words, printing money. In the aftermath of the financial collapse of 2008, the Fed bought up all that bad paper created by fraudulent casino capitalists that caused them to go insolvent in the first place thereby creating an ominous asset bubble.

The instability that Carney is talking about is the unbalanced, unstable, dystopian conditions created by EACs in their bloody determination to retain their supremacy by any means necessary without regard for friend or foe.

At the same time, several non-European nations have gained considerable economic strength over the same period beginning in the 1990's. These nations, primarily located in Asia, are determined to lessen and eventually eliminate the outsized power that EACs have to manipulate their currencies and economies via the fiat, petrodollar and military coercion.

They are determined to slowly extricate their economies from global capitalism and thus protect themselves from coercion, manipulation and control. So, they are steadily adding to their strategic mineral reserves by buying gold, slowly ditching U.S. Treasury Notes, establishing currency swaps with trading partners, engaging in barter trade, developing independent interbank messaging systems and giving crypto currencies serious consideration. It is, perhaps, this rather morbid reality that motivates Carney to be so forthright in criticizing what EACs have been doing.

He goes on to suggest,

"The best solution to dislodge U.S. currency would be a diversified multi-polar financial system, something that could be provided by technology!"

Perhaps it is difficult to take this seriously in light of what European capitalists and their European-American brothers have done for the past 150 years but maybe it's time that we do. The fact is that cycles are an integral part of how things work in this universe. The decline and collapse of such an ruthless, unbalanced, pseudo political economy as capitalism was inevitable from its beginnings in England 500 years ago.

Here's the kicker:

“As a consequence, it is an open question whether such a new Synthetic Hegemonic Currency (SHC) would be best provided by the public sector, perhaps through a network of central bank digital currencies,” Carney said.

Let that sink in for a moment! Carney is the governor of the Bank of England. He is a capitalist administrator in a major institution of global capitalism.

Clearly, international power relations are changing dramatically. We will predict that within 5 generations capitalism will no longer be the world’s dominant political economy. It will be replaced by hybrid economies that some will call ‘socialist’ (see China, Venezuela, etc.), however, the political economy that ultimately comes to dominate globally cannot be predicted at this time.

One thing’s for sure, capitalism is dying and, once gone, will never return. That’s why European-American capitalists, who have ‘carried the flag’ most aggressively for elite European men, are so desperate and behaving so erratically recently and will probably continue to do so as long as they can.

What does this mean for Afrikans in America? Good question!

In the short term, that is, over the next 10 years, we can expect more of the same in America, that is, repeated economic recessions, increased inflation, stagnant wages, declining social services, environmental degradation, increased violence, increased underemployment and unemployment, increased police violence and mass incarceration, increased ethnic and ‘racial’ tension, etc. In other words, more of what has been happening for the past 30 years.

Therefore, Africans in America should focus on building the institutions our people will need to survive the coming dystopian conditions in America.

We need to focus on building up our communities.

We need to institutionalize the knowledge, training and skills needed to ensure the viability and survival of our people.

It’s up to us.

Evolve the Revolution!

The Marathon Continues!

*

Note to readers: please click the share buttons above or below. Forward this article to your email lists. Crosspost on your blog site, internet forums. etc.

Featured image is from Flickr

The original source of this article is Global Research
Copyright © [Cheikh Amma Diop](#), Global Research, 2019

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Cheikh Amma Diop](#)

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca