

Collapse of the US Dollar System? Looming Financial Collapse

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As each day passes the US dollar loses prestige and its status as a world reserve currency. Washington and Wall Street pay little attention to its slide and the changes a lower dollar and loss of reserve status will bring. Once the dollar is dethroned Americans will have to learn to live on the edges of the economic and financial world. Those of you who have not read G. Edward Griffins' "Creature from Jekyll Island" should. It tells you why the Federal Reserve was created and why the Federal Reserve was created and what its function is. It also shows you why except for Wall Street, banking and selected elitist corporations why the system was designed to self-destruct. If you read economic and financial history you will discover why such economic and financial destruction takes place repeatedly and that more often than not does not happen due to incompetence, war or error, but it is planned that way. What has happened to the dollar since Bretton Woods and the planned removal of gold backing from the dollar is an example of deliberate destruction and in that process the destruction of the greatest nation in history. In that process of 97 years the wealthy and connected have become wealthier and powerful and have become even more so. They truly expect to exit this maelstrom and war as the leaders of the future. We have news for them. The power of talk radio and the Internet stretches worldwide and the world now understands what they are up too, and they are not going to be successful in their efforts to bring about world government. The collapse of the dollar is but one aspect in the change planned in the shift in world power.



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The US budget deficit is a manifestation of the decline of America, its Executive, House and Senate 95% controlled by interests from behind the scenes. The agenda is not for the American people, the constituents, who put these people in power, but for the moneyed few who totally control them via campaign contributions, lobbying and other various nefarious means. We presently are being offered up a budget cut in a \$1.7 billion budget deficit. What can the people behind the scenes be thinking of unless they want the government debt structure to implode? Virtually no change in out of control spending. The deficit is

accelerating not decelerating. It is obvious that these intelligent elitists and politicians know exactly what they are doing and that is destroying the financial system and the American economy. By the end of the year and perhaps sooner the deficit will be more than 100% of GDP, a role reserved for Banana Republics and there is no end in sight. No reality check, no control, no attempt to stop the deficit hemorrhage. War spending rages out of control, as we engage in another war. This is deliberate and very probable for the military and industrial complex, which could care less what the budget deficit climbs too. The nation is being ripped apart internally and there is no respite in sight. The government, municipalities, states, banking, Wall Street, the US Chamber of Commerce and transnationals all advocate more aid and spending, as the public demands more handouts. Nobody seems to understand that things cannot go on this way; austerity is going to be thrust upon us and there is going to be economic chaos. In the meantime nothing the Fed and the Treasury have done has done anything to solve the problems. Everything temporarily has been papered over with debt. The Executive Office for 11 years has never told the truth about fiscal debt or future fiscal debt. They tell the public what they want them to hear. Over and over again just more lies and propaganda.

The Federal Reserve group of 12 banks are about evenly split on QE3. Whether the front is just making things interesting will remain to be seen. We do know Mr. Bernanke could care less. He takes his orders from the elitists and does exactly as he is told, just like Mr. Greenspan did. He and others are in the process of destroying the US economy so that the US economy will be so bad that Americans will be forced to accept world government. That is really what this is all about. The Fed is destroying the monetary system, the President and Congress are burying the economy in debt and our transnational conglomerates along with this gang of criminals has made America uncompetitive and destroyed its industrial base. It is not any simpler than that. The dollar is not a financial or monetary refuge anymore. Its place as a world reserve currency has been destroyed and that mantle has again been assumed by gold. This is the result of deliberate insane monetary and fiscal policy that is destroying America.

The monetization in process is not just manifest in America. England, Europe, China and Japan and many others have done the same thing. The debt that has to be serviced, rolled and created is more than \$5 trillion. In Europe alone the bailout of the sick 6 PIIGS will cost \$4 trillion. If the solvent euro zone and European countries funded this debt they'd all end up bankrupt. Will the Fed be allowed to again bail out foreign central banks as they did three years ago? Probably not because the Fed now has to bail out the US government with more money and credit created out of thin air. The Fed, foreign central banks and other commercial banks cannot raise the trillions of dollars needed to keep the western world afloat.

We ask how can anyone accept QE3 when QE1 and QE2 have been such failures? Part of the result of such folly has been a weakening of the dollar and strengthening of gold and silver. We believe you will see QE3, because there is no way to stop. Inflation will roar this year and next and if we have QE3 and stimulus there is a good chance we'll see hyperinflation. Close to zero interest rates and an endless supply of Treasury paper has driven away foreign buyers. Who wants to buy US 10-year T-notes yielding 3.5%, when inflation is 8% and climbing, especially when the dollar is moving lower? Two and a half years ago 66% of foreign central bank assets were in US dollar investments. Before that it was 70% and today it is 61.3%.

The Fed should have let the economy go into depression 3-1/2 years ago and purged the system. For whatever reasons that was not to be. Classical economics tells us malinvestment has to be removed from the system and the longer it takes to do that the worse the correction will be. Once a nation embarks on continued use of money and credit, inflation has to ensue and often that leads to hyperinflation. Not having solved the problems at hand a never-ending funding mechanism is put in motion in an attempt to buy time to fix the problem. As you can see thus far it has not worked. We are sure the Fed has added much more liquidity to the system already that they won't admit too. This is why an outside independent forensic audit is needed to find out just what they have been up too.

Yields and currency risk are driving foreign investors out of US dollar investments and it is accelerating. Americans still do not realize you cannot survive as a first-world nation without a strong industrial base. It has been official US policy and that of Wall Street and banking to denude America of that capacity. Eighty percent of the destruction has already taken place and the only way to reverse that is by implementing tariffs on goods and services.

That brings us to the insolvency of the banking system. Does anyone really believe that putting another 1.7 million foreclosures on your books is good? That is where the lenders are headed. If they are to survive they'll have to be quantitative easing for years to come. The deception continues, but it gets weaker with each passing day. This past week we were exposed to the vicissitudes of what the Fed spent two years trying to hide. Who were the 271 banks and others who received bailout funds to gamble, speculate with and to try to create more assets than liabilities. The funds monetized by QE1 and 2 and stimulus 1 and 2 are turning into a giant wave of inflation that will stretch over 2011 and 2012 and beyond. If QE3 and stimulus 3 become reality add another year or more to inflation to reach hyperinflation in excess of 50%.

On top of what the Fed and Treasury are engaged in you have the states, individuals and corporations to consider. Despite assurances there are going to be many insolvencies in these areas. After viewing these problems you have to say to yourself, where does this all end? As inflation grows the cost of everything increases making the situation even more difficult. Wall Street and banking tell us a recovery is underway. Unfortunately employment and housing sales and prices haven't been informed as yet. Of course, the same gang lies about the economy and everything else. Then again, white-collar crime today is socially acceptable. Just look at the movie, "Insider Job." Nobody cares and the SEC, CFTC and government are all working in tandem to enrich Wall Street at the expense of the public and later to enrich themselves.

There is no question the US government will have ongoing deficits of \$1.3 to \$2.2 trillion annually for some time to come. If this is the case there is no chance of the debt of government ever being paid. That means official devaluation and default, although we believe it will be done jointly by many countries.

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