

The Bricso vs. the US Dollar: What will Happen to the Global Economy if BRICS Announce Launch of New Currency?

By [Global Research News](#)

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Voice of Russia

For several decades, we've been told by the mainstream media that the West has a firm grip on the world's economy and that America decides the future of the world. Peter Koenig, former World Bank economist and Voice of Russia regular, outlines one of the scenarios in which America's plans for a [New World Order](#) are broken. This is the first part of the series about "How to dismate the New World Order".

by Peter Koenig

Imagine - it is **December 31, 2013**. The Presidents of the BRICS (Brazil, Russia, India, China and South Africa) plus Iran and Venezuela call an impromptu press conference - in Paris - to present a 'Sea of Change in Economics,' as they call it. The announcement was circulated throughout the international media and diplomatic offices and embassies just a day before - an indication of urgency. Despite it being the last day of the year with most people thinking of their year-end festivities, the event calls the attention of many - especially the world of finance - and of course the media. The press meeting is planned for 18:00 at the Dolce Chantilly, in Chantilly, just 40 minutes from the center of Paris.



The seven presidents, accompanied by their Ministers of Finance, are seated in a half-moon panel in front of about 500 journalists from all over the world. The Chinese President and General Secretary of the Communist Party, Mr. Xi Jinping, opens the conference without fanfare, introducing the subject as an event that may have worldwide repercussions.

He elaborates, "We the BRICS and some other hydrocarbon producing countries, like Iran and Venezuela - others may join in the future - have decided as of tomorrow - **January 1, 2014** - to introduce two new economic measures. First, the BRICS and Iran and Venezuela will launch a new currency, called the *Bricso*. The *Bricso* will, at least initially, be a virtual currency; similar to what the *Euro* was in its initial years of existence and currently the *Sucre* in the South American trading community of ALBA. The backbone of the *Bricso* is a basket of moneys of the BRICS and those of Iran and Venezuela. The individual country currencies will be weighed according to their respective economic strength - similar to the Special Drawing Rights - SDR - of the IMF. The initial basket of Seven, does not impede that later other countries, trading partners of the BRICS, may join the *Bricso*."

Reality Check comment: One has to wonder: why do it in a sudden almost theatrical

manner? The reason is simple: such a move is a declaration of war, an economic war, but a war none the less. Maybe, calling this operation a “revolution” or an “insurrection” would be more appropriate, but the essence remains the same. The West has abused its economic power and used its financial institutions to the detriment of the rest of the world. It was time to turn the tables. When global domination is at stake, it is a good idea to fire the first shot.

“Initially, each country will continue to use its own currency. In the course of the coming years we may decide to also issue the Bricso as a paper currency for all member currencies, similarly to the euro. For now, we believe, each member country will have to adapt its economy to certain established parameters of economic viability – criteria that were not followed seriously enough by the Euro member countries.”

Reality Check comment: This plan has an important technical requirement. The new currency requires a central bank. Actually, BRICS countries are already building an alternative financial system. While kick-starting it into action on short notice is quite hard, using the new mechanisms for clearing the trades done with the new currency is not impossible.

Mr. Jinping went on – “The recently created BRICS Development Bank will initially act as the BRICS Central Bank, issuing guidelines and norms of economic and financial viability, for each member country to adopt, so as to create coherence among them and facilitate trading within, as well as outside the *Bricso* domain. As our economies evolve, we may consider other steps to adjust to the new dynamics, like – as mentioned before – issuing common paper money. The BRICS Central Bank will also act as a bank of last resource for the member countries, lending to their respective national central banks at inter-bank rates.”

“We have also decided on an initial exchange rate between the US dollar and the *Bricso* – one *Bricso* equals 10 US dollars. This is roughly the relation of the outstanding debt – or unmet obligations – in proportion of the respective GDPs – of the US and the combined BRICS.”

Reality Check comment: It doesn’t take a prophet to predict that the western media will describe such a move as an attack on the dollar. Probably, stronger terms like “financial terrorism” are likely to be used. However, it is clear that the mainstream media will always demonize the BRICS countries so there is no point in trying to be “the good guy.” Anyone who disagrees with the NWO will be labeled as an evildoer, tyrant and terrorist. History is written by the winners and if BRICS win this financial war, the leaders of the anti-dollar movement will be hailed as heroes. Given the financial atrocities the West has committed against the world, it is safe to assume that any act aimed at dismantling the existing global financial system is actually an act of self-defense.

A murmur went through the room gaining increasing strength. But before the noise got out of control, President Jinping continued with a raised voice – “The second important step we are announcing – also as of **January 1, 2014**, the BRICS, Iran and Venezuela will sell their hydrocarbon – primarily oil and gas – in *Bricsos*, in a newly created *Shanghai Oil Bourse*. In fact, all countries, oil producers and otherwise, wishing to trade in other currencies than the US dollar may do so at the *Shanghai Oil Bourse*, or in short the SOB. The reason for abandoning the dollar as an oil trading currency is its volatility. In fact, the dollar has lost its value – and its trust – over the past decades; it is beset by enormous debt and has no real economic backing. Many oil producers see their hydrocarbon wealth at risk.”

“That is all for tonight. I wish you a fun-filled transition into 2014 and a happy New Year.”

Reality Check comment: There is nothing unrealistic about this scenario. Everything could be ready quickly. The oil companies will easily “unwind” their dollar-based contracts and even if they do it gradually, the global oil price is set by the “marginal” (aka “free”) production that is not sold in advance. The same structure can easily work with 3-4 delivery points across the globe in order to ensure a fair, transparent and adequate pricing mechanism for all global producers and consumers.

The presidents and ministers collected their papers and were about to step down from the panel – when the aula exploded in yelling and shouting.

One voice barely pierced the noise on the floor – “What will happen to the US dollar?”- Screamed CNN’s José Perez – “When suddenly a third of the world’s hydrocarbon is traded in – eh – I mean in *Bricsos*?” – BBC correspondent, Jim Dillen, was afraid that the world economy may collapse. France’s Bernard Betancourt, exclaimed – “Finally a relief from the dollar. But where is the gold? You did not mention it as part of the basket.”

A spokesman of the Nigerian Embassy, who attended the Press Conference, asked simply – “What are we going to do with the worthless dollars in our coffers?”

Mr. Vladimir Putin, Russia’s President, tapped the mike with his pen, attempting to soften the anxiety in the room. As quiet was restored, he said –

“These measures will certainly have an impact on the world economy. To predict exactly what will happen is impossible. Time will tell. But, yes, there will be some collateral damage, especially in those countries that have been relying heavily on the US dollar, on trading with the United States. But it will also affect us, the BRICS. A large proportion of our dollar denominated reserves will be wiped out, as the dollar will undoubtedly plummet – but again, it is difficult to speculate at this time to what extent it will lose its value.”

Reality Check comment: In judo, this is called a sacrifice-throw. Such moves require the thrower to move into a potentially disadvantageous position in order for it to be executed, such as falling to the ground. The momentum of the falling body adds power to the throw and requires comparatively little strength, compared to the effect. Sacrificing a part of currency reserves in order to bring down the American empire is definitely a good strategic move.

Mr. Putin directed his next words at the representative of Nigeria –

“And, Sir, yours too – and that of other countries that have large amounts of US Treasury bonds in their central banks. But, ladies and gentlemen, I predict that this is only a short-lived loss, as we will quickly recover the value of the lost dollars through a stronger and more stable *Bricso*. To be precise, the artificial and highly inflated value of the US dollar – which in fact, has for decades had no real backing, other than the world’s belief in America’s strength. But by now, most of the world realizes that the only strength that Washington can stand for is brute military force. Its economy depends on wars and conflicts around the world. The US economy is indeed based on destruction – not construction. Accounting for all associated industries and services, way more than

50% of the US GDP consists of the American military industrial and security complex. The rest is consumption of goods made abroad, many of them in the BRICS countries, and of values of services blown out of proportion.”

Reality Check comment: The crucial aspect of this operation is the message sent to the people of the world. The message is about the change of core principles of the global economy. Any change in the global financial system is useless without a proper change of the underlying ideology. For the BRICS to prevail, the professionals working on spreading the right message have to perform brilliantly. The world must see that the whole struggle is not about hijacking the current economic system, but it is about creating an equitable economic system.

Mr. Putin paused into a moment of silence, but then continued before the outbreak of the next barrage of questions – “If America has chosen this way of life – living on debt and high above their means, some 5% of the world’s population is consuming almost 30% of the world’s resources, they may consider that to be their privilege. But it is not, since it has become a burden for the rest of the world – and for our planet. This way of life is quickly depleting the Earth’s resources and destroying the environment by a boundless pillage of unrenewable natural resources and wars.”

And after a reflective pause, Mr. Putin added – “And mind you, not even military action by Washington – lest it be nuclear and suicidal – could stop this bloodless strive for financial and economic justice and equality.

After scanning the audience, he continued –

“In addition, Washington imposes the dollar as the world’s main reserve currency, and money of reference to be used in international trade. As you may know, we the BRICS, as well as some other countries, are already using our own currencies for commercial exchanges and for dealing with commodities. It would be unfair to expect the world to rely on a sheer paper currency that has no backing – and eventually is at the mercy of the United States, for example subject to inhuman sanctions, like the people of Iran is currently suffering – and Iraq in the 1990s. They can be sanctioned because their trading transactions are dollar denominated. We are seeking a fairer, freer world, in which sovereign countries can live peacefully together without the threat of subjugation for not following the dictate of a self-styled empire.”

Reality Check comment: Iran, India, Pakistan and Vietnam are already moving in the right direction. Iran is negotiating with India to trade its hydrocarbons in rubles and yuan. Pakistan is moving towards dropping dollar-denominated trading with China. India and Vietnam are progressively moving towards a close cooperation with the Customs Union of Russia, Kazakhstan and Belarus in which all members are strongly encouraged to drop the dollar in bilateral trade.

Silence. Mr. Putin looked around the room – into wide-eyed and confused faces. –

“And as far as gold is concerned, yes, you are right. Gold is not in our basket. The value of gold is subject to speculation and manipulation, mostly by Western nations. The highly fluctuating value of gold is the result of speculation, but foremost, the result of fear. When world leaders, mostly westerners, are afraid of their unchecked and wildly uncontrolled economies, they resort to gold, as if gold would be a savior. But the rising

value of gold is but a thermometer for a sick economy. The intrinsic value of gold is nothing more than its industrial value. Putting gold into the basket would make the basket, the new *Bricso*, vulnerable to those who will undoubtedly try to speculate with gold, and maybe even revert to the gold standard to save the dollar. Those who are willing to follow the dollar, perhaps under a newly created gold standard are welcome to do so. The BRICS and its affiliated countries are not dependent on that market. Our combined GDP is at least the size of that of the US and much stronger, more solid – it's based on real, hard production – and what's more – our countries account for almost 50% of the world population – not a negligible market."

Reality Check comment: The current huge gold reserves of the West are a direct result of their colonial past and looting of poorer countries. Therefore the repartition of gold reserves has nothing to do with economic strength of the country, only with its proficiency in being a colonial powerhouse in the past. So, gold would be a bad global "currency."

"And let me add one more caveat – while the Western world sees hydrocarbons as the panacea for energy, their driver for world domination – we know that hydrocarbons, petrol and gas, are just a passing fashion. The future is in renewable sources of energy. For example, the sun is an endless source of energy. Through photo-synthesis it can potentially achieve up to 97% efficiency of solar radiation, for which we will invest in research and development. In the meantime, we also need to refine research into Thorium reactors as an alternative to traditional nuclear power – and investigate sources we are barely aware of that they exist – all around us. But we, the BRICS and those who will associate with us, will put our economic resources into alternative and renewable resources of energy. This will, at once, save the planet, and save humanity from the dependence on those who control the oil."

Mr. Putin paused – his eyes scanning the room – quiet, full of unasked questions and worried facial expressions. He was compelled to continue, to quench the thirst for more answers, more explanations, since a world that has been living off instant gratification can hardly imagine a long-term solution to saving humanity and the planet.

He continued – "The future is with viable alternative energy sources and we're working on creating radically cheap energy that will allow us a higher standard of living and a drastically more efficient industry. Our search for better and sustainable energy is a long term proposition. We mustn't think about the next financial quarter or election cycle, we must think about future generations and start working today for the long term benefits of our children, grandchildren – and their descendants, who have the same right to our planet earth as we do."

"Tomorrow – or better yet, on **January 2, 2014**, because tomorrow is a holiday in most of the Western world – we will see the first impact of this economic revolution."

With these words Mr. Putin stepped away – ignoring the ensuing volley of questions. His colleagues followed.

Reality Check comment: Such an announcement hits the American economy, breaks the morale of the US vassals around the world and it is likely to create a massive panic. The gist of the BRICS' message is clear: this is the end of the world as we know it.

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