

Was Dominique Strauss-Kahn Trying to Torpedo the Dollar?

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Global Research, May 19, 2011

19 May 2011

Theme: [Global Economy](#)

It's all about perception management. The media is trying to dig up as much dirt as they can on Dominique Strauss-Kahn so they can hang the man before he ever sees the inside of a courthouse. It reminds me of the Terry Schiavo case, where devoted-husband Michael was pegged as an insensitive slimeball for carrying out the explicit wishes of his brain-dead wife. Do you remember how the media conducted their disgraceful 24 hour-a-day Blitzkrieg with the endless coverage of weepy Christian fanatics on the front lawn of the hospital while Hannity, Limbaugh and O' Reilly fired away with their sanctimonious claptrap?

And now you're telling me that that same media is just "doing their job?"

Give me a break.

Whoever wants to nail IMF chief Dominique Strauss-Kahn has really pulled out all the stops. Their agents have been rummaging through diaries, hotel registries, phone records, yearbooks, yada, yada, yada. The UK Telegraph even paid a visit to a high-priced DC knocking shop to get a little dirt from Madame Botox; whatever it takes to make a randy banker look like the South Hill rapist. And they're doing a pretty good job, too. The cops have made sure that the "Great Seducer" always appears handcuffed and dressed in a "pervie" raincoat with 3-days stubble before they parade him in front of the media. On Wednesday-more grist for the mill-they released his mug-shot, an unflattering, deadpan photo that makes him look like Jack-the-Ripper. Was that the intention?

And, that's not the half of it. The Big Money is exhuming every woman he's ever had contact with for the last 30 years hoping they can glean some damning tidbit of information that will convince the doubters that beneath that sophisticated manner and \$25,000 suit lurks a closet Bluebeard ready to snap up your daughters and defile your wives. Next thing you know, they'll be trotting out Paula Jones and Tanya Harding claiming they spent a torrid night with the Marquis de Kahn in a trailerpark outside Winamucca.

Where does it stop? Or does it stop? Are we in for another year-long Clinton-Lewinski feeding frenzy where everyday we hear more lurid details about the sexploits of people who don't really interest us at all?

Aren't you at all curious about who's behind this "lynching by media" scam? This is an all-out, no-holds-barred, steel-cage, take-down. The big boys save that kind of action for the worst offenders, that is, for the insiders who have broken "Omerta" or wandered off the reservation. I mean, they locked him up on Riker's Island without bail, for Chrissake. What does that tell you? Even Bernie Madoff was allowed to stay in his \$7 million Park Avenue penthouse while he waited for trial, but not Straus-Kahn. Oh, no. He get's the royal

treatment, even though he has no criminal record and nothing but the sketchy accusations of a chambermaid against him, he's carted off to the state slammer where he can mingle with hardened criminals while dining on corn flakes and Wonder Bread.

You call that justice?

Can I tell you what this is all about? It's about the dollar. That's right. Strauss-Kahn was mounting an attack against the dollar and now the wrath of the Empire has descended on him like ton-of-bricks. Here's the scoop from the UK Telegraph:

"Dominique Strauss-Kahn, managing director of the International Monetary Fund, has called for a new world currency that would challenge the dominance of the dollar and protect against future financial instability.....

He suggested adding emerging market countries' currencies, such as the yuan, to a basket of currencies that the IMF administers could add stability to the global system....Strauss-Kahn saw a greater role for the IMF's Special Drawing Rights, (SDRs) which is currently composed of the dollar, sterling, euro and yen, over time but said it will take a great deal of international cooperation to make that work." ("International Monetary Fund director Dominique Strauss-Kahn calls for new world currency", UK Telegraph)

So, Strauss-Kahn finds himself in the same crowd as Saddam Hussein and Libyan leader Muammar Gaddafi, right? You may recall that Saddam switched from dollars to euros about a year before the war. 12 months later Iraq was invaded, Saddam was hanged, and the dollar was restored to power. Gaddafi made a similar mistake when "he initiated a movement to refuse the dollar and the euro, and called on Arab and African nations to use a new currency instead, the gold dinar." ("Libya: All About Oil, or All About Central Banking?" Ellen Brown, Op-Ed News) Libya has since come under attack by US and NATO forces which have armed a motley group of dissidents, malcontents and terrorists to depose Gaddafi and reimpose dollar hegemony.

And now it's Strauss-Kahn's turn to get torn to shreds. And for good reason. After all, DSK actually poses a much greater threat to the dollar than either Saddam or Gaddafi because he's in the perfect position to shape policy and to persuade foreign heads of state that replacing the dollar is in their best interests. And that is precisely what he was doing; badmouthing the buck. Only he was too dense to figure out that the dollar is the US Mafia's mealticket, the main way that shifty banksters and corporate scalawags extort tribute from the poorest people on earth. Strauss-Kahn was rocking the boat, and now he's going to pay.

Here's a clip from CNN Money:

"The International Monetary Fund issued a report Thursday on a possible replacement for the dollar as the world's reserve currency.

The IMF said Special Drawing Rights, or SDRs, could help stabilize the global financial system....SDRs represent potential claims on the currencies of IMF members.....The IMF typically lends countries funds denominated in SDRs. While they are not a tangible currency, some economists argue that SDRs could be used as a less volatile alternative to the U.S. dollar.

"Over time, there may also be a role for the SDR to contribute to a more stable international

monetary system," he said.

The goal is to have a reserve asset for central banks that better reflects the global economy since the dollar is vulnerable to swings in the domestic economy and changes in U.S. policy.

In addition to serving as a reserve currency, the IMF also proposed creating SDR-denominated bonds, which could reduce central banks' dependence on U.S. Treasuries. The Fund also suggested that certain assets, such as oil and gold, which are traded in U.S. dollars, could be priced using SDRs." ("IMF discusses dollar alternative", CNN Money)

Wow. So DSK was zeroing in on US Treasuries as well as the dollar? That's the whole shooting match.

So, what type of progress was he making in converting USDs to SDRs? According to Reuters: "The IMF general resources credit outstanding increased to 65.5 billion Special Drawing Rights, or SDRs, (\$104 billion) on May 12 from 6.0 billion SDRs at December 2007. The so-called new arrangement to borrow, which came into effect on April 1, increased the IMF's available lending resources to 269 billion SDRs on May 12 from 120 billion SDRs on March 31."

(<http://in.reuters.com/article/2011/05/17/idINIndia-57083920110517?type=economicNews>)

Not a bad start for such an ambitious project. It looks like DSK's dream of dethroning the dollar as the de facto "international currency" was beginning to gain momentum. But didn't he know that his actions would anger some very powerful and well-connected people?

Well, if he did; he never let on. In fact, he started mucking around in other stuff, too, like when he intervened on behalf of Irish taxpayers, trying to protect them at the expense of foreign bondholders. That's a big "No no" in banker's world. They keep a list of "people who count", and taxpayers are not on that list. Here's an excerpt from the Irish Times:

"Ireland's Last Stand began less shambolically than you might expect. The IMF, which believes that lenders should pay for their stupidity before it has to reach into its pocket, presented the Irish with a plan to haircut €30 billion of unguaranteed bonds by two-thirds on average. (Irish finance minister) Lenihan was overjoyed, according to a source who was there, telling the IMF team: "You are Ireland's salvation."

The deal was torpedoed from an unexpected direction. At a conference call with the G7 finance ministers, the haircut was vetoed by US Treasury Secretary Timothy Geithner who, as his payment of \$13 billion from government-owned AIG to Goldman Sachs showed, believes that bankers take priority over taxpayers. The only one to speak up for the Irish was UK chancellor George Osborne, but Geithner, as always, got his way. An instructive, if painful, lesson in the extent of US soft power, and in who our friends really are.

The negotiations went downhill from there. On one side was the European Central Bank, unabashedly representing Ireland's creditors and insisting on full repayment of bank bonds. On the other was the IMF, arguing that Irish taxpayers would be doing well to balance their government's books, let alone repay the losses of private banks." ("Ireland's future depends on breaking free from bailout", Morgan Kelly, Irish Times)

So, Strauss-Kahn stuck up for Irish taxpayers over the banks, the bondholders, the ECB, and the US Treasury. Naturally, that made him persona non grata among the ruling throng.

And, there's more, too, because Strauss-Kahn's vision was not limited to currency alone, but involved broad structural changes to the IMF itself that would have reversed decades of neoliberal policies. DSK had settled on a new approach to policymaking; one that would abandon the worst elements of globalization and put greater emphasis on social cohesion, cooperation and multilateralism. Here's an excerpt from the speech titled "Human Development and Wealth Distribution" he gave in November 2010:

"....Adam Smith—one of the founders of modern economics—recognized clearly that a poor distribution of wealth could undermine the free market system, noting that: "The disposition to admire, and almost to worship, the rich and the powerful and...neglect persons of poor and mean condition...is the great and most universal cause of the corruption of our moral sentiments."

This was over 250 years ago. In today's world, these problems are magnified under the lens of globalization....globalization also had a dark side. Lurking behind it was a large and growing chasm between rich and poor—especially within countries. An inequitable distribution of wealth can wear down the social fabric. More unequal countries have worse social indicators, a poorer human development record, and higher degrees of economic insecurity and anxiety. In too many countries, inequality increased and real wages stagnated—failing to keep up with productivity—over the past few decades. Ominously, inequality in the United States was back at its pre-Great Depression levels on the eve of the crisis....

An immediate task is to end the scourge of unemployment....Progressive taxation can also promote equity through redistribution, and this should be encouraged...."Inequality is corrosive""it rots societies from within...it illustrates and exacerbates the loss of social cohesion...the pathology of the age and the greatest threat to the health of any democracy." ("Human Development and Wealth Distribution", Dominique Strauss-Kahn, IMF)

Can you believe it? DSK is lecturing bankers about redistribution? That's not what they want to hear. What they want to hear is why ripping off poor people actually makes the world a better place. DSK's speech just shows that he wasn't drinking the Koolaid anymore. He was becoming a nuisance and they needed to get rid of him.

Does that mean he didn't rape the woman who was in his hotel room?

Of course not. In fact, he could be guilty. But he deserves a fair trial, and someone's making damn sure he doesn't get one.

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