

# Weaponizing the World Bank and the IMF

Interview with PressTV

By [Peter Koenig](#) and [Press TV](#)

Global Research, March 23, 2019

Region: [USA](#)

Theme: [Global Economy](#)

*This is a transcript of the full interview with [PressTV](#) for their Program "Economic Divide", of which sections were aired in this broadcast – U.S. military use of IMF, World Bank.*

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Background

*Wikileaks revelation*

[Here is the link to the news story.](#)

*The U.S. Army states that major global financial institutions — such as the World Bank, International Monetary Fund (IMF), and the Organization for Economic Cooperation and Development (OECD) — are used as unconventional, financial “weapons in times of conflict up to and including large-scale general war,” as well as in leveraging “the policies and cooperation of state governments.”*

PressTV: Are these so-called financial institutions guilty of that, and how do they do it? – If so, this would point to the fact that these organizations are NOT independent.

Peter Koenig: Let me start with the fact that indeed these organizations are not independent at all. The World Bank and IMF are fully controlled by the US. The US has a de facto veto power, since it possesses about 17% of the votes, and it takes 85% to overrule the veto – impossible.

OECD is an organization of some 34 so-called industrialized countries, also dominated by the US and her mostly vassal states of the European Union, Canada, Australia, Japan, New Zealand — so of course, they are controlled by the US, or simply, the West.

You could add to these organizations also WTO – the World Trade Organization, also dominated by the US and Europe to the detriment of developing countries, especially since the latter are too weak in general to impose their trade conditions, or even simply get a fair deal.

And yes, these institutions, WB and IMF, can and have used in the past, financial means as “weapons” – for example, the World Bank’s use of structural type adjustment loans, or so-called “rescue packages” by the IMF – a glaring example is Greece, and lately Argentina. These loans come with strong austerity conditions attached, meaning privatization of public properties, of natural resources – all to the benefit of foreign corporations – and to the detriment of the countries and local populations concerned. At home, in Greece and

Argentina – there are growing tariffs for all services, reduction of pensions, education and health services are being privatized and unemployment is rampant, leading to poverty.

In the case of Argentina, in 2015 in November, just a month before the neoliberal Macri was pushed in by Washington as Argentina's new President – the Kirchner regimes were able to reduce poverty from close to 70% in 2001/2002, when Argentina's economy collapsed, then also as a result of the IMF, they, the Kirchner Governments, managed to reduce it to about 14%. Today Argentina's poverty rate is above 35% – and rising, especially with the largest ever IMF loan made in the history of the IMF, granted to Argentina late last year, of US\$ 57 billion.

So yes, lending instruments of these organizations can and are being weaponized. Imagine, Argentinians cannot take it any longer and resort to a civil war — I don't even want to think about it.

PressTV: It is said the US is not only using this against Venezuela, but it has also exercised this on countries, like Ecuador and Argentina. Isn't the sovereignty of these countries being violated, and aren't the economic rights of its citizens also violated due to the actions of the government, like exercising austerity and budget cuts?

PK: Yes, very clearly the sovereignty of these nations is being violated. Not only that, interfering in another nation's economic affair is an international crime. However, all international courts of justice in The Hague and elsewhere are bought by Washington. A recent statement by US Foreign secretary Pompeo, couldn't have been blunter – he threatened any judge if the ICC with sanctions or harsh actions, if they would dare pursuing any US or Israeli citizens, adding that this would apply to other allies too.

The US has not used the IMF and the World Bank in Venezuela, simply because Venezuela under Chavez has exited both Institutions and they are not a member of OECD. However, they have used another – let's say "money tool" to attempt bringing Venezuela to her knees – *economic and financial sanctions*. Sanctions can only be imposed to countries that are linked to the dollar-based western monetary system, that also includes the Euro and currencies in Canada, Australia NZ, Japan. But no longer Russia and China and much of the SCO (Shanghai Cooperation Organization) countries.

Under this western system any monetary transaction has to go through a transfer scheme, called SWIFT, and it is automatically channeled through a US, usually Wall Street bank, in either New York or London. Therefore, every transaction is being subject to control and can be blocked and funds can even be confiscated. In the case of Venezuela, the US Government has practically confiscated US\$ 35 billion in US banks, and through CITGO – the Venezuela gasoline corporation in the US, from whom profit and cash flows were blocked in US banks.

That's how the US is punishing Venezuela for not giving it free reign to steal its natural resources, the largest known oil reserves in the world, and for being a socialist country.

On top of it, the US propaganda is such that the majority of the people around the world believe that Venezuela is mismanaged, is suffering from hunger and needs *regime change*. All of this is a flagrant lie. Fortunately, this is now changing, since about 60 nations, including China, Russia and India in the UN have expressed their disgust with this coercive US policy and stand firmly behind Venezuela – that means more than 50% of the world

population supports the current, freely and fully democratically elected Venezuelan Government, headed by Nicolás Maduro.

But the US has used the IMF and the World Bank's "Money Weapons" in Argentina and also to some extent on Ecuador. The case of Argentina I described earlier, and in an example of Ecuador, the government proposed a motion at the UN, preferring breast feeding over artificial milk, à la Nestlé. The US – followed by her European vassals – threatened Ecuador with trade sanctions, if they would not withdraw their motion – so, they did. And that's only one example.

PressTV: Another point of interest is that these financial weapons are largely governed by the National Security Council (NSC), which is currently headed by the US national security advisor John Bolton. The document notes that the NSC "has primary responsibility for the integration of the economic and military instruments of national power abroad." John Bolton is an avid advocate of regime change, like in Iran: why has he been given these broad powers?

PK: John Bolton has been known since the Bush Administration and even earlier as a ruthless character that finds hardly a match among the many ruthless politicians the US has in stock. So, they let him loose, because his pathological psychopathic behavior is intimidating to many countries.

First you bring down countries by intimidation, once that has been achieved, it is easier to put other coercive measures in place, like more sanctions, as in the case of Iran – and finally, if nothing works, they threaten and demonstrate US / NATO military intervention by putting the weapons at a country's doorstep. Like in the case of Russia. However, I doubt very much that the US really intends to intervene militarily in Russia and Iran – or in Venezuela for that matter. There is too much at risk. Washington knows that the Russian modern missiles – that can fly at speeds in excess of 20 Mach – and the S-400 missile defense systems, are far superior to anything the US has in store.

In addition to a big-mouth, Bolton is a very good sable-rattler.

PressTV: It appears that countries who counter US policies can be economically pressured in order to have financial assistance, and if they don't walk Washington's line, then these financial instruments can be used against them to bring about regime change: Is this an accurate scenario? Are many countries forced to be financially weak to then be subservient to the US?

PK: Yes, this is a plausible scenario, especially in the case of a country that has natural resources, like oil, and especially, if the country does not have a corrupt leader that easily bends to the wishes of Washington. There are reasons invented to punish the country with "sanctions" – case in point is Iran – the negation of the Nuclear Deal for no good reason whatsoever, other than to weaken Iran's economy – and once the country is weak enough, the IMF and WB come in and offer "help" in the form of bail-out loans, or structural adjustments as they were called in the 80's and 90's.

If the government falls for these loans – often the ministry of finance in such countries are infiltrated by "Fifth Columnists" or Atlantists – the IMF and World Bank come in with large loans, i.e. huge debt, that at the end leaves the country totally enslaved to the masters of Washington – ready for privatization of all public goods, natural resources. – Iran has a lot of

oil and gas – and other resources.

If that doesn't work, the Fifth Columnists create civil unrest in the hope of bringing about *regime change*– which then would allow Washington to put in a puppet regime and come in to steal what it wants to steal, and control a country's strategic position – like in the case of IRAN. – So, Iran beware. – I think Iran is fully aware of the game – and the departure of Iran's Foreign Minister, Mr. Javad Zarif, may just be the beginning.

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