

Winning The Currency War: The Unleashing of a “Financial Nuclear War”

By [Matthias Chang](#)

Theme: [Global Economy](#)

Global Research, October 17, 2010

[Future Fastforward](#) 14 October 2010

Let us be very clear about the impact of the coming massive Quantitative Easing (QEII) by the FED, the financial bully of Wall Street. It is the unleashing of a financial nuclear weapon!

The financial media is portraying this process as “a war of survival” between America and the rest of the world. This is a war waged by Wall Street. Its main instrument is a Global Ponzi Scheme.

If the American people is hoodwinked into believing the financial media, which justifies the use of “financial WMDs” against America and the world, the consequences will be catastrophic and the American economy and people will be devastated. Moreover, for the 1% of the financial elites, about half will survive, consolidate their control and form new global alliances. This is already taking place, as highlighted in my recent article. [1]

Will the American people rise to the occasion and hunt down the fraudsters on Wall Street, the US Congress and the puppet masters behind the shadow money-lending system. In this regard, I am not optimistic. The present mass movement – the Tea Party constitutes a significant diversion from the main issues that need to be addressed. *The American people seem to be unaware that they have been plundered by their very own political leaders acting in concert with the global financial elites on Wall Street.*

In the same way that the American people were dragged into invading Afghanistan and Iraq on the promise of victory (Bush’s Mission Accomplished), *Wall Street will do likewise in launching this unprecedented financial war on the promise that they will come out the victors!*

The propaganda has already commenced. The Financial Times, one of the leading mouth-pieces of the financial establishment has declared victory even before the launch of the first WMD. To quote Martin Wolf:

“To put it bluntly, the US wants to inflate the rest of the world, while the latter is trying to deflate the US. The US must win, since it has infinite ammunition: there is no limit to the dollars the Federal Reserve can create. What need to be discussed are the terms of the world’s surrender”.

Wall Street’s Utmost Arrogance. Why?

The US has “unlimited nuclear weapons” enough to destroy the entire planet. When Russia and China did not have nuclear weapons, the US dared unleash two nuclear bombs on

Nagasaki and Hiroshima to blackmail the rest of the world to toe the line.

But, China declared that “nuclear weapons are paper tigers” and “America is a paper tiger”. However, during the Korean and Vietnam Wars, when the US and its allies had so much military superiority, they did not have the guts to unleash a regional nuclear war, or a global nuclear war!

And as they say, the rest is history.

As a declining military power, the US is left with nothing but bully tactics – the constant threat that **“all options are on the table”**. And this is echoed by its regional bullies – the UK, Japan and Israel against Iran, North Korea, Syria and Lebanon.

It is in the same way that I view the threat of Quantitative Easing (QEII) by the FED and Wall Street – their so-called unlimited financial WMDs.

I dare say, to borrow Bush’s words, “Bring Them On!”

This is so typical of a bully who has run out of ammunition and is using sheer arrogance to intimidate.

The Flaw In the QEII Grand Strategy

The first fundamental flaw in this grand strategy is the false assumption that because *the dollar is the global reserve currency, the FED has the capacity to increase the amount of dollars in an unlimited fashion.*

The second fundamental flaw is that (and notwithstanding the fact since 2007, the rest of the world has started to take measures to decouple from the US) *the rest of the world would still look towards the USA as the ultimate market for their exports.*

The third fundamental flaw is that the rest of the world would still be willing to accept “toilet paper Federal Reserve Notes” (printed or digital) as legal tender.

The financial generals planning this war must be in some “wonderland” to base their entire war plans on the above three fundamental assumptions. How stupid and out of touch can they get?

For starters, the USA *is no longer a BUYERS’ MARKET i.e. the US is no longer in a position to dictate the terms regarding the purchase of its imports.*

American consumers are drowning in debt. The financial institutions that were supporting their insatiable appetite for loans are all insolvent and cannot continue giving easy money to the consumers to indulge in their fantasies. And adding insult to injury, expect the sellers in these depressed conditions to be paid *in toilet paper Federal Reserve Notes*. We are not watching Comedy Hour. *This is the reality show!*

In the near and short term, the sellers (exporting nations) will suffer acute pain but, in the last two years regional trade has already begun to offset the drag from exports to the US.

But the near term pain of exporting nations pale in comparison to the trauma and mental anguish by Americans going to Wal-Mart and other Hypermarket retailers and not even

finding the cheap goods that they were so used to purchasing.

A shift in trading patterns could potentially result in “empty shelves” in stores across America. There are over 40 million Americans on food stamps. Attached to this time bomb, is another another potentially explosive process: an impoverished and disillusioned middle class.

Moreover, within the realm of international trade, there will be growing barter trade, especially in commodities and one of the first commodities to be de-dollarised will be crude oil, the mighty crude which since 1973, has been the main pillar propping up the dollar.

If the Saudis had not succumbed to Kissinger’s blackmail, the dollar could have collapsed as a reserve currency a long time ago. Oil producing countries (with perhaps the exception of Saudi Arabia) could well enter into bilateral trade agreements (including barter) to sell crude in any currency other than the dollar.

Notes

[1] The Barclays Octopus, posted to my website, www.futurefastforward.com

The original source of this article is [Future Fastforward](#)
Copyright © [Matthias Chang](#), [Future Fastforward](#), 2010

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

[Become a Member of Global Research](#)

Articles by: [Matthias Chang](#)

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