



World Leaders Discuss Leaving the US Dollar—Glass-Steagall Urgently Needed

June 4th - Economists and political leaders from around the world are meeting in Russia this week for the annual St. Petersburg Economic Forum. A leading topic of discussion in at least several of the many panels was the fact that the illegal use of unilateral sanctions by the US, the UK, and the EU has reached a point that several leading countries, and in particular Russia and China, are deep in discussions about breaking out of the US dollar-dominated international financial system. In a panel chaired by the Valdai Discussion Club, titled “The Risks Sanctions Pose to the Global Financial System and International Business,” the introduction reads: “The transformation of the dollar into a weapon carries the threat of unforeseen shocks.... The intensity and indiscriminate nature with which sanctions are deployed suggests that a targeted political tool is now becoming all-encompassing.”

Vladimir Kolychev, Russia’s Deputy Finance Minister, said that as a result of these criminal sanctions, “a new global financial system is coming into being. It won’t come overnight, but it is inevitable. The sanctioned countries will do it.” There is an ongoing withdrawal from the existing structures, he said, since it is not safe to use US dollars (Washington’s claim to have the right to impose sanctions on countries, businesses, and individuals, is based simply on the fact that nearly all global trade transactions pass through the US dollar system, even when the trade has nothing to do with the US). Russia’s trade was 80% in dollars as recently as 2019, Kolychev noted, but is now less than 50%. Reserves in Russia are now only 20% in US dollars.

While the sanctions are reason enough for taking such emergency measures, a second looming disaster is that years and years of printing dollars to bail out financial bubbles in the trans-Atlantic banking system, without expanding the productive base, is threatening hyperinflation in the dollar zone. On May 31, China’s Global Times editorial began: “While it is uncertain whether the Biden administration’s helicopter money policies will spur a new round of economic growth, it is already clear that the spending spree will first mire the US economy in a bottomless pit of inflation.” Here is yet another reason to extricate national currencies from the dollar, to trade in national currencies, or, as some suggest, in new digital currencies.

But is this wise? It can not be questioned that the dozens of

sanctioned countries are justified in wishing to get out from under the deadly and illegal unilateral sanctions. But, should the world be broken up into separate trading zones, especially at a time when the US establishment and NATO are mobilizing for war against both Russia and China, for no reason except to keep the trillions of dollars flowing into the military-industrial complex and its Wall Street/City of London owners? Does further financial division not encourage this war party?

Also, even if the majority of the world’s countries pulled out from the dominance of the dollar, and joined in great development projects through the Belt and Road Initiative, if the US, UK, and EU are left to disintegrate, this would only lead to global disintegration and war.

Here is where the concept of the Coincidence of Opposites, from Nicholas of Cusa, and the Committee of that name launched by Helga Zepp-LaRouche and former Surgeon General Joycelyn Elders in 2020, addresses the necessary resolution of an apparently insoluble crisis. Neither the western economies nor the developing economies can accept the Green New Deal now being forced upon the world by the trans-Atlantic banking oligarchy, as it would destroy the industrial nations economies and literally depopulate the developing nations. Neither the Eastern nations nor the Western nations can withstand a 1929-style crash, let alone a hyperinflationary disaster like that of 1923 Germany. And certainly no sane person wants nuclear war. The solution, as difficult as it may seem in the current chaos, lies in addressing the common aims of mankind: joining nations together in a New Bretton Woods, using the proven method of Glass-Steagall bankruptcy reorganization to restore sound credit policies; use the uplifting and successful model of international cooperation in space exploration, and in realizing the short-term reachable goal of limitless energy through fusion power; foster educational systems which teach both one’s own history and culture, but also those of other cultures vastly different from one’s own. It is known as a Renaissance. We are all human, with creative powers, *imago viva dei*. We have a responsibility to the Creator to use those powers to further the human miracle.

This will be the subject of the Schiller Institute Conference on June 26-27, “For the Common Good of All People, Not Rules Benefitting the Few.”

Stay in touch with the
LaRouche Organization bit.ly/39aNcle