



# US Dollar

On the Petrodollar System



UNBEKOMING  
JUN 17, 2023

43

15

4

Share

...



## Lies are Unbekoming

pvdvd@gmail.com

Subscribe

### Authors



Unbekoming

### Recent Posts



Mother

NOV 12, 2022

The truth is that the US foreign policymakers don't actually care that much who ends up owning or operating the wells. They mostly care what currency the oil is bought and sold with. The war machine primarily serves Big Finance, not Big Oil. – [Contemplations on the Tree of Woe](#)

**So culture, law, and religion (sorry to say) are downriver from economics.**

Economics shapes everything — aesthetics, values, behaviors, beliefs, myths, laws, institutions, militaries, wars, religious practices, hopes, dreams, fears, entertainment, desires... If your survival depends on obtaining resources in a certain way, your brain will usually find ways to tell you that this is the right thing to do. – [Toby Rogers](#)

The USA cannot be in every village and board room. Without the dollar, it is not the master of the world. This explains almost everything. – [Denis Rancourt](#)

pvdvd@gmail.com

Subscribe

I bumped into Jimmy Dore talking about the petrodollar today and decided it's high time I wrote something about it. It's been on my to-do list for over a year.

But first I want us to take a walk on the moon (we might even be the first 🚀).

What do you see? That's right, nothing, besides dirt and rocks.

You certainly don't see any "capital"? Why not?

Because you don't see any people?

So, what's the relationship between people and capital?

There must be something that connects them.

Indeed...it's energy.

Humans generate energy and capital stores it.

"Investing" is storing "bits" of energy that you have managed to get your hands on into something that gives you a "return", which means that your little bundle of stored value/energy has managed to go out into the world and "attract", like a magnet, some more energy into its orbit.

You will hear it discussed in terms of "value", the generation and store of value, but what they are really talking about is energy.

Energy needs to be stored, transported, swapped, used and reused.

Empire uses a lot of energy.

Empire generates a lot of energy.

Empire needs to store a lot of energy.

It's not going to store it into someone else's batteries.

It will store it into its own.

Which brings us to the US Dollar. Empire's energy store. Empire's posture in the world is best understood through this lens.

Things make more sense this way.

Which brings us to the Petrodollar System.

The best thing I have read on the subject are these 5 articles on Contemplations on the Tree of Woe Substack, written by Alexander Macris.

[Running on Empty, Part I \(substack.com\)](#)

[Running on Empty, Part II \(substack.com\)](#)

[Running on Empty, Part III \(substack.com\)](#)

[Running on Empty, Part IV \(substack.com\)](#)

[Predictions and Prophecies for 2023 \(substack.com\)](#)

They are a wonderful explanation of how, and why, the US petrodollar system came into being, how it works, who has benefited and who has suffered from it, and how it's coming to an end and what that means for all of us.

This is the passage that I think really requires understanding and is the bottom

line of the whole subject, from part 1:

Put another way, before the petrodollar system, the US had to export goods to keep the dollar strong. But the petrodollar system made dollars the only currency capable of purchasing oil, which everyone needed. And so, after the petrodollar system, the *US could just export dollars*.

The **fourth-order effect** of the petrodollar system was to financialize and deindustrialize the American economy.

When a country can produce a particular good for export at a lower relative cost than other countries can produce it, that country is said to have a [comparative advantage](#) in that good. The petrodollar system gave the US comparative advantage in manufacturing dollars. It could manufacture them at zero cost! No one else could manufacture them at all.

Under conditions of free trade, a country will both produce and export more of the good for which they have a comparative advantage, but will produce less and import more of those goods for which they do not. And that's exactly what happened in the United States. America produced more dollars and produced much less of everything else.

When I say “produced more dollars,” I mean that literally. When a commercial bank makes a loan, it creates new dollars out of thin air. It manufactures them on demand, like Printful.com but instead of t-shirts, banks make greenbacks. The finance industry was, by far, the biggest beneficiary of the petrodollar system. The manufacturing sector, along with its union workforce, was the biggest victim. The collapse of America’s manufacturing heartland into the wasteland we call the Rust Belt was directly caused and/or exacerbated by the petrodollar system.

So at this point, the US was exporting dollars and importing goods; and Europe and Asia were exporting goods and importing dollars, then spending the dollars to import oil from OPEC members. What were the OPEC members doing with their dollars? Well, some of those big bucks were spent buying M1 Abrams tanks and other expensive products of the US military-industrial complex. (That’s the reason the US can still manufacture guns, missiles, and tanks even though it can’t manufacture diapers or telephones.)

But even the most paranoid sheik only needs a few thousand tanks and fighter jets. The rest of OPEC’s dollars were invested in the United States in a process known as [petrodollar recycling](#).

Within 5 years, over \$450 billion had been recycled, with 90% of that made by the Arab countries of the Persian Gulf along with Libya. What did they invest in? US government debt. US stocks. US real estate. In short: assets.

I want to repeat and highlight this point.

---

**When a country can produce a particular good for export at a lower relative cost than other countries can produce it, that country is said to have a [comparative advantage](#) in that good. The petrodollar system gave the US comparative advantage in manufacturing dollars. It could manufacture them at zero cost! No one else could manufacture them at all.**

---

Said another way, US Empire has set up a system where its primary export is a piece of paper, in fact a blip on a screen. It's cost of production of that "export", that blip on the screen, is ZERO.

**Everyone is forced to "buy" Empire's zero-cost "export".**

In case you don't want to read all the articles, here is a bullet point highlighting of the first 4 articles:

1. The petrodollar system, established in the 1970s, is a system where the U.S. dollar is used as the global oil trading

currency, underpinning America's global hegemony.

2. The petrodollar system has led to the financialization and deindustrialization of the American economy, reducing the demand for U.S. exports and leading to a shift away from producing goods.
3. The petrodollar system has resulted in asset inflation, benefiting banks, real estate owners, and stockholders, but hurting the working class through rising rents and wage stagnation.
4. The petrodollar system is enforced by American military might, which punishes any country that seeks to exit the system. This has led to numerous conflicts in the Middle East.
5. The U.S. and Russia have opposing foreign policy goals, with the U.S. aiming to prevent the rise of a Eurasian power, and Russia seeking to reclaim its national destiny as the leading Eurasian power.
6. The Russo-Ukraine War is a proxy war, with China's proxy (Russia) fighting America's proxy (Ukraine) for control of the World Island's Heartland.
7. America's long-term goal is to maintain its hegemony, which requires keeping Russia down and forestalling China's rise. This is necessary to

protect the petrodollar system and prevent economic collapse.

8. The Russo-Ukraine War might lead to the breakdown of the petrodollar system due to severe sanctions imposed by the West on Russia.
9. The EU did not ban oil and gas imports from Russia due to its dependence on Russian power. When Russia demanded payment in rubles for its gas, the EU initially refused but later agreed, leading to the ruble becoming one of the most successful currencies in the world.
10. The sanctions have led to the emergence of the "gasruble" as a competitor to the "petrodollar" for global energy transactions. This is a significant moment as Putin is the first world leader to successfully defy the petrodollar system.
11. The sanctions have backfired, hurting the West more than Russia. The sanctions have also led to a shift in global power dynamics, with countries like China, India, and Russia falling outside American control.
12. The Russo-Ukraine War has triggered a new Cold War, with the "Free World" (US, UK, EU) against the "Former Communist World" (China and Russia).
13. The petrodollar system is likely to break down due to the sanctions,

leading to a new world order. This could have significant implications for global trade and the U.S. economy.

14. The petrodollar system was corrupt from its inception, built on other people's resources, enforced by military might, and leading to a new gilded age.
15. The end of the petrodollar system could lead to a significant shift in global power dynamics.
16. The only question now is whether the end of the petrodollar system will be a slow brake or a crash, and how best to restart the global economy afterwards.
17. The petrodollar system has directly led to many of the financial problems that plague the American economy, including wage stagnation, increased inequality, and the transformation of the U.S. from a net exporter of goods to a net importer.
18. The U.S. has been involved in numerous conflicts in the Middle East since the establishment of the petrodollar system, with the U.S. military effectively becoming the enforcement arm of the U.S. banking industry.
19. The U.S. dollar has become the nation's #1 export due to the petrodollar system, with the American money supply standing at \$21,728 Billion Dollars as of April 2022.

20. The Russo-Ukraine War is seen as a significant global event that threatens the petrodollar system and could potentially reshape the world's economic and political landscape.

Regardless of the point summary, I strongly recommend that you read at least the first two articles top to bottom, bullet points cannot do them justice.

War, Clausewitz taught us, is a continuation of policy by other means; and US policy is to sustain the dollar as the reserve currency by enforcing the petrodollar system. American war is therefore the perpetuation of the petrodollar by other means. The US military has been transformed into the enforcement arm of the US banking industry.<sup>3</sup>

On the matter of force, here is Denis Rancourt, in his 2019 report, on the subject:

### [Geopolitics - Denis Rancourt](#)

Unlocking the dollar from gold freed the USA to print as much money as it wanted, and to disregard any trade deficit (or “debt”) that it might accumulate, as long as the dollar kept its place as the *de facto* world currency. The mechanisms were brilliantly explained by Michael Hudson in his

1972 book “*Super Imperialism: The Economic Strategy of American Empire*”.

OPEC caught on quickly. The so-called oil crisis of the 1970s followed on the heels of the demise of Bretton Woods. Basically, the major oil-producing countries increased the US-dollar price of oil to maintain a constant gold-based value of oil when the dollar was decoupled from gold, thus protecting their true buying power despite oil-contracts in US dollars.[3]

Excluding gold itself, oil became the first global commodity to acquire a constant and significant value, as long as OPEC could control its price. No other essential legal commodity (labour, agriculture...) achieved this feat. Given oil’s central importance in the real economy, in industrial and domestic operations,<sup>3</sup> demand for the US dollar would be high and the US dollar would preserve its preeminence, as long as oil contracts were forced to be in US dollars.

This is why there is coercive military presence in the Middle East, and why Israel has become tied to the hip of the USA. It explains the destructive wars

--

The post-9/11 war campaigns protected the US dollar from abandonment,

showcased USA military strength and aggressiveness, destroyed nations seeking sovereignty from USA dominance, secured the opium trade, increased control over oil, frustrated Eurasian integration, created CIA-managed terrorist proxies from the devastation of war, and created a strong demand for USA military hardware.

Throughout all of this, it is important to keep in mind that the USA privilege of being the printer of the global currency is and remains the mechanistic backbone of the global empire, ever since the 1971 end of the Bretton Woods system. The US dollar retains its status via international demand for the US dollar, which, in turn, comes from USA control of the main commodities that have the greatest global demand and the highest prices in US dollars. These dollar-boosting “commodities” include: oil and gas, opium, financial debts of nations (serviced in US dollars), US-dollar currency choice to secure savings and investments, and USA military hardware. Recently, the USA is proposing exorbitant rent extraction (in US dollars) for its globally distributed military bases.

But it has hollowed out the US. The system that Empire benefited from has eventually destroyed it.

Viewed as a whole, then, the petrodollar system was incredibly beneficial for (a) commercial banks, (b) arms manufacturers, (c) real estate owners, and (d) stockholders.

For everyone else, the petrodollar system turned out to be a Trojan Horse, a promising gift that destroyed the recipient.

This is all quite relevant for me, as it connects directly to [Iraq](#):

### **The US Invasion of Iraq (1991) was for the Petrodollar**

Syria and Egypt had invaded Israel in 1973. Turkey had invaded Cyprus in 1974. Iraq had invaded Iran in 1980. The US never committed forces to intervene. But when Iraq invaded Kuwait in 1991, the United States led the largest military alliance since WWII into war, deploying a million-man army to liberate a country smaller than Massachusetts. Why? Because Kuwait was adjacent to Saudi Arabia, and Saudi Arabia was terrified that Saddam would advance against it. As the Encyclopedia Britannica [explains](#):

*Saudi political leadership was challenged when [Iraq](#), after having rejected attempted Saudi mediation, reasserted its earlier claims and invaded neighboring Kuwait on August 2, 1990, precipitating the Persian*

*Gulf War (1990–91). The Kuwaiti government fled to Saudi Arabia, and King [Fahd](#) denounced the Iraqi invaders. **Fearing that Pres. Saddam Hussein of Iraq might invade Saudi Arabia** next (despite Saudi assistance to Iraq during the Iran-Iraq War), **the Saudis, breaking with tradition, invited the United States and other countries to send troops to protect the kingdom.***

Since the petrodollar system was founded on America's guarantee that it would offer military aid to Saudi Arabia in time of need, we had to repel Saddam. And we did.

The whole system was built around a Saudi guarantee and anchor, but...

In March 2022, Saudi Arabia [signaled its displeasure by announcing it was considering accepting yuan for oil](#). In October 2022, it signaled further displeasure by [expressing interest in joining the BRIC](#) (Brazil-Russia-India-China) trading bloc. Most recently, [in early December, Riyadh warmly welcomed Chinese President Xi](#), with Crown Prince Mohammed bin Salman hosting a summit with Beijing to its strong relationship with China. The main topic? [Chinese's call for oil trade to be priced in yuan](#). This does not look like bluster by either nation. Just a few months prior, the [Chinese had inked a](#)

[deal with the Russians to trade natural gas in yuan and rubles.](#)

Rancourt in his 2019 report has this line:

With such effective industry pressure to deregulate, and given the accelerated post-Soviet Union (post-1991) globalization, new markets were created that transformed the agriculture, food, and public-health realms. This occurred with GM crops, *pesticide* [glyphosate] use, and *vaccines*. All three had surges clearly starting in the early 1990s.

I just want to talk about these two points (vaccines and glyphosate) through the lens of wealth transfer, specifically wealth transfer to Empire.

If I can make you sick, while also having the “cure”, it means I can make you transfer your wealth to me, over time. Just think about the window repair business that goes around in the middle of the night breaking neighborhood windows. They are engaged in wealth transfer.

If I can make you chronically ill, it means you will transfer your wealth to me for the rest of your life. Chronic illness is a resource to Empire.

As it is easy to understand at an individual level, it should be just as easy to understand at a national level. A nation whose population is made chronically ill

by glyphosate and childhood vaccines (and now covid vaccines) will transfer its nation's wealth to Empire, and it will do it gladly, and in US dollars.

## **The petrodollar system is coming to an end.**

Empire's main zero-cost export is in decline, people don't want to be forced to buy it.

Old, tired, broken Empire is not happy.

I worry for William Ruto, President of Kenya. I hope he doesn't die suddenly.

Late-stage Empire, which is what we are now living through is an ugly, miserable affair.

The [GMC](#) was late-stage Empire trying to hold onto its throne.

I don't think it worked.

War is, likely, coming.

God help us all.

Lies are Unbekoming is a reader-supported publication. To receive new posts and support my work, consider becoming a free or paid subscriber.

pvdvd@gmail.com

Subscribe

Thanks for being here.

Please consider a small paid subscription (donation). The money goes to [help covid vaccine injured Australians](#).

I am always looking for good, personal [GMC](#), covid and childhood vaccination stories. You can write to me privately: [unbekoming@outlook.com](mailto:unbekoming@outlook.com)

If you are Covid vaccine injured, consider the [FLCCC Post-Vaccine Treatment](#)

If you want to understand and “see” what baseline human health looks like, [watch \(and share\) this 21 minutes](#)

If you want to help someone, give them a book. [Official Stories](#) by Liam Scheff. Point them to a safe chapter ([here](#) and [here](#)), and they will find their way to [vaccination](#).

Here are three eBooks I have produced so far:

[FREE eBook: A letter to my two adult kids - Vaccines and the free spike protein](#)

[FREE eBook: The Climate™](#)

[FREE eBook: What is a woman? - “We don’t know yet.”](#)



43 Likes · 4 Restacks

**Discussion about this video**

Comments

Restacks



Write a comment...



Duchess Duchess Jun 17, 2023

...

♥ Liked by Unbekoming

I hope Jimmy Dore will be okay after that truth telling.

Unbekoming, you laid out the entire system and the results so well, I am standing and clapping madly.

This was so well said, and so clear. I want to print it out and give it to people...may I?

It won't do much good ...my generations attitude "Its not my problem, I'm not going to live much longer, why should I care?" and I've kinda had my fill of the boomers.

But I have 2 nephews and nieces ...and they need to wake up.....

Thank you so very much for this.

♥ LIKE (16)    💬 REPLY (1)

📄 SHARE



Unbekoming 🗳 Jun 18, 2023

...

★ Author

Thank you...print away!

♥ LIKE (2)    💬 REPLY

📄 SHARE



Jac Jun 17, 2023

...

♥ Liked by Unbekoming

Brilliant summary, thank you

♥ LIKE (6)    💬 REPLY

📄 SHARE



Duchess Duchess Jun 17, 2023

...

♥ Liked by Unbekoming

I will watch...in a minute. I've been screaming about this to people since Biden....and no one

♡ LIKE (6)    💬 REPLY

📤 SHARE



**ABIGAIL REPORTS** Gail's Newsletter Jun 17, 2023 ...

♥ Liked by Unbekoming

### IN-DEPTH: Farmers Band Together Against CO2 Pipeline Project in South Dakota, Eminent Domain

The 1,400-mile pipeline would transport carbon dioxide under high pressure, produced by ethanol and biofuel refineries, for burial in North Dakota. The goal would be to reduce the region's carbon footprint to protect the environment. The Fischbachs then learned that the pipeline would travel through some of the most productive areas of the 1,400-acre property that has been in their family for decades.

But first, the company needed permission to go on the property. Ed Fischbach said he never filled out or returned the enclosed approval form.

[https://www.theepochtimes.com/in-depth-farmers-band-together-against-co2-pipeline-project-in-south-dakota\\_5328078.html?utm\\_source=Morningbrief&src\\_src=Morningbrief&utm\\_campaign=mb-2023-06-17&src\\_cmp=mb-2023-06-17&utm\\_medium=email](https://www.theepochtimes.com/in-depth-farmers-band-together-against-co2-pipeline-project-in-south-dakota_5328078.html?utm_source=Morningbrief&src_src=Morningbrief&utm_campaign=mb-2023-06-17&src_cmp=mb-2023-06-17&utm_medium=email)

♡ LIKE (5)    💬 REPLY (2)

📤 SHARE



**ABIGAIL REPORTS** Gail's Newsletter Jun 18, 2023 ...

It is good for people to fight back against a Tyrannical government. Or you get this on hearsay. 20 Armed IRS Agents Raid Gun Store, Seize Purchase Records

<https://www.oann.com/newsroom/20-armed-irs-agents-raid-gun-store-seize-purchase-records/>

♡ LIKE (1)    💬 REPLY

📤 SHARE



**ABIGAIL REPORTS** Gail's Newsletter Jun 18, 2023 ...

EV Range Dips Nearly 25 Percent While Carrying Load: AAA

[https://www.theepochtimes.com/ev-range-dips-nearly-25-percent-while-carrying-load-aaa\\_5335725.html](https://www.theepochtimes.com/ev-range-dips-nearly-25-percent-while-carrying-load-aaa_5335725.html)

REPORT

LIKE REPLY

SHARE



ABIGAIL Gail's Jun 17, Edited ...  
REPORTS Newsletter 2023  
Liked by Unbekoming

No one is talking about the Russian Nation Wide Cyber attack. It appeared yesterday, so far only the US Energy Dept. has been held for:

Ransom. Energy Department among federal agencies breached by Russian ransomware gang

<https://share.newsbreak.com/45qci2xn>

Russian Hackers Demand Ransom from U.S. Energy Dept.

From U.S. government departments to the UK's telecom regulator and energy giant Shell, a range of victims have emerged since \*\*Burlington, Massachusetts-based Progress Software found the security flaw in its MOVEit Transfer product last month.\*\*

<https://www.cf.org/news/russian-hackers-demand-ransom-from-u-s-energy-dept/>

US Government Hit in Global Hacking Campaign

[https://www.theepochtimes.com/us-government-hit-in-global-hacking-campaign\\_5336379.html?utm\\_source=Morningbrief&src\\_src=Morningbrief&utm\\_campaign=mb-2023-06-16&src\\_cmp=mb-2023-06-16&utm\\_medium=email](https://www.theepochtimes.com/us-government-hit-in-global-hacking-campaign_5336379.html?utm_source=Morningbrief&src_src=Morningbrief&utm_campaign=mb-2023-06-16&src_cmp=mb-2023-06-16&utm_medium=email)

US Government Agencies Hit in Global Cyberattack <https://www.cf.org/news/us-government-agencies-hit-in-global-cyberattack/>

Killnet, REvil and Anonymous Threaten Cyberattack on European Financial System 'in Next 48 Hours' <https://www.cf.org/news/killnet->

[revil-and-anonymous-threaten-cyberattack-on-european-financial-system-in-next-48-hours/](#)

US Government Agencies Hit in Global Hacking Spree

<https://www.breitbart.com/tech/2023/06/15/multiple-federal-agencies-hit-by-global-cyberattack/>

West Alaska Loses Internet & Cell Service For 'Weeks' | Europe's Banks Warned

<https://www.youtube.com/watch?v=qkaSjrJVeFc&t=233s>

Multiple Federal Agencies Hit by Global Cyberattack

<https://www.breitbart.com/tech/2023/06/15/multiple-federal-agencies-hit-by-global-cyberattack/>

♡ LIKE (5)    💬 REPLY (2)    ↗ SHARE



**Navyo Ericson** Fear or Love Jun 17, 2023 ...

♡ Liked by Unbekoming

The WEF had this rehearsed in Cyberpolygon. What a surprise.

♡ LIKE (7)    💬 REPLY    ↗ SHARE



**Marta Staszak** Jun 18, 2023 ...

♡ Liked by Unbekoming

Wow! Thanks.

♡ LIKE (2)    💬 REPLY    ↗ SHARE



**The Green Hornet** The Green Hornet Jun 18, 2023 ...

♡ Liked by Unbekoming

Yep. It's over.

Just a matter of when.

♡ LIKE (2)    💬 REPLY    ↗ SHARE



**Marta Staszak** Jun 18, 2023 ...

♡ Liked by Unbekoming

And so, here we are. Excellent analysis, plain and simple, just brilliant! Much appreciated.

♡ LIKE (2)    💬 REPLY    ↗ SHARE



**GerdaVS** Jun 18, 2023 ...

♥ Liked by Unbekoming

The arrogance of the US Military to believe that countries all over the world would put up with the attack on their health lying down was the last straw. I knew then that they had gone too far.

♥ LIKE (2)    💬 REPLY

📤 SHARE



**William Voelz** William's Substack Jun 18, 2023    ⋮

♥ Liked by Unbekoming

Dollar is sound as the good 'ol US of A. No worries. Turn on the ball game and bring me a beer.

♥ LIKE (2)    💬 REPLY

📤 SHARE



**ABIGAIL REPORTS** Gail's Newsletter Jun 18, 2023    ⋮

EV Range Dips Nearly 25 Percent While Carrying Load: AAA

[https://www.theepochtimes.com/ev-range-dips-nearly-25-percent-while-carrying-load-aaa\\_5335725.html](https://www.theepochtimes.com/ev-range-dips-nearly-25-percent-while-carrying-load-aaa_5335725.html)

US National Debt Hits All-Time High of \$32 Trillion

Comes less than 2 weeks after Biden signed debt ceiling bill

[https://www.theepochtimes.com/us-national-debt-hits-all-time-high-of-32-trillion\\_5339362.html](https://www.theepochtimes.com/us-national-debt-hits-all-time-high-of-32-trillion_5339362.html)

♥ LIKE    💬 REPLY

📤 SHARE