

Xi, the Dollar Slayer

Description

via [Gilbert Doctorow](#)

Russian television is talking up a storm about Xi's visit to Saudi Arabia and the enormously significant agreement to denominate Chinese purchases of oil in Yuan. In this regard, Russian commentators are running well ahead of the more cautious description of 'agreements under discussion' and 'partial payments in Yuan' that we find in yesterday's *Global Times*, an English language semi-official Chinese newspaper.

However, there is every reason to believe that the Russians know more than the Chinese or Saudis are willing to say publicly. After all, there are now news leaks to the effect that the Chinese have for months been sending many planeloads of military gear to Russia each week in support of its Ukraine campaign, in violation of their supposed neutrality on the issue. That by itself is subject to a news blackout that Washington, for obvious reasons, does not violate. To do so would accelerate the economic decoupling with China in a way that would leave all U.S. retail shelves bare in a very few months. Replacement of the Chinese global factory in supply chains is still several years away.

Let us recall that China is the world's biggest petroleum importer and trade in their currency instead of the dollar is the landmark event that dooms the U.S. dollar as the world's reserve currency. Creation of the Petroyuan will, in a very few years, end the U.S. Treasury's free ride on the global bond market. Interest rates in the States on government bonds will rise from their present phony levels to match those of others in the industrialized world, with the consequence that U.S. taxpayers will see the advent of 'pay as you go' financing of America's wars abroad. With some luck, if we make it through the present fraught confrontation with Russia over Ukraine, Peace on Earth may become a year-long theme song and not just a tune for one or two days at the end of each year.

And whom do we have to thank for this oncoming development that is plain as the wart on Uncle Sam's face? It is Vladimir Putin and his David stand versus the US-NATO Goliath now proceeding on the territory of Ukraine.

It is patently obvious that the change of direction in the Middle East against the United States and towards the rising world power, China, as well as towards its close ally Russia, was prompted precisely by the U.S. sanctions on Russia, by the freezing of 350 billion dollars of Russian assets on deposit in the West. These exceptional and unprecedented punishments could just as easily be applied to Riyadh at any time for a multitude of reasons. And, unlike Russia, the Saudis could not possibly resist an economic and financial assault from the West.

So, I say, thank you, thank you again to Vladimir Vladimirovich for setting the world well on its way to peaceful multipolarity and balance of powers.

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