

America has No Choice -- it either Partners with Russia and China or Goes Down

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America's Death Throes

China and Russia have already ditched the US dollar in their vast energy trade. Now China is leveraging Saudi Arabia to also abandon the greenback for oil sales. No wonder, it seems, that US policies are increasingly lashing out. US global power depends on its presumed economic prowess and military force. With its economy in long-term decline, precipitated by the teetering dollar, the US rulers are relying increasingly on militarism to project power. That tendency is pushing the world to war.

The challenge is to somehow steer the American military monster into a safe berth without eliciting a world war.

The US decline is of historic proportions – on par with the demise of other past empires – and it stems from the looming collapse of the petrodollar system, which has given the US unprecedented privileges over the past decades since the Second World War

It is no coincidence that a surge in global tensions over recent years comes at a time when the American economy is staring into an abyss. The key to the survival of the US economy as we know it is the status of the American dollar as the world's top reserve currency.

The so-called petrodollar system, in which the world's most traded commodity oil and gas are conducted primarily through American currency, appears to be coming to an end. That decades-old system is being challenged by the rise of China, Russia, India, Iran and others. If the petrodollar and its global privileges are displaced then the United States is facing an economic apocalypse.

It should be said that there is nothing illegitimate about challenging this American unipolar dominance. Why should countries be forced to conduct their international trade primarily with the US dollar owing simply to historical circumstances during the 1970s that gave rise to the petrodollar system? That system works, in effect, like a global tax that the US imposes on all other nations because they are compelled to purchase American-printed banknotes.

Perhaps no two other countries have done more to forge a multipolar global order than China and Russia. China is the biggest oil importer and Russia is the world's biggest fuel exporter. When they announced last year that oil trade would be henceforth conducted in their own national currencies of yuan and rouble that development marked a nail in the dollar's coffin.

Now, only a few weeks ago, China and Saudi Arabia – the world's second-biggest oil producer – reportedly launched earnest negotiations for future energy fuel trade to be conducted in yuan. Commentators say Saudi Arabia has little choice in the matter, since China has been progressively reducing the kingdom's market share with other oil exporters, like Russia and Iran. If the Saudis want to maintain exports to the world's biggest economy, then they will have to do their business in Chinese currency, not the US dollar as they have customarily done.

Randy Martin, an American political analyst, said the long-anticipated decline in the petrodollar is picking up pace.

"The petrodollar is in decline, and consequently the entire financial system that undergirds the western economies," Martin said. "China and Russia have laid the global economic foundation for the new 'Silk Road' and the emergence of a new Eurasian economy that puts the US and its petrodollar on the outside. That leaves the US dollar and its economy in tatters as long as the US insists on trying to maintain its unipolar quest for global economic dominance. To be clear, what China and Russia have successfully done is to unravel the economic foundation of US global hegemony."

However, that historic demise of US power is fraught with danger. That's because the shift from an American-dominated unipolar world to a multipolar one will come at huge economic pain to the US. With a debt mountain of \$20 trillion and skyrocketing inflation due to the eventual demise of the dollar, American society faces an implosion from poverty, unemployment and social breakdown.

"Consequently, the world is faced with a global superpower in mortal decline, which is now expressing its existential fears with wanton military aggression across the globe. This will result in a grave threat to humanity as the US grapples for its place in a new multipolar global economy," Martin concluded.

The US political system is fighting for its very survival given the imminent end of its petrodollar hegemony. It is no coincidence that the US ruling elite is resorting to militarism and war as a way to stave off the feared economic turmoil. The frequency of US-led wars across the Middle East region, in particular, is all about maintaining American hegemony through imposing military might.

The proxy war in Syria is a foil for the US to subjugate perceived global rivals, Iran and Russia.

Also relevant is that the Persian Gulf gas-rich emirate of Qatar has led the way among the Arab states for doing more trade with China by replacing the dollar with the yuan. Qatar has also maintained relatively friendly relations with Iran with which it shares an enormous offshore gas field.

In the midst of these tumultuous world relations, the US is seeking to militarize the context as much as possible. By stoking and prolonging conflicts, the US stands to gain from military commerce and also by maintaining its sphere of influence over subordinate nations. Primarily, this is in the form of propping up the petrodollar system in the oil-rich Middle East.

As noted, when the petrodollar system collapses through the emergence of a multipolar world then the US economy and indeed its entire society as we know it is staring into an abyss.

"The US response to its looming demise has been the wholesale underwriting of a military-based economy for Saudi Arabia," analyst Randy Martin observes.

That was marked last month by US President Donald Trump making his first-ever overseas trip to Saudi Arabia to announce a record weapons contract worth up to \$350 billion – three times what his predecessor Barack Obama sold to Saudi Arabia during his eight-year presidency.

The corollary of American militarism in the Middle East is a surge in tensions and potential for all-out war in Syria with Russia and Iran.

"US meddling in the Middle East is little more than an existential bid to preserve its hegemony there through military force, as its economic dominance through the petrodollar slips away," added Martin.

The emergence of a multipolar world seems not only inevitable. It is desirable in terms of establishing a more democratic global order. A unipolar world as seen under US hegemony is a formula for tyranny and lawlessness.

The good news is that US hegemony is crumbling. The demise of the petrodollar is the telltale sign of another empire failing. But that transition to a more reasonable and sustainable world order is akin to negotiating a way out of a minefield.

Fortunately, Russia and China may have sufficient military power to deter the desperate, waning American empire from trying to incite catastrophic war. However, death throes are seldom rational events.

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