

The Collapse of Dollar Hegemony Could Lead to World War III. Richard C. Cook

By [Richard C. Cook](#) and [Ahmed Danyal Arif](#)

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The following is a transcript on a an interview with Richard C. Cook conducted by Ahmed Danyal Arif, Editor of the Economics Section for The Review of Religions.

Ahmed Danyal Arif (ADA): Mr. Cook, first of all thank you so much for giving us a little of your precious time. We are very grateful for this. I have to be honest I don't know where to start as you have had such a long career in the US Government where you have essentially served (please correct me if I am wrong) as a policy analyst in the 70s and 80s. You then worked for NASA and ended your career in 2007 as a Project Manager in the US Treasury Department. You are now retired and writing with a particular focus on monetary reform. What led you to write about this?

Richard C. Cook (RCC): I began to study monetary reform in 1979-1980 when I worked for the Carter White House in the office of consumer affairs. I had discovered the ideas of British engineer C.H. Douglas who explained the chronic gap in developed economies between GDP and national income, which meant that society never had enough money to purchase what their economies were able to produce. Some very notable people like Winston Churchill and Henry Ford were also aware of this. The system of Keynesian economics was developed to address the problem through government borrowing. But all this accomplished was to 'kick the can down the road' by creating debt that eventually had to be paid off, usually through war or hyperinflation.

A decade later I found myself working for the US Treasury Department, when I was able to carry out an in-depth study of the history of the US monetary system. I learned that the banking system existed to fill the GDP-income gap but that the debt it created in doing so led to massive profits to the banks but ruin for the nation at large. I also learned that the

only successful alternative had been the spending of Greenbacks by the government during the Civil War. I then came into contact with Stephen Zarlenga who had founded the American Monetary Institute and was studying the same problems. Together we wrote the American Monetary Act which became Congressman Dennis Kucinich's NEED Act introduced in Congress in 2011 but not yet passed. This would create a modern version of Greenback money. So one thing led to another, and I am still writing about these things. My latest is my [new book](#), *Our Country, Then and Now* to be published soon by Clarity Press.

ADA: In your book [We Hold These Truths: The Hope of Monetary Reform \(Tendrill Press, 2009\)](#), you have a whole chapter about morality and economics. What is the correlation between the two and do you still believe this is the 'key issue of the 21st century'?

RCC: Our *Declaration of Independence* states that every person has a right to 'life, liberty, and the pursuit of happiness.' Of course along with these rights come responsibilities. One is that we act with kindness and compassion in accepting the rights of others. Our predatory financial system does not do this. The system is based on putting people into debt. That's how money is generated in the economy. But this is wrong.

Of course we are all responsible for working to earn a living. But the system should assure that people can earn enough that they can live decently and respectably as well as save for the future. Naturally, the work of some will support the lesser financial contributions of others, but this is part of life. If people are dissatisfied with their opportunities for work they should be free to seek elsewhere or be able to improve their skills so as to earn more. But all of this requires a monetary system that supports individual freedom and initiative. We do not have such a system today. What we have is debt slavery where the 1% make out like bandits and the 99% struggle to survive. Such a system also promotes crime and war, where people and nations feel they must steal from their neighbour in order to get by.

ADA: When we take a look at the current economic climate and the news on a daily basis, there is clearly a popular discontent. I am obviously thinking about inflation which really is giving us a hard time. Price rises have slowed in some parts of the world, but they are still significant. How did we get there? Is it only Putin's fault or did the unconventional monetary policies of the central banks following the 2008 crisis also play a role?

RCC: We have a war, with the West supplying billions of dollars of weapons to the Ukrainian regime. And Russia is winning that war.

The West also cut itself off from cheap Russian energy in order to cause the Russian economy to collapse. That didn't work. So energy prices are skyrocketing. Then for reasons no one understands, the Federal Reserve and other Western banks began raising interest rates, making every purchase of consumer goods more expensive. I certainly don't begrudge the payment by the government of stipends to citizens during the pandemic. People have to live. But that was not the cause of the present crisis. The cause is the banking system.

ADA: Interest rates are also soaring as you rightly mentioned, and many are now questioning whether they can still afford to pay their mortgage while prospective first-time homeowners are considering putting off buying in the hopes of securing a better deal in the future. I even came across a company called '[SimpleClosure raising \\$1.5m in less than 24h to help businesses shut down](#)' (especially startups). I mean, it seems to be the perfect

recipe for... a systemic crash, no?

RCC: There have been previous times in history that the Federal Reserve raised interest rates that crashed the economy. This is what started the Great Depression in 1929. The Fed started the recession of 1979 when it raised interest rates to over 20 percent. There were periodic increases in the 1980s and 1990s that took down the economies of entire nations in Latin America and Asia. It is happening again now after the zero percent interest rates the Federal Reserve put in place during the 2008-2009 Great Recession. The Federal Reserve always claims that they raise interest rates to 'fight inflation.' But there is an equally sound argument that higher interest rates cause inflation by making every business transaction more expensive. The fact is that the Federal Reserve is a black hole.

No one but the bankers themselves know what they are doing or why. At the present time banks like JP Morgan Chase are making record profits while the economy is moving toward a recession and ordinary people increasingly cannot afford food, housing, education, or transportation.

The US federal government is now \$33.1 trillion in debt.

State and local governments are \$3.17 trillion in debt. Private sector debt is over \$30 trillion.

This is just within the US.

It means that every individual is \$211,000 in debt on average. According to the Federal Reserve, the average net worth of American families in 2019 was \$746,820, with the median \$121,760. We can deduce that a large majority of American families literally own nothing. It's no different in most other countries. And with the Federal Reserve raising interest rates, mainly to attract overseas investment and shore up the dollar, the debt continually grows even if no new debt is added.

ADA: Turning to your latest insightful article titled 'Is World War III About to Start' ([part I](#) and [part II](#)), you say of the Ukraine war that 'anyone with a discernible pulse is aware of the danger that the conflict could escalate into a conflagration large and destructive enough to morph into World War III.' You also give a detailed analysis of the US military-industrial complex employing tens of millions of people. Do you think that military production is the only area where the "saturation" point can be postponed indefinitely as long as the 'adversaries' or 'enemies' are equally able to develop faster and better weapons?

RCC: The problem here are the words 'adversaries' and 'enemies.' Who says so? Personally, I have no 'adversaries' or 'enemies.' These are buzzwords used by governments to get people to kill other people and to get themselves killed. Why? So the fat cats can make money. It's been that way for a long time, but it doesn't have to be that way any longer. We have the knowledge and the understanding today to stop wars. Of course, there will always be competition, and some people will still try to cheat their competitors. So, we still need a system of law enforcement. But we don't have to kill each other so the rich can get richer.

ADA: This brings me to the crucial issue of the dollar's global hegemony. We know that this gives the US government power to impose crippling sanctions and wage other forms of financial warfare against adversaries. But this hegemony of the dollar is increasingly contested and the Sino-Russian agenda of opposition to the American currency has

intensified with the Ukrainian conflict. Several historical allies of the United States (Saudi Arabia, Israel, etc.) or Brazil have affirmed their desire to gradually get rid of the dollar. Do you think that this geo-monetary tug of war and the recent gold accumulation of central banks could lead to World War III and, in the medium/long term, to a different international monetary system from the one we have known since 1944 and the Bretton Woods Agreement?

RCC: Yes, it does seem clear that the collapse of dollar hegemony could lead to World War III if the US decides, out of desperation, to simply knock over the chessboard now that it is in danger of being checkmated.

The U.S. had previously been heading toward bankruptcy around 1970 due to huge budget and trade deficits coming from the Vietnam War. So, the Nixon government, also acting in desperation, removed the gold peg, while the banking/oil cartels raised oil prices by a factor of four. It was done by the US/British financial class, not by the Arab oil producers. What it really represented was a gigantic theft of international resources by these cartels. The world has never been the same since, with real GDP and incomes not having grown at all since then. So, the Bretton Woods Agreement actually ended then. Obviously, we need a new Bretton Woods, one that recognizes parity among all national currencies. This is what BRICS is aiming at, even as the West goes bankrupt.

ADA: As you already know, and you mentioned it in your book, interest is strictly forbidden in the Islamic paradigm. But as a Muslim, I also know that the Qur'an actually quite explicitly links interest with war (Ch. 2: V. 280). I just wanted to take your view, as a defense analyst or economist, on the role of debt in this whole global warfare that we have been seeing for decades now.

RCC: The view of the Islamic nations on lending and interest is absolutely correct. In the West, the regime of usury based on compound interest is criminal psychopathy.

What really happened was that gradually the money lenders took over the U.S. economy during the late 19th century in exactly the same way the Bank of England took over the British economy after it was founded in 1694.

The British got rich by plundering India, China, and South Africa, but the profits went to the bankers in the City of London, who put the entire British ruling class into debt.

The British Empire and today the American Empire were both founded on bank-created debt. Global warfare, including the West's proxy war against Russia in Ukraine, are manifestations of this financial imperative. It is no accident that the US hedge fund BlackRock is in process of buying up the assets in Ukraine now that Ukraine has been depopulated by the war. This is what they wanted to do with Russia when they enticed Russia to invade Ukraine in 2022 then imposed sanctions. Russia was supposed to collapse, but it didn't happen.



President discussed with the CEO of BlackRock the coordination of efforts to rebuild Ukraine

28 December 2022 - 10:54



President of Ukraine Volodymyr Zelenskyy held a video conference meeting with Larry Fink, CEO of one of the world's leading investment managers, BlackRock.

ADA: Ultimately, dialogue with other nations and communities is vital. Is it possible, in your opinion, for nations and leaders to conciliate a focus on their own national interests and at the same time consider what is best for the world at large?

RCC: Is a multipolar world possible? Only if the people of the West, acting through their own governments, take back the unconstitutional power of the banks. The US banking system, going back to the Federal Reserve Act of 1913 and beyond, is in fact an ongoing insurrection against the U.S. Constitution. It's the Constitution that gives Congress, not the banks, the authority to create and oversee the monetary system of the nation. In Russia and China, the central banks report to the government.

In the US, the Federal Reserve reports only to the wealthiest 1%. This is what has to change. Until then, there can be no peace in the world. Of course, we also need a spiritual renewal.

My inspiration has been the German spiritual master Bô Yin Râ (Joseph Anton Schneiderfranken-1876-1943). His books are becoming available in English translation from Kober.com. I would urge all your readers to take a look. One thing he writes about is the necessity for people and nations to live within their means.

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Richard C. Cook is a retired US government analyst who worked for the US Civil Service Commission, the Food and Drug Administration, the Jimmy Carter White House, NASA, and the US Treasury Department. While at NASA he became a whistleblower at the time of the January 1986 space shuttle Challenger disaster by disclosing NASA's past knowledge of the problems that destroyed the shuttle and killed the 7-person crew. At Treasury, he developed and taught training courses on the American monetary system. After retirement in 2007, he published several books and numerous articles on public policy issues, including 'We Hold These Truths: The Hope of Monetary Reform'. Most recently he has published articles on the dangers of World War III and the urgent need to confront the crimes of international finance in driving the world to destruction. He will soon be publishing a new book, 'Our Country, Then and Now', through Clarity Press.

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