

The Middle East: the Decline of American Might

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Global Research, November 21, 2017

[New Eastern Outlook](#) 20 November 2017

Region: [Middle East & North Africa, USA](#)

Theme: [Global Economy, US NATO War](#)

[Agenda](#)

The Iranian Supreme Leader Ayatollah Ali Khamenei stated that the cooperation between Moscow and Tehran and the refusal of mutual payments in US dollars could isolate the USA and “repel the American sanctions”. The Supreme Leader added, “It is possible to cooperate with Russia in dealing with large-scale issues requiring commitment and determination, and to cooperate with it logistically”.

In this context, we should not forget that China, a large oil buyer, is the key player in the crackdown on petrodollars. Beijing has already presented a new oil benchmark in CHY (right now, two benchmark contracts for crude oil, WTI and Brent, are traded in USD) and will issue the first South-African future contract by the end of this year. Interestingly, it was announced that any oil exporter who will accept payment in CHY will be able to convert them into gold at the Shanghai Gold Exchange (SHGE) and hedge the currency value of gold at the Shanghai Futures Exchange (SHFE). That is why China needs physical gold and it has been recently buying it on a large scale.

Undoubtedly, all oil exporters, and especially those who have poor political relations with the USA, will profit from this segregation of the Chinese future market. Because any decrease of USD influence diminishes seriously the ability of Washington to wage an economic war on select states. The introduction of the oil future traded in CHY will enable oil exporters, for example Russia, Iran and Venezuela, to avoid sanctions on their oil trade.

Thus, a plan is being commissioned to ruin the United States of America right before our eyes. Reportedly, the dollar, which is a worldwide currency (but not industry or agriculture), constitutes the foundation of American power. It is this world currency that enables the USA to rob the whole world, making its peoples to pay for the overly ambitious desires of Washington. Some time ago, the USD was secured with the gold equivalent, which was later abolished, and now the dollar is, in fact, left without safeguards. The United States forced an agreement upon Saudi Arabia which provided for the USA’s military aid to the Kingdom and the ‘protection’ of its oil fields, though it isn’t clear against whom. In exchange, the Saudis committed themselves to executing all their oil sales in USD and to investing their profits in US debt securities. By 1975, all oil-producing OPEC members were forced, under pressure from Washington, to follow suit. Consequently, the world plunged into the quagmire of petrodollars.

It is not that the leaders of oil countries could not fail to understand that it was sheer robbery by the United States but, at the same time, they could not undertake anything all by themselves because Washington crushed all such efforts, going as far as occupying the insubordinate states. Take Iraq, for example – the USA imposed unmerciful sanctions on it, making ordinary people suffer from them. The sanctions existed since 1991, and it looked like they would exist forever. However, at the beginning of the 21st century Saddam

Hussein made a decision to sell oil for fresh Eurodollars on the basis of the “Oil for Food” program. There was an immediate retaliation: under the pretence of democratising Iraq, the American military occupied the country and unleashed a civil war in it, which is still ongoing. Saddam Hussein was hanged.

Another example: Moammar el-Gadhafi, leader of Libyan Arab Jamahiriya, who was highly favoured by Europe and the USA, decided to introduce the gold dinar and to carry out all trade only in that currency. The punishment was instant: so-called popular unrest was organised from outside, and the Washington-imposed UN resolutions tied up, hand and foot, the Libyan leader who was brutally murdered soon afterwards.

However, the idea of getting rid of the USD stranglehold did not disappear, and right now, the powerful states who are free from American influence, i.e. Russia, China and Iran, set out to implement it. The future of one more country – Saudi Arabia – a leader in crude oil production is in danger. That is to say, the destiny of the United States, who have been taking all possible measures to keep Riyadh in its orbit, depends, without any exaggeration, on the stance of the Kingdom. That is why the current situation of the Saudi is not too great. Firstly, the tradition put in place by Abdulaziz ibn Abdul Rahman ibn Faisal Al Saud, founder of the kingdom, to pass power from one son to another does not exist any more. Secondly, there is an ongoing unprecedented struggle for power since Salman bin Abdulaziz Al Saud, the current King, moved aside the legitimate heir and declared his wish to pass the power to his son Mohammed bin Salman Al Saud. Thirdly, the new heir, deprived of sufficient experience, has already made several grave mistakes. He has misspent large funds to support the Syrian terrorist groups, unleashed a dead-end struggle against the neighbouring Yemen, he has an ambiguous personal conflict with Qatar. Additionally, the struggle for the world oil market led to a sharp increase of black gold prices, which resulted in budget deficit.

To make things worse, a crisis, which is still unresolved, arose in the Lebanon when its Prime-Minister left for Saudi Arabia and sent his letter of resignation from there. He explained his decision by the interference of Iran into the internal affairs of his country, Hizballah’s pressure on him and the information about the preparing assassination attempt on his life, about which he was allegedly notified by Saudi intelligence.

Currently, a new and fairly decisive round of struggle for power instigated by Washington unfolds in the Kingdom. Obviously, the current King, before passing power to his son, is trying to clear up his political framework and to eliminate any rivals even if they are members of the ruling Saudi family. A new Anti-Corruption Committee headed by hereditary Prince Mohammed bin Salman Al Saud was created by a royal decree. The Committee is entitled to conduct its own investigations and make arrests, to impose travel bans, to freeze bank assets and to implement other measures within the framework of its fight against corruption.

As of November 10, two hundred and eight people were detained in Saudi Arabia as part of the initiated unprecedented anti-corruption campaign. Seven of them had been previously released without charges. The others, as Prosecutor General of the Kingdom Saud al-Mojeb told the Al Jazeera Channel, are still under arrest. Immediately after that, US State Secretary Rex Tillerson had a telephone conversation with his Saudi counterpart Adel Al-Jubeir, during which the parties discussed the situation in Saudi Arabia or, to be more exact, the Saudi foreign minister received additional American instructions. In the meantime, Washington

has been skilfully and deliberately pitting the soon to be future King against other members of the Saud family so that Mohammed bin Salman ends up alone and will have to rely only on the support from the United States.

Incidentally, the Saudi Prince Alwaleed Bin Talal Bin Abdulaziz Al Saud, one of the richest men in the Middle East (and who used to be head of the office of the Saudi finance minister) was also among the detainees. The Prince is the grandson of the founder of Saudi Arabia and a nephew of six Saudi Kings, including the current ruler. He never sought political power and preferred investments and stock market gambling. The Prince has three academic degrees, including one in philosophy. It was for the first time in the history of the Kingdom that his daughter, a Princess, was arrested.

There is one more equally complicated issue related to oil, that is, at what currency oil should be sold to China, which is still one of the biggest trading platforms for the Saudi. Meanwhile, Saudi Arabia continues to demand insistently only USD currency in exchange for oil from Chinese importers. Beijing is somewhat annoyed with such stubbornness from Riyadh, for the Chinese have a wide range of oil suppliers to choose from. The Chinese authorities have been trying to bring it home to Riyadh that its dollar fanaticism can cost it quite a lot. However, the change-over from USD to CHY would deliver a blow to the United States, a key ally of the Kingdom, but Riyadh will definitely surrender sooner or later. What will happen then with the United States?

Thereupon, the refusal of several major oil producers from USD payments would deliver an irreparable blow to the United States and contribute greatly to the decline of the American empire and its hegemonistic ambitions.

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The original source of this article is [New Eastern Outlook](#)

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