

What You Don't Know And Ought To Know About The BRICS Financial System.

By Matthias Chang – Future Fast-Forward

I can guarantee that 99.9% of Malaysians (maybe with exception of Tun Mahathir Mohamad and one other) are barking up the wrong tree when discussing about the BRICS financial architecture and the far reaching consequences to follow within a decade (on or before 2030).

I am not trying to insult anyone, especially those who pride themselves as “experts” on financial matters, with the idiotic academic awards such as:

- PhD (phony donkey - what are donkeys usually associated with?);
- MBA (Master Bullshit Artist);
- BA Hon. (Bullshit Artist “honoured” but not yet Master of bullshitting); and
- BSc (Bloody Screwed Ups) etc.

BRICS Financial architecture has nothing to do with “Bretton-Woods” and or to become “Bretton Woods II” as touted by so many arseholes. Utter rubbish and nonsense.

Whosoever asserts this crab is an idiot! No apologies!

For your sake, I will reproduce Wikipedia’s take on Bretton-Woods:

*The Bretton Woods system of monetary management established the rules for commercial relations among the United States, Canada, Western European countries, and Australia and other countries, a total of 44 countries after the 1944 Bretton Woods Agreement. The Bretton Woods system was the first example of a fully negotiated monetary order intended to govern monetary relations among independent states. **The Bretton Woods system required countries to guarantee convertibility of their currencies into U.S. dollars to within 1% of fixed parity rates, with the dollar convertible to gold bullion for foreign governments and central banks at US\$35 per troy ounce of fine gold (or 0.88867 gram fine gold per dollar).** It also envisioned greater cooperation among countries in order to prevent future competitive devaluations, and thus established the International Monetary Fund (IMF) to monitor exchange rates and lend reserve currencies to nations with balance of payments deficits.*

Preparing to rebuild the international economic system while World War II was still being fought, 730 delegates from all 44 Allied nations gathered at the Mount Washington Hotel in Bretton Woods, New Hampshire, United States, for the United Nations Monetary and Financial Conference, also known as the Bretton Woods Conference. The delegates deliberated from

1 to 22 July 1944, and signed the Bretton Woods agreement on its final day. Setting up a system of rules, institutions, and procedures to regulate the international monetary system, these accords established the IMF and the International Bank for Reconstruction and Development (IBRD), which today is part of the World Bank Group. **The United States, which controlled two-thirds of the world's gold, insisted that the Bretton Woods system rest on both gold and the US dollar. Soviet representatives attended the conference but later declined to ratify the final agreements, charging that the institutions they had created were "branches of Wall Street".** These organizations became operational in 1945 after a sufficient number of countries had ratified the agreement. **According to Barry Eichengreen, the Bretton Woods system operated successfully due to three factors: "low international capital mobility, tight financial regulation, and the dominant economic and financial position of the United States and the dollar".**

There was never in reality a full-fledged "Bretton Woods" system.

Why???

Quoting Wikipedia again:

On 15 August 1971, the United States ended the convertibility of the US dollar to gold, effectively bringing the Bretton Woods system to an end and rendering the dollar a fiat currency. Shortly thereafter, many fixed currencies (such as the pound sterling) also became free-floating, and the subsequent era has been characterized by floating exchange rates. The end of Bretton Woods was formally ratified by the Jamaica Accords in 1976.

In 1974, Treasury Secretary William Simon made a secret arrangement with Saudi Arabia to trade oil only in US dollars, and for the Saudi Arabia to purchase US Treasury Bills, in exchange for US military and technical assistance, thus pegging the US dollar to oil and birthing the petro-dollar.

The convertibility of the US\$ to gold was a fundamental term / feature of the system.

When there is no convertibility, the end result is a system of FIAT currencies – toilet paper monies. If you do not understand this simple fact, stop reading and go f@#k yourself! Presently, all currencies are "fiat currencies". No exceptions!

READ THE WORDS AND SENTENCES IN RED FIVE TIMES. DO IT NOW!

If you have done as instructed above, then you will realise and appreciate the fact that the members of the BRICS system **MUST LEARN FROM THE ABOVE SYSTEMIC FAILURES AND THAT OF THE FAILURE OF THE Euro (€)** to be single currency of the entire European Union.

Yet the British still maintain the £ pound fiat currency.

From day one, the Euro (€) was doomed to fail and did fail because the economies of the European Union was so diverse and fractured, and always in a state of dis-equilibrium. And members of the European Union still pay in US\$ for their trades!

Then, there was the Euro-dollar in the **financial salad** to make matters worse!

And now we have the slow death by a thousand cuts - the painful de-dollarisation of the US\$ Global Reserve Currency.

Remember and recall that most of the economists / central bankers are still carrying the huge intellectual baggage of the FED, IMF, World Bank, BOE, ECB, BOJ and the Ivy League Universities that moulded their mind-set!

Think and think on what it takes to “unlearn the crap” and restructure a new system when we in Malaysia are still intellectually masturbating!

The **myth** that all **countries must be mandated** to have **“foreign currency reserve in US\$”** for survival and to trade **was smashed** by the Zionist Anglo-American Empire and lackeys when they openly robbed and plundered hundreds of US\$Billions of the Russian foreign reserves, to finance the West’s war in Ukraine. Yet Russia not only survived but thrived in the more insidious and challenging environment and defeating the combined might of US, UK and NATO.

Freaking arseholes in Malaysia have better get real and be level-headed that the BRICS financial architecture can never ever be a Bretton Woods system or otherwise as the Bretton Woods system rest on the financial foundation of hegemonic control and total subservience – the dollar is King and the Zionist Anglo-American Empire is the sole (unitary) global power.

I still stand by my previous advice – get out of all US\$ assets and diversify.

Reduce foreign exchange risks. The real test is whether BRICS founding members will, as an initial step, do away the need for Foreign Currency Reserves as mandated by the Empire to boost demand for the US\$ and to camouflage its un-payable debts in the US\$ Trillions – the worst form of toilet paper money!

QED