

Trade Tariffs, Modern Tribute To The Empire, When All Else Fails. A Confession Of Impending Collapse Of The \$

By Matthias Chang – Future Fast-Forward

The title of this article is simple enough but political leaders of the vassal states of the US are so intimidated and subservient that they are willing to kiss President Trump's ass. In Queen's English idiom, it is "kiss my arse".

The UK Guardian newspaper reported,

'They are kissing my ass' Trump says countries are pleading to negotiate tariffs... during a dinner for Republicans.

The Trump's financial shock and awe is nothing new, sending global shock waves and there were historical precedents! Malaysians are still clueless, and Malaysia is the current "Chair" of the regional alliance – ASEAN!

Decades ago, President Nixon bought time for the US to avoid the financial collapse, when he decoupled the US\$ from the Gold Exchange Standard and mandated the use of Fiat \$ Currency and not one member of the US Congress objected (because the Executive Order preserved their power).

The implications:

THREE DAYS AT CAMP DAVID – Jeffrey E. Garten

Over three days at a top secret meeting at Camp David—from August 13 to 15, 1971—President Richard Nixon and his brain trust sat down to decide the fate of the dollar. What they did changed the course of history.

Since 1944, all national currencies had been valued against the U.S. dollar, which itself was convertible to gold at a fixed rate. It was a system that fuelled the phenomenal recovery of Western Europe and much of East Asia from the ashes of war, together with an unprecedented expansion of middle-class prosperity in America. Yet the U.S. gold supply was dwindling dramatically, and the group at Camp David felt compelled to sever the link between the dollar and the precious metal, sending the global economy into a tailspin and creating shock waves throughout America's most important alliances. In so doing, Nixon and his team were signaling that the United States was no longer rich and powerful enough to hold up the free world economically and militarily, and that it needed help from its democratic partners.

Then, as now, the pressures of globalization were bearing down on America, and nationalism and protectionism were on the rise. Then, as now, Washington was seeking a fairer trading system and imploring its allies to spend more on their own military defense. Then, as now, America was asking whether the cost of global leadership was too high, and its citizens were simultaneously demanding

much more attention to problems at home, including unemployment, health care, and civil rights.

In abandoning the gold-dollar connection, the Nixon administration opened the way for a highly volatile and crisis-prone world economy..... In addition, after the Camp David meeting, Nixon successfully leveraged the crisis, which he himself had created, to strengthen political alliances and international economic cooperation.

Atish Rex Ghosh, the IMF historian in August, 2021 gave the IMF's perspective on the book:

When Bretton Woods was established, the United States promised to provide gold, on demand, in exchange for dollars accruing in foreign central banks. As the country ran balance of payments deficits during the 1960s, however, it began to deplete its gold stock. With US monetary gold falling to \$10 billion (against \$40 billion in liabilities), the situation became dire—prompting Nixon to summon his leading financial officials to a meeting at Camp David, the presidential retreat, over the weekend of August 13–15, 1971.

We meet key players—Nixon, Arthur Burns, John Connolly, Paul Volcker, George Shultz, and others—whose backgrounds, personalities, and preoccupations greatly influenced the outcomes at Camp David. Burns and Volcker worried about how foreign officials would react to closing the gold window. Connolly argued that doing so would help bludgeon the surplus countries into revaluing their currencies. Shultz, a student of Milton Friedman, favoured floating exchange rates, which would make the whole issue moot, while Nixon cared less about foreign central bankers and worried only about the reaction of the American public.

Garten gives a detailed account of the discussions, chronicling how politician Nixon transformed the dominant narrative about shuttering the gold window: from a mea culpa that acknowledged the United States' lax policies and abrogation of its international responsibilities, to one that proclaimed a domestic audience. Garten describes the aftermath, the short-lived Smithsonian Agreement, and relays an anecdote illustrating how sensitive officials were to any change in parities. When Connolly pressed the Japanese finance minister to revalue the yen by 17 per cent, he refused, on the grounds that a 17 per cent revaluation during the interwar period had resulted in the then-finance minister's assassination. Connolly, who was in the car during President John F. Kennedy's assassination (and had himself been shot), accepted a 16.9 per cent revaluation. (In fact, the Japanese prime minister had pre-authorized up to a 20 per cent revaluation.)

Malaysians must read and study the lessons in this book. You are an asshole if you don't heed my advice for,

"Jeffrey Garten makes a strong case that the end of the dollar's convertibility into gold has had deep, long-run implications for the United States and the global economy. He provides valuable food for thought for our own uncertain era."

—ROBERT E. RUBIN, former secretary of the Treasury

“A fascinating play-by-play account of one of the most important events in the history of the modern world economy, with powerful implications for current policy.”

—C. FRED BERGSTEN, founding director of the Peterson Institute for International Economics, and former assistant secretary of the Treasury

“Garten tells a tale of gold and guarantees, secrecy and surprise, and conflict and cooperation. His fast-paced history brings the characters alive, explains complexity with clarity, and reveals America’s competing impulses of leadership and retrenchment—a tension alive today.”

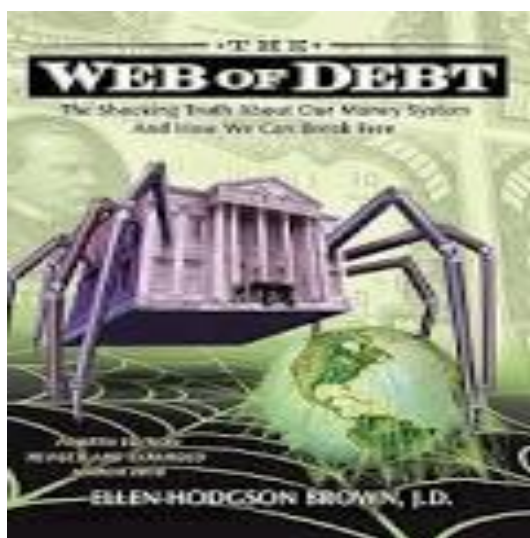
—ROBERT B. ZOELLICK, former president of the World Bank, former U.S. trade representative, and author of *America in the World: A History of U.S. Diplomacy and Foreign Policy*

Those who have the time to delve deeper may want to explore and read, “Fiat Money Inflation in France” by Andrew D. White.

Sounds Familiar?

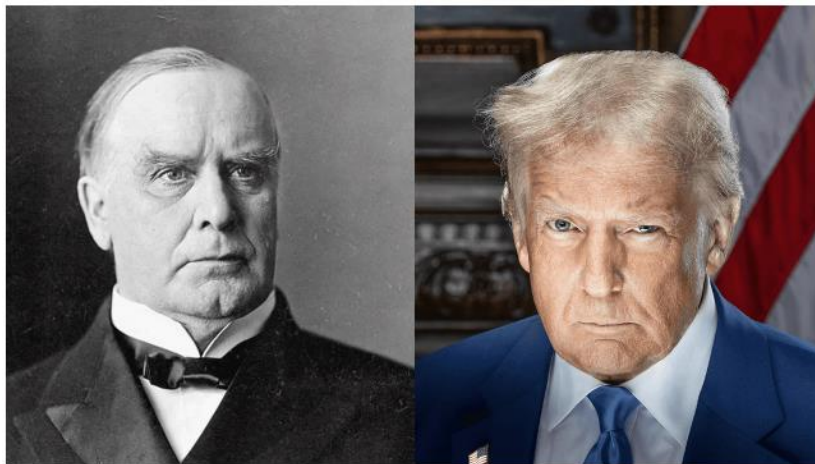
Trump is using a different route from Nixon but the agenda is the same – to preserve the hegemony of the Zionist Anglo-American Empire and prevent the collapse of the global \$ reserve currency. The financial shock and awe campaign of “Trade Tariffs” was to disorientate friends and foes alike so as to reduce any potential opposition to Trump’s agenda by any country including China and Russia. In Nixon’s era, Japan caved and surrendered completely as she was a defeated nation after WWII, more so after the brutal massacre of the Japanese in Nagasaki and Hiroshima by nuclear bombs.

At this juncture, I would like to refer to two great American ladies who have influenced my research on financial and currency matters. I have written about the former Congress woman, Cynthia McKinney in several of my articles, but today I am seeking Ellen Brown’s intellectual expertise on money matters, who like Cynthia came to Malaysia at my invitation and advised the former prime minister Tun Mahathir Mohamad and gave him a copy of her ground breaking book, “The Web of Debt”.



On Trump and trade tariffs, Ellen wrote and I quote,

Trump said at a 2024 campaign event, “In the 1890s, our country was probably the wealthiest it ever was because it was a system of tariffs.” And in his second inaugural address on January 20, 2025, he said, “The great President William McKinley made our country very rich through tariffs and through talent.” That may have been true for certain industries, but it did not actually hold for the broader population. The Tariff Act of 1890, commonly called the McKinley Tariff because it was framed by then Representative William McKinley, raised the average duty on imports to almost 50%. The increase was designed to protect domestic industries and workers from foreign competition, but the 1890s were marked by severe economic instability. The Panic of 1893 plunged the U.S. into a depression lasting until 1897. Unemployment soared to 18.4% in 1894, with over 15,000 businesses failing and 74 railroads going bankrupt. The stock market crashed, losing nearly 40% of its value between 1893 and 1894. Far from being the wealthiest era, this period saw widespread hardship that tariffs not only failed to prevent but exacerbated.



William McKinley and Donald Trump

In the 1860s, President Lincoln issued debt-free money in the form of unbacked U.S. Notes or “Greenbacks;” but new issues of Greenbacks were discontinued in the 1870s, and gold was made the sole backing of currency. The resulting economic distress fueled the Greenback movement, which sought a return to the “lawful money” issued by President Lincoln. The Greenbacks were considered lawful because they were issued directly by the government as provided in the Constitution, rather than by private banks. Rather than alienating our trading partners and stressing investors and consumers, Trump could take a page from Abraham Lincoln’s playbook. Lincoln wasn’t opposed to tariffs. Campaigning for the Illinois state legislature in 1832, he said, “My politics are short and sweet, like the old woman’s dance. I am in favour of a National Bank, I am in favour of the Internal improvement system, and a high protective tariff. These are my sentiments and political principles.” The tariffs were intended to protect the country’s fledgling industries from foreign competition, but they needed a national bank to provide the credit necessary to flourish.

I had advocated that the US must resolve global matters with Russia and China but unlike dumb-arse Malaysians, Ellen refused to be ideologically intimidated about China, and made the following observations and I quote Ellen once again,

The economic miracles of China, Germany and the U.S. following the Civil War and Great Depression demonstrate that governments can at least double the money supply—sometimes multiplying it many-fold, as in China — without spiking consumer prices, provided new money fuels infrastructure and production to match money supply growth with GDP growth. In China, this is enabled by a sprawling network of over 2,000 publicly-owned banks, in addition to the three federal policy banks including China Development Bank (CDB). The Big Four national banks are predominantly owned by the central government, through entities that sell shares to private investors but retain government control, while thousands of city and rural banks are controlled by local governments at the county level. These institutions channel credit into local projects, amplifying economic output.

At the national level, China's three giant policy banks funnel credit into the federal government's long-range plans for infrastructure and development. This multi-year focus has been called a major advantage of Chinese "command capitalism" over Western "stakeholder capitalism," in which private companies are required to focus on short-term profits for their stakeholders.

However, the United States could form a publicly-owned national infrastructure bank like the CDB with long-range capabilities, on the model of Hamilton's First U.S. Bank and Roosevelt's Reconstruction Finance Corporation. The latter was not actually a depository bank but was a federal agency formed by President Hoover, expanded by Roosevelt's government into a massive credit-generating machine for infrastructure and manufacturing.

If Malaysians wanted to know more, research on Ellen Brown and read her analyses!

But, President Trump has gone off the tangent and using the bully pulpit threatened to unleash war on Iran and then pivot to attack China. How freaking stupid! It has been reported by the NYT that in the case of Iran,

Trump says "U.S. Could Lead Military Action Against Iran if Talks Collapse". The president said he would be "leading the pack" against Iran if it did not agree to a nuclear deal, but he said he was open to meeting Iranian leaders.

And the Times of Israel published that Trump said,

Israel won't drag us into war with Iran, but we'll lead the pack if no deal made.

Such belligerence is further illustrated when Fox News' Morgan Phillips reported,

President Donald Trump may prefer a diplomatic solution to stop Iran's creep toward a nuclear weapon, but claimed he'll be "leading the pack" to war with the regime if talks falter. "I think we're going to make a deal with Iran," he told Time Magazine in an interview published Friday, while claiming that President Joe Biden had allowed Iran to "become rich."

Asked whether he was worried Israeli Prime Minister Benjamin Netanyahu might drag him into a war with Iran, Trump said no. "By the way, he may go into a war. But we're not getting dragged in."

However, both Russia and China were not intimidated and in the latter's case, retaliated by imposing 125% tariffs on Chinese imports from USA! We must prevent the trade wars turning into kinetic wars and WWIII.

This should be the foreign and trade policy objectives of Malaysia and not to kiss Trump's ass as quoted above. Malaysian politicians in parliament are debating BS issues and sorely lacking in knowledge on geopolitical affairs.

Why do Malaysian nitwits still continue to elect these numbskulls?