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## US Dollar Gets Flushed Down World Toilet

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The almighty dollar - the one our corrupt government and the FED [had us put ALL our faith in](#) - is about to be flushed down the world's proverbial toilet.

[U.S. currency was called "unreliable as a reserve currency"](#) by Finance Minister Alexei Kudrin, made a taboo word by the Public Chamber and centrist politicians, and ditched by the general public amid reports of its imminent depreciation.

The U.S. dollar has fallen to its lowest rate against the ruble in a year, 27.2424, with signs that further drops are likely, prompting analysts to propose that the time to save or speculate in rubles has come.

"In the short to mid-term, the choice has to be for the ruble," said Yaroslav Lissovolik, chief economist with investment bank Deutsche UFG.

The greenback can kiss global hegemony goodbye.

Once the bedrock of savings for millions of

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Russians, the dollar signified stability in contrast with the massive devaluation and concurrent volatility of the ruble that followed the fall of the Soviet Union. Prices, contracts and company investments were often quoted in dollars and, perhaps alongside, in rubles.

In the last four years, however, there has been an "accumulating disappointment" with the dollar in Russia, said Yelena Matrosova, head of the Center for Macroeconomic Research at BDO Unicon consultancy.

Continuing issues over U.S. trade, budget and current account deficits have kept the dollar unstable against other currencies. The ruble has appreciated by more than 13.8 percent in nominal value against the dollar since December 2002, despite efforts by the Central Bank to rein in any changes.

"This was partly why the u.e. came into being," Matrosova said, referring to the "conditional unit," a measure that many companies and retailers use to fix a price to a particular ruble rate.

This month, however, *the State Duma is to vote in a first reading to increase fines tenfold to 100,000 rubles (\$3,670) for businesses that advertise in dollars, euros or conditional units.* The deputy behind the move, Vladislav Reznik, head of the Duma's Credit Organizations and Financial Markets Committee, had earlier said the ruble was stable and strong enough not to require substitutes.

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Heard the Word of Blog?



Russia is ACTIVELY distancing itself from the US dollar.

While Reznik's words and recent calls by the Public Chamber to ban state officials from citing figures in dollars or euros have a patriotic slant, they reflect a widespread sentiment as well as market realities, analysts said.

Spurred by the dollar's decline, Russians' trust of foreign currency has weakened over the last few years. The population held \$1.8 billion less in foreign cash by the end of 2005 than at the beginning of that year, a 6 percent drop, according to official figures.

The money has been redirected to bank deposits, converted into rubles, spent or invested, the evidence of which can be seen in a revitalized retail banking sector, an ongoing consumer boom and a bullish stock market propped up in no small way by domestic investors.

*"What it does say is that people are largely giving up the dollar. It is no longer a safe haven," Matrosova said.*

Meanwhile, it's basically the only thing 'of value' Americans have left - **our industries have been gutted.**

Andrew Howell, Citigroup's chief strategist for emerging markets in Europe, said he saw Russia's newfound faith in the ruble as part of a trend in emerging-market countries that are shedding their dollar crutches on the back of a

strengthening local currency.

"It's inevitable that you will see less and less dollar-denominated transactions and more and more ruble-denominated transactions," he said.

At the state level, Russia has signaled it will opt for the euro as an alternative. Oleg Vyugin, the country's securities market regulator, told the Russian Economic Forum in London last month that the Central Bank's move away from the dollar would be *"smooth and gradual."*

Yeah, for them! Because they have a different currency to rely on!

*"Kudrin's words have a global effect on the value of the dollar and on where Russia will invest its reserves,"* said Yevgeny Nadorshin, chief economist at Trust investment bank.

Russia's foreign currency and *gold reserves grew by 46.3 percent in 2005, the fastest of any country.* As of April 14, the reserves stood at \$212 billion, the world's fifth-largest and close behind those of South Korea.

"Kudrin is the man that decides which currency those reserves are held in," Nadorshin said.

Two hours after Kudrin's remark, the dollar dropped 0.2 percent in value against the ruble, to 27.52 rubles to the dollar. The dollar had fallen only 0.66 percent the previous four weeks.

"What's interesting is that *you've never heard of any major Russian authority saying that the dollar has structural problems,*" Howell said. "Four years ago, that would not have hit the mark, but now it's timely and logical."

That was then. This is now.

For the last 10 years, U.S. budget and trade deficits have created an imbalance that negatively affects the dollar's value worldwide. *"A resolution of this means a major adjustment in the interest rates, which means a weakening of the dollar,"* Howell said.

*THAT* is for anyone who still thinks that **increasing interest rates fights inflation.**

INTEREST is by definition inflationary since it derives its value from the dollar to which it attaches.

When the FED increases interest rates, all it does is *redistribute wealth* - away from borrowers and to moneylenders.

*"The world has been too dollarized in the last decade,"* Deutsche UFG's Lissovolik said, adding that the market's global trend in the short to medium term would be to diversify into the euro and other convertible currencies.

Already, several central banks, including those of **Sweden** and Venezuela, have outlined a policy to increase the weighting of the euro in their foreign currency reserves at the expense of the dollar. The central banks of Argentina and Russia both signaled a move toward gold

to hedge against the dollar's volatility. Gold has been trading at 25-year highs at more than \$660 per ounce.

What stops the ruble from gaining full prominence, however, is not the fact that it is not a convertible currency or that it is only now starting to *gain the trust of the general public*, Lissovolik said. People want to know that the value of their ruble will not significantly depreciate in a year, he said.

It's all about **TRUST** - something our own government has utterly demolished around the world with over 50 years of FRAUD and GLOBAL IMPERIALISM.

America has only one chance to save itself from the death grip of international bankers - **nationalize our monetary system.**

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Thank **borkafatty** for the scoop!

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posted by qrswave @ [Wednesday, May 03, 2006](#)

[2 comments](#)

## 2 Comments:

At [Wed May 03, 03:40:00 PM EDT](#), Anonymous said...

why not get a write in party started ,call it the purple faced party, where red and blue blend together.  
number 1 priority. enacting rico charges against the bush admin, the fed reserve chair board members, the cfr, the trilateral com.,heritage think tank,pnac members,bilderbergers, military industrial complex board members, halli, carlyle, bechtel, kbr , blackwater , custer & battles, etc..... do you realize that when charged under rico statutes, all assetes can

be seized immediately, pre trial. use their offshore accounts to pay for prosecuting these weasels. also another platform would be before repealing patriot act and all other unconstitutional acts, charge all current named above under the patriot act provisions of enemy combatants as well as so we could be at our leisure before releasing the ones deemed not to be , by our special citizens review board.

Here comes the real justice, then market these thugs on ppv tv humiliation series, where lottery tickets are sold daily with the chance to win a trip and humiliate the political enemy combatant of your choice for 15 minutes, we could do this nonstop for 25 years, and make enough to pay for legitimate government health care and education for all as reparation for what they have stolen away from us with their ineptness wreckless treasonous acts. hey if you agree, run with it, paint your faces purple and explain how that with breaking up into groups throughout all voting districts in america , we can coordinate and win with a certified group of candidates that will follow these 2 platforms and do away with beauracracy and insurance and take the funds from the 2 previous methods above to achieve.the purple faces alone needs no further advertisement , other than the people with the painted faces to explain the process. you dont have to be on the ballot if enough write ins are there. and when we all have purple faces on election day, how can diebold and electronic voting machines say anything different. solutions would be simple from there. a simple world can be achieved

At [Wed May 03, 04:08:46 PM EDT](#), [qrswave](#) said...

Anon- That's brilliant - I love it!

I especially like the part about seizing their assets, charging them under the patriot act, and humiliating them on national tv!

One bucket of purple paint coming up!

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