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**Topic: What will African economies do once the US dollar and the euro collapse?**

**\*\*Special Update: 28 December 2011 -Source: Reuters—The IMF Chief Christine Lagarde warns Africa about the euro's pending fallout!**

**(<http://af.reuters.com/article/topNews/idAFJOE7BL00G20111222>)**

***You can no longer deny the skills! We at MGE19 can accurately predict future market movements and economic events with a high level of precision!***

**\*\*Special Update: 11 November 2011 -Source: Reuters—The IMF Chief Christine Lagarde warns Asia about the euro's pending fallout and the vulnerability of Asian markets to the collapse of the euro. (<http://www.reuters.com/article/2011/11/12/eurozone-idUSL5E7MC01620111112>)**

***I pray Africa understands that she has no other option but to seek out “self-sufficiency”. Neither China nor Russia is impermeable to the collapse of the euro and the US dollar. Your family at MGE19 Economic Research and Structural Models has the formula for economic self-sufficiency for Africa and the world to enjoy! Holla back!***

**\*\*Special Update: 27 December 2011 -Source: The Wall Street Journal—Japan and China are no longer settling their trades in US dollars. They are directly exchanging their currencies with one another. (<http://online.wsj.com/article/SB10001424052970203391104577121983605242196.html>)**

***This will increase the “area currency usage” of the yuan and the yen respectively—making both currencies more powerful than they currently are. However, this “weakens” the US dollar significantly because its “area currency usage” is reduced in two of the largest economies in the world. This reduction, or more plainly, “rejection” of the US dollar will add to the US dollar's inflation levels tremendously because the non-use of US dollars in two of the world's largest economies demonstrates the sharply-decreasing demand for US dollars where the supply of US dollars are already extremely excessive. In other words, if there are more dollars in the world economy than what that economy demands, this is inflation. If the demand for the US dollar shrinks drastically while the supply of US dollars is extremely excessive, this is monetary disaster on the scale of the hyperinflation experienced in Zimbabwe—except far worse! We are talking inevitable collapse! Will we accept a solution by the IMF—the ones who engineered all of this? Or will we find a better solution than what they may offer? Pssp! We have a better solution.***

*In the Name of Almighty God, the Beneficent the Merciful*

Today we are witnessing the inevitable collapse of Western economies. Inevitable—not because of the encompassing debt that Western nations have succumbed to; Inevitable—not because of misgovernance and misappropriation of fiscal revenue by government officials and embezzlement by central banking institutions. No. It is inevitable due the economic structures of these economies at the root. The economic structure is a parasitic design. The economic structures of these economies require “host” economies from which to gain its sustenance and preservation. The genius of this design is its ability to make the host economies believe they are themselves “dependent” on the “parasitic” economies—and can neither sustain nor preserve themselves *without* the assistance, guidance, financial backing and *currency* of the “parasite” economies. Simply genius! An absolutely marvelous and wonderful design!

These parasitic economies required an external labor force in order to extract resources from external economies in order to import natural resources that would *support* and *actually back* these parasitic economic structures. This is understandable because these resources were not produced in large quantities within these economies. However, to accomplish this, those external economies had to be utterly destroyed in order to reap maximum (limitless) benefit. Actually, this was not the only option. A cooperative measure could have been instituted if desired. However, this was not the desired option. Nonetheless, through deception and war-making, the twin institutions of slavery and colonialism were established. The purpose was to utilize the expertise and labor of the indigenous populations in order to extract the natural resources of those “host” economies in order to *support* and *back* the “parasite” economies of Europe.

Now we have the motivating factor behind European expansion into the Western hemisphere, Africa, Asia, and throughout the planet. This was an ingenious operation in its execution and effectiveness. The best executive factor is that the European populations actually convinced the indigenous populations that they can not produce anything for themselves from their own resources *without the expertise* of their successful European counterparts. This would be laughable if it was not true.

Let's fast-forward to the 1700's-1900's. All Western economies had currencies that were subjected to a monetary standard. This is a mechanism that allows a currency to be backed by a *monetized commodity* which is set at a particular nominal price per measure of that commodity. This *set price/measure* attribute was the indicator that detected inflationary and deflationary pressure at its earliest stages. This detection enabled the economies to check these market forces at their earliest stages by taking out and adding in currency in order to sustain the *set price/measure* of that monetized commodity. This brought price stability, monetary stability—for it stabilized and preserved the value of the currency, and ultimately, economic stability.

Although these parasitic economies were *dependent* on stolen labor, stolen natural resources, and stolen wealth, they were able to sustain and preserve themselves in real terms because they were able to *support* and *back* themselves with *real resources*. The currencies used and created by these European economies *represented real value* as a *unit of account*. They only *represented* real value because the real value was in the *real* natural resources from which they

extracted from the “host” economies. In other words, the currencies had *no value* within and of themselves.

Each parasitic economy had its own currency with its own monetary standard. These currencies were superimposed on their colonial “host” economies. This added to the *dependency* of these colonies on their colonial masters. These various monetary standards naturally had some difficulties in terms of trading and business. This is what prompted the call for Western nations to *unite their currencies*. Of course, there were other factors as well. During the first World War, the indigenous populations had experienced the power of the firearm at first hand when they used these weapons against the brothers and enemies of their colonial masters. This is what helped sparked the idea of revolution and freeing themselves of their imperialist masters.

The wickedly-wise Western powers saw this and needed to make preparations for this. It was not the idea of indigenous populations using weapons against them that scared them. On the contrary, it was the indigenous populations being *economically-independent* of them that warranted nightmares. A circumstance needed to be created that would enable these “parasite” economies to continue their control and extraction of natural resources (*wealth in real terms*) in their “host” economies in perpetuity. The most effective and proven means to accomplish this is through debt. The best established and most proven means to create debt is through war-making.

The Bretton Woods Conference of 1944 from 1-22 July is where the Western “parasite” economies *directly pegged* their currencies to the US dollar. These “parasite” economies literally *dropped* their monetary standards and adopted the “gold standard” *through* the US dollar. The central banks of these “parasite” economies and their “host” economies harmonized in terms of policy in order to become effective. This conference is where the International Reconstruction and Development Bank (IRDB), the International Development Bank (now IDA), the International Monetary Fund, and the World Bank (IRDB and IDA) originate. *Of course, the League of Nations became the United Nations in 1945. The same year these international banks were established. ([http://en.wikipedia.org/wiki/World\\_Bank](http://en.wikipedia.org/wiki/World_Bank), <http://www.un.org/aboutun/history.htm> )* The history of these organizations and institutions verifies *the intent of their creation* as mentioned in the paragraph above.

Of course, after the liberation wars, these banking institutions and Western economies offered to help these newly-emancipated economies in the rebuilding process. They loaned money to these newly-emancipated economies in order to rebuild the infrastructure and help them to “re-structure” their economies in order to “pay them back”. The most poisonous advice given, in my opinion, was the advice to *devalue their currency*. The deception is simple. It was explained that if they devalue their currency, prices will rise. The rise in prices will generate more revenue and increase economic growth. What these Western economists and international banking institutions *failed* to explain was that the economic growth would be *inflationary*. This means that eventually *costs* would catch up with *revenue levels*—significantly diminishing profit margins which will result in economic decline. The other aspect of this inflationary economic growth is that the purchasing power of their currency will become significantly weak where their former parasitic colonial masters will be able to extract resources and labor from those “host” economies at a much cheaper rate than in their own economies. The implementation of this failed monetary policy is the *direct reason* why Western economies continue to have economic dominance in so-called developing economies. This is also the direct reason why Western economies can buy raw materials at a very inexpensive rate, create finished products, sell it back

to the “host” economies at retail prices, and *still* make ridiculous profits although the “host” currency has a significantly-reduced purchasing power.

Fast-forward to 15 August 1971; the former US President Nixon *was directed* to sever the US dollar-gold link—liberating the US dollar from the restraints and the constraints of the gold monetary standard which governed US monetary policy. The fiat bill was created, and now the US economy was subjected to the money-supply decisions and the interest rate targets of the Federal Reserve bank. Although the dollar was no longer connected to gold, the world currencies were *still connected* to the US dollar. This, in effect, subjected the world economies to the money-supply decisions and interest rate targets of the Federal Reserve bank. (*Now you know how what happened in the US housing market grew into the so-called World Financial Crisis. Oops!*) Whatever happens in the US economy affects the world economies, and since the “host” economies devalued their currencies, they feel the effects of reckless money-supply forces and manipulated interest rates the earliest and the hardest. In a nutshell, the world economies are controlled by remote control via the US dollar—including China! (*See “Warning to Latin American Governments” in the R & A section at: <http://www.mge19.com> )* There's no other reason why China is experiencing inflation in general and food-inflation in particular—except that the yuan is still directly pegged to the US dollar. Of course, the yuan was de-pegged from the US dollar by 2%. This increased the purchasing power of the yuan by 2%—allowing the yuan to receive more US dollars for less yuan—the center of the US-Sino trade disputes. However, the yuan is not 100% independent of the US dollar; it is only 2% of the way.

What is the point of this? What will African economies do once the US dollar and the euro collapse? African economies are in a very vulnerable position because of their artificial dependency on external economies—including China. It has been stated that those who control the resources of Africa will become the next superpower for the 21<sup>st</sup> Century. In 2005, you could hardly find any so-called developed economy seriously considering serious investment in many African nations. Africa suffered from severe *capital flight*. It was known to be a hotbed for corruption, wars, famine, and poverty. Not much has changed, yet today there is an explosion of investors looking to invest in Africa. Investment capital, infrastructural financing, and other forms of capital are blasting their way to African economies from the US, Europe, China, and India. France, NATO, Africom, and other entities from parasitic economies are increasing their military presence in the continent. Is there a sudden interest in *the people* of Africa or in the resources of Africa? Well, if it is the control of the resources of Africa that will make the prospective nations the next superpower in the 21<sup>st</sup> Century, should not Africa control its own resources *and become the 21<sup>st</sup> Century's next superpower*? I'm just saying. What worries me is this: We have the Francophone nations still using the franc. This is why the French President Sarkozy interfered in the Ivory Coast elections because he did not want the Francophone African nations to develop their own monetary system. This is the same reason why Libya is being bombarded today. Bro. Leader Al-Qathafi wanted to establish the gold dinar as the Pan-African currency and create a Pan-African monetary system that would no longer accept anything but gold to exchange for oil. This would have broken Europe *just a little bit quicker* than Europe is breaking itself. We have Anglophone African nations that still use the euro and are members of the British Commonwealth—although those nations are still impoverished.

Let's take Zimbabwe for example. They are a revolutionary nation that has taken back colonially-stolen land and given the land back to the indigenous Blacks. This must be applauded and admired because this is a true act of justice and liberation for the indigenous Blacks of that nation who has suffered unspeakable evils by their white occupiers. Because of this selfless act,

Zimbabwe is punished by economic sanctions. The sanctions caused the Zimbabwean economy to suffer hyper-inflation. In 2007, I had offered to help them save the Zimbabwean dollar from the effects of hyper-inflation. I have made this offer on several occasions. However, they decided to shelf the Zimbabwean dollar and implement foreign currencies such as the US dollar, the euro, and the Azanian rand in order to stabilize their economy. This has been successful, although foreign currency has been difficult to attain, and those whose savings were in Zimbabwean dollars were wiped out due to the hyper-inflation. Now that the euro is collapsing and the US dollar is beginning its fall, what will the Zimbabwean economy do? Zimbabwe does have a “Look East” policy where China and India are making strategic investments in Zimbabwe under very good terms. This is great! It is great to have an alternative to the beastly dealings with the West. However, the yuan is still directly pegged to the US dollar and is subjected to the value-pendulum swings of the US dollar and so is the rupee. My question is: Instead of “Looking East” why not “Look to Itself”? Zimbabwe alone was the third largest producer of gold in the world. It is mineral rich. All African nations are mineral and resource rich. Why not connect your currency to the land by backing it with a monetized commodity and disconnect it from the collapsing fiat currency market which is dominated by the parasitic economies? When the US dollar falls and the euro falls, the world markets are going to go down with them. This includes China—the largest holder of US debt. It is high time that Africa become the next economic superpower by gaining control over its own resources. I mean, c'mon , how simple is that?

*MGE19 Economic Research and Structural Models is an economic research firm based in the United States that specializes in Predictive Market Analysis (PMA) and economic structural models designed to create economic stability on a permanent basis and perpetual economic growth through monetary and fiscal paradigms. MGE19 has designed the monetary policy for an oil-backed currency in which President Chavez is pushing for OPEC to implement. You can learn more about MGE19 Economic Research and Structural Models by going to the company website:*

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