



Written by [Alex Newman](#) on November 11, 2011

## Gadhafi's Gold-money Plan Would Have Devastated Dollar

Oil, of course, has been mentioned frequently — Libya is Africa's largest oil producer. But one possible reason in particular for Gadhafi's [fall from grace](#) has gained significant traction among analysts and segments of the [non-Western media: central banking and the global monetary system](#).



According to more than a few observers, Gadhafi's [plan](#) to quit selling Libyan oil in U.S. dollars — demanding payment instead in gold-backed “dinars” (a single African currency made from gold) — was the real cause. The regime, sitting on massive amounts of gold, estimated at close to 150 tons, was also pushing other African and Middle Eastern governments to follow suit.

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And it literally had the potential to bring down the dollar and the world monetary system by extension, according to analysts. French President Nicolas Sarkozy [reportedly](#) went so far as to call Libya a “threat” to the financial security of the world. The “Insiders” were apparently panicking over Gadhafi's plan.

“Any move such as that would certainly not be welcomed by the power elite today, who are responsible for controlling the world's central banks,” noted financial analyst Anthony Wile, editor of the free market-oriented *Daily Bell*, in an [interview with RT](#). “So yes, that would certainly be something that would cause his immediate dismissal and the need for other reasons to be brought forward [for] removing him from power.”

According to Wile, Gadhafi's plan would have strengthened the whole continent of Africa in the eyes of economists backing sound money — not to mention investors. But it would have been especially devastating for the U.S. economy, the American dollar, and particularly the elite in charge of the system.

“The central banking [Ponzi scheme](#) requires an ever-increasing base of demand and the immediate silencing of those who would threaten its existence,” Wile noted in a piece entitled “[Gaddafi Planned Gold Dinar, Now Under Attack](#)” earlier this year. “Perhaps that is what the hurry [was] in removing Gaddafi in particular and those who might have been sympathetic to his monetary idea.”

Investor newsletters and [commentaries](#) have been buzzing for months with speculation about the link between Gadhafi's gold dinar and the NATO-backed overthrow of the Libyan regime. Conservative analysts pounced on the potential relationship, too.

“In 2009 — in his capacity as head of the African Union — Libya's Moammar Gadhafi had proposed that the economically crippled continent adopt the ‘Gold Dinar,’” [noted](#) Ilana Mercer in an August opinion



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piece for *WorldNetDaily*. “I do not know if Col. Gadhafi continued to agitate for ditching the dollar and adopting the Gold Dinar — or if the Agitator from Chicago got wind of Gadhafi’s (uncharacteristic) sanity about things monetary.”

But if Arab and African nations had begun adopting a gold-backed currency, it would have had major repercussions for debt-laden Western governments that would be far more significant than the purported “democratic” uprisings sweeping the region this year. And it would have spelled big trouble for the elite who benefit from “[freshly counterfeited funny-money](#),” Mercer pointed out.

“Had Gadhafi sparked a gold-driven monetary revolution, he would have done well for his own people, and for the world at large,” she concluded. “A Gadhafi-driven gold revolution would have, however, imperiled the positions of central bankers and their political and media power-brokers.”

Adding credence to the theory about why Gadhafi had to be overthrown, as *The New American* [reported](#) in March, was the rebels’ odd decision to create a central bank to replace Gadhafi’s state-owned monetary authority. The decision was broadcast to the world in the early weeks of the conflict.

In a statement describing a March 19 meeting, the rebel council announced, among other things, the creation of a new oil company. And more importantly: “Designation of the Central Bank of Benghazi as a monetary authority competent in monetary policies in Libya and appointment of a Governor to the Central Bank of Libya, with a temporary headquarters in Benghazi.”

The creation of a new central bank, even more so than the new national oil regime, left analysts scratching their heads. “I have never before heard of a central bank being created in just a matter of weeks out of a popular uprising,” noted Robert Wenzel in an analysis for the *Economic Policy Journal*. “This suggests we have a bit more than a rag tag bunch of rebels running around and that there are some pretty sophisticated influences,” he added. Wenzel also noted that the uprising looked like a “major oil and money play, with the true disaffected rebels being used as puppets and cover” while the transfer of control over money and oil supplies takes place.

Other analysts, even in the mainstream press, were equally shocked. “Is this the first time a revolutionary group has created a central bank while it is still in the midst of fighting the entrenched political power?” wondered CNBC senior editor John Carney. “It certainly seems to indicate how extraordinarily powerful central bankers have become in our era.”

Similar scenarios involving the global monetary system — [based on](#) the U.S. dollar as a global reserve currency, backed by the fact that oil is traded in American money — have also been associated with other targets of the U.S. government. Some analysts even say a pattern is developing.

Iran, for example, is one of the few nations left in the world with a state-owned central bank. And Iraqi despot Saddam Hussein, once armed by the U.S. government to make war on Iran, was threatening to start selling oil in currencies other than the dollar just prior to the Bush administration’s “regime change” mission.

While most of the establishment press in America has been silent on the issue of Gadhafi’s gold dinar scheme, in Russia, China, and the global alternative media, the theory has exploded in popularity. Whether salvaging central banking and the corrupt global monetary system were truly among the reasons for Gadhafi’s overthrow, however, may never be known for certain — at least not publicly.

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