



Written by [Alex Newman](#) on March 30, 2011

“Libyan Rebels” Create Central Bank, Oil Company

As analysts debate possible motives behind President Obama’s United Nations-backed military intervention in Libya, one angle that has received attention in recent days is the rebels’ seemingly odd decision to establish a new central bank to replace dictator Muammar Gadhafi’s state-owned monetary authority — possibly the first time in history that revolutionaries have taken time out from an ongoing life-and-death battle to create such an institution, according to observers.



In a [statement](#) released last week, the rebels reported on the results of a meeting held on March 19. Among other things, the supposed rag-tag revolutionaries announced the “[d]esignation 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 [Gadhafi regime’s central bank](#) — unlike the U.S. Federal Reserve, which is [owned](#) by private shareholders — was among the few central banks in the world that was entirely state-owned. At the moment, it is unclear exactly who owns the rebel’s central bank or how it will be governed.

The so-called Interim Transitional National Council, the rebels’ self-appointed new government for Libya purporting to be the “sole legitimate representative of Libyan People,” also trumpeted the creation of a new “Libyan Oil Company” based in the rebel stronghold city of Benghazi. The North African nation, of course, has the continent’s largest proven oil reserves.

The U.S. government and the U.N. have both recently [announced](#) that the rebels would be free to sell oil under their control — if they do it without Gaddafi’s National Oil Corporation. And the first shipments are set to start next week, according to [news reports](#) citing a spokesman for the rebels.

But 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.”

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. And other analysts agreed.



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A popular blog called *The Economic Collapse* used sarcasm to express suspicions about the strange rebel announcement. “Perhaps when this conflict is over those rebels can become time management consultants. They sure do get a lot done,” joked the piece, entitled “[Wow That Was Fast! Libyan Rebels Have Already Established A New Central Bank Of Libya.](#)”

The blog also commented, sarcastically again, on the possibility of outside involvement. “What a skilled bunch of rebels — they can fight a war during the day and draw up a new central bank and a new national oil company at night without any outside help whatsoever. If only the rest of us were so versatile! ... Apparently someone felt that it was very important to get pesky matters such as control of the banks and control of the money supply out of the way even before a new government is formed,” read the piece.

Even mainstream news outlets were puzzled. “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.”

But some observers are convinced that the central bank issue was actually the primary motivation for the international war against Libya’s dictatorship. In an article that has spread far and wide across the web, entitled “[Globalists Target 100% State Owned Central Bank of Libya,](#)” author Eric Encina maintains that the world’s “globalist financiers and market manipulators” could not stand the Libyan monetary authority’s independence, explaining:

Currently, the Libyan government creates its own money, the Libyan Dinar, through the facilities of its own central bank. One major problem for globalist banking cartels is that in order to do business with Libya, they must go through the Libyan Central Bank and its national currency, a place where they have absolutely zero dominion or power-broking ability. Hence, taking down the Central Bank of Libya (CBL) may not appear in the speeches of Obama, Cameron and Sarkozy but this is certainly at the top of the globalist agenda for absorbing Libya into its hive of compliant nations.

And when Gadhafi is gone and the dust has settled, according to Encina, “you will see the Allied reformers move in to reform Libya’s monetary system, pumping it full of worthless dollars, priming it for a series of chaotic inflationary cycles.” The future of Libya’s vast gold stockpiles could also be in jeopardy, he noted.

Numerous other analysts and experts have also pointed to the central banking issue as one of the top factors leading up to the Western backing of Libyan rebels. Monetary historian Andrew Gause, for example, recently [shared his concerns](#) about the matter publicly.

Other points made in the rebels’ odd announcement last week included preparations to send Gadhafi to the U.N.’s International Criminal Court for trial, the selection of diplomats to send abroad, and the desire for other governments to recognize the Transitional National Council as the legitimate new rulers of Libya. France has already done so, and other governments may soon follow suit.

Of course, the U.S. government [claims](#) to have very little knowledge about who the rebels actually are. But the U.S. Commander of NATO forces recently [admitted](#) to the Senate that hints of al Qaeda involvement have been detected among the rebels. The terror group was created, armed, funded, and trained by the U.S. government decades ago, as Secretary of State Hillary Clinton [admitted](#) even recently. But since then, it has targeted American embassies and other U.S. targets.



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As *The New American* [reported](#) over the weekend, elements of al Qaeda and affiliated terror groups are indeed among the leadership of the revolution. But despite that fact, the U.S. government and the international coalition are providing air support and weapons for the new central-bank-creating rebels. Where the conflict goes from here is uncertain, but Western regimes have vowed not to let Gaddafi remain in power.

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Photo: Central Bank of Libya building in Tripoli



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