

WHAT'S IN IT FOR CHINA ON BRETTON- WOODS DISINFORMATION ? - HOW CHINA TRANSFERRED ITS CURRENCY LEGITIMACY PROBLEMS TO U.S. DOLLARS

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PHENOMENOLOGICAL BACKGROUND

There is a prominent phenomenon on the positive correlations between the time the United States of America (USA) establishing diplomatic ties with the People's Republic of China (PRC) and the soaring Gini index of the USA, apart from the replacement of the Republic of China (ROC) with the PRC in the United Nations (UN) Security Council (Bank, 2020). Accompanied was Nixon's New Economic Policy historians recorded as the end of the Bretton Woods System (Historian, 1971).

Rarely has it been noticed that the Bretton Woods methodology has not been obsolete in macroeconomy. Nasdaq Incorporated has succeeded the Bretton Woods methodology in its index methodology, and the XAU/USD market is still an important factor for global real economy and the price market.

The two phenomena raised my questions for the brief analyses presented in the commentary: how do the phenomena relate to the offshore realm, why did Nixon abandon Bretton Woods System in global liberal institutionalism considering the anthropological psychological inertia of gold possession, fiat money, and wars, and most importantly, did and how did PRC apply its supply-side hijacking strategy in global economy through the sovereign fund institutionalism (Menzie, 2002; Kaldor, 2011; Volkov, 2011; Pachankis, 2022; Pachankis, 2023).

PHENOMENON IN THE STOCK MARKET

High frequency trading and short selling have been a common practice since PRC opened up the Shanghai Stock Exchange in 1991 after the long years of planned economy (Sachs, 1990). In practice, however, the

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structure of command economy in PRC has never changed, signified by the forced geo-energy project of the Three Gorges Dam after the 1989 Tian'anmen Square Massacre (Pachankis, 2022). Such phenomena cannot be separately read without considering the factor of PRC's import & export restrictions and exchange rate controls on an institutional scale.

The phenomena imply that PRC has been manipulating the flows and supplies of currency with its domestic and international dichotomy. There is a subtle anthropological cultural phenomenon that banks, with psychological suggestions to maritime trade histories in Western culture, are literally named "silver stock", inherited from the official controls of gold in imperial China (Menzies, 2002). With the key to the "Tribute System" of traditional China supply controls based on geological reductionism, the command economy and its bureaucratic structures of the Communist Party of China (CPC) strictly adhere to the anthropological psychological means and the central bank of PRC, People's Bank of China (PBOC), directly controls Shanghai Gold Exchange (Bodde & Morris, 1967; Ch'ü, 1970; Government, 2023).

The PBOC's quantitative currency engraving and printing has been anchored to the US dollars. The operation combined with the above phenomena, on a structural level, is thus seen as the reversed operation of the Bretton Woods System after PRC joining the International Monetary Fund (IMF), and the currency digitization developments further enable the geological reductionism method with satellite applications. The phenomena from the market side of analysis supports the possibilities that Huntington's observation on "second generation indigenization" is a structurally designed scheme other than a natural phenomenon (Huntington, 1996; Pachankis, 2022).

PRICE OF A SOVEREIGN

Without a global bottom-up democratic process, the "invisible hand" is obsolete in global economy. The China fever was based upon the presumption of the UN's intergovernmental functions on the financial market and the positivist constructivism in global division of labor; yet the Tulip Mania can still occur in functional democratic economy (Gill, 1997). Market capitalization of a collection of companies is not only a variable for economic performance, but also, from the loosening of the fiat money's rigid payment, the expectations and futures of a currency's market values.

The Nasdaq's index methodology is anchored to the rigid payment of gold in stabilizing the price market, and the US' end of the Bretton Woods System only adjusted the currency's time variables with the maritime culture, and not the currency credit of the stock market values nor the US dollar's reflections on the real economy. In contrast, PRC has strictly institutionalized the Initial Public Offering (IPO) and insurance companies' monetary flows under the China Banking and Insurance Regulatory Commission in its domestic and the global market, with controls in the offshore realm evidenced and PBOC's operations on the dualist Renminbi (RMB) and offshore RMB currency structure. (Pachankis, 2023).

Analogously, the PRC's operations of the PBOC is no different from the characteristic models of financial crimes for company-based Ponzi scheme

in the stock market in raising company valuation. As all major companies from PRC are stationed with a CPC branch with its “United Front” policy and institutionalism, high frequency trading and short selling are explainable for the pattern of offshore RMB operations with geopolitics coordination. (Pachankis, 2023). The only difference of the sovereign-based Ponzi scheme with a country equipped with nuclear weaponry is that “might is right” can work in international relations for realpolitik and power political bargaining, underlying the reasons for its ever-increasing military spending. Its influence to global economy further raises the fear and anxiety driven needs for gold while the PRC ravages global supplies with the over-evaluated RMB (Pachankis, 2023).

THE HUMANITARIAN DILEMMA

I do not criticize Donald Trump’s reactions during presidency, but I criticize his ignorance for humanitarian concerns. With the PBOC’s currency issuance anchored to the US dollars and the de facto mechanism of Bretton Woods System in the American market in Nasdaq, gold-price-driven treasury loss is anchored to the US economy. The IMF is a multilateral institution, and the bilateral monetary schemes under the “hide your strength bide your time” policy margins on geopolitics with financial economy marginal gains (Mastro, 2019).

Further problematic is the global future market of crude oil. Different from the old Space Race, PRC does not need to rely on its domestic economic structure like the Soviets did (Gill, 1997). Disinformation on the US’ purposes for oil with its currency power started from the Iraq war against terrorism, which coincides with the geopolitical interests of PRC and the later “Belt Road Initiative”. Russia’s cooperation with PRC in the South China Sea substantially hedged the market with power politics, and the raw resource’s market and industrial segments in the price market incentivizes PRC’s infrastructural needs in order to preserve the refined propulsion resources (Pachankis, 2023). Only under such a circumstance the US Congress started to restrict technological export in the commercial space industry (Commerce, 2017).

As it comes to the humanitarian dilemma, field researches suggest the Chinese population’s income structure to their RMB’s Purchasing Power Parity is destructed with the quantitative controls of foreign currency holding in civilians, the offshore RMB operations, and the supply chain hijacking (Pachankis, 2022). The Trump Administration’s panic for saving the US economy is not unjustified with the contexts, but the politics further harmed the persons already victimized - before the Coronavirus pandemic.

While the Gini Index of the US still remains high, its currency value, as differentiated from its monetary implications and sovereign trust, comes to the stake.

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