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Inside Cover

- ▶ [Sensenbrenner: Job Still Not Done](#)
 ▶ [Searching for the Blue Suitcase](#)
 ▶ [Former Michigan Governor Mulls DNC Post](#)
 ▶ [Pro-choice Congressman Infuriates Dems](#)
 ▶ [Congressman Suggests Jail for Annan](#)
 ▶ [Kennedy Proposes Monument to Himself](#)
 ▶ [Cobb: Recount Could Make Kerry Prez](#)
 ▶ [Spitzer Runs for Governor of New York](#)
 ▶ [Hillary Bags Aging Committee Assignment](#)
 ▶ [Even in Florida, Giuliani Beats Jeb Bush](#)
 ▶ [9/11 Report Urges Driver's License Reform](#)
 ▶ [Clinton Shills for China's Search Engine](#)
 ▶ [More Inside Cover Stories](#)

OPEC Dumps the Dollar**NewsMax Wires****Tuesday, Dec. 7, 2004**

Quietly but with malice, OPEC cartel nations have been dumping the U.S. dollar over the past three years, according to the Bank for International Settlements (BIS).

The dollar has been falling dramatically in recent years -- reaching new lows against the Euro and other currencies.

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One key culprit may be OPEC states who have traditionally denominated their transactions in U.S. dollars - but are now moving to the Euro in what the BIS says is a "subtle but noticeable" shift.

OPEC's actions may have been precipitated by Sept. 11 and the Bush administration's "war on terror" - a war hotly opposed by almost all OPEC nations.

BIS data reveals that OPEC states have reduced their dollar deposits from 75 per cent in the third quarter of 2001 to 61.5 per cent today - a fall of of some 13 percentage points.

"Since the third quarter of 2001, oil revenue seems to have been channeled increasingly into euro and other currency deposits," the bank said. "This shift out of U.S. dollars probably reflected to some extent the relative change in interest rates in the United States and the euro area since 1998."

The Financial Times also reported Monday that OPEC nations are also moving away from pricing oil in dollars.

The move away from the dollar could prove catastrophic for U.S. economic interests and bring to an end to more than a half century of dollar supremacy around the globe.

The FT suggested the shift by OPEC was due to "private Middle East investors" who are "worried about the prospect of U.S.-held assets being frozen as part of the war on terror, leading to accelerated dollar-selling after the re-election of President George W. Bush."

Hans Redeker, global head of foreign exchange strategy at the French bank BNP Paribas, blamed the U.S. Patriot Act.

"If you trade with what the U.S. regards as a 'dodgy' bank, you are at risk of your assets in the U.S. being frozen," he said. "After the re-election of George Bush, the Middle East started to sell dollars like crazy due to the fears of

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assets being frozen."

The effect of the move away from the dollar has left the U.S. financial interests with a black eye.

Critics of the European Union have suggested that the introduction of the common currency known as the Euro was an effort to weaken the dollar's supremacy and to steal the OPEC account from the U.S. dollar.

These claims may be justified with the latest data from the Bank for International Settlements.

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