

# The End of American “Exceptionalism”?

Failing banks, inflation, soaring interest rates and the flight from the petrodollar could become a disaster for ordinary Americans

By [Philip Giraldi](#)

Global Research, April 18, 2023

Region: [USA](#)

Theme: [Global Economy](#)

All Global Research articles can be read in 51 languages by activating the Translate Website button below the author's name.

To receive Global Research's Daily Newsletter (selected articles), [click here](#).

Click the share button above to email/forward this article to your friends and colleagues. Follow us on [Instagram](#) and [Twitter](#) and subscribe to our [Telegram Channel](#). Feel free to repost and share widely Global Research articles.

\*\*\*

*Watching a once great nation commit suicide is not pretty. President Joe Biden does not seem to understand that his role as elected leader of the United States is to take actions that directly or indirectly benefit the folks who voted for him as well as the other Americans who did not do so. That is how a constitutional democracy is supposed to work.*

*Instead, Biden and the gang of introverts and neocon war criminals that he has surrounded himself with have done everything that can to inflict fatal damage on the economy through rash initiatives both overseas and at home. A spending spree to buy support from the bizarre constituencies that make up the Democrat Party base while also fighting an undeclared war in Europe have meant that nearly two trillion dollars has been added to the national debt under Biden's rule, a debt that was already unsustainable at nearly \$30 trillion, larger than the United States' gross national product. Plans to cancel student loan debts will add hundreds of billions of dollars more to the red ink.*

And those actions undertaken overseas, to include continuing to expand the war in Ukraine against Russia, will do immeasurable more damage. Consider how the Democratic Party has long had it in for Russian Federal President Vladimir Putin, dating back to when Putin took power in 2000 and started kicking out the western scallywags who were looting his country.

Subsequently, false intelligence and other innuendoes were contrived by Hillary Clinton and her team in 2016 to implicate Donald Trump as a Russian stooge who was secretly working for Putin. When that didn't work and Trump was elected, the Russians were accused by the media and Democrats of willy-nilly interfering in US elections more generally speaking, a much-exaggerated claim in contrast to the overwhelming silence surrounding the real electoral and policy interference, which has been coming from Israel and its fifth column inside the United States, who, not coincidentally, are the chief proponents of the war against Russia.

Placing a target on Vladimir Putin's back appears to have an unfortunate consequence which Biden has yet to wake up to, namely the fact that the United States now has what might be described as a Ponzi scheme faux economy which is very vulnerable, particularly as much of the world has become disenchanted with the US style of global leadership. Note for example [the recent state visit](#) by French President Emmanuel Macron to Beijing, where he embraced a "global strategic partnership with China" to bring about a "multipolar" world, freed of "blocs" that is not sheltering behind "Cold War mentality." Macron also criticized the "extraterritoriality of the US dollar."

And threats made by the Bidens against both China and Russia have accomplished little beyond drawing the two major political and military powers closer together. Beijing and Moscow entered into a trade agreement in their own currencies in 2014 and have openly taken steps to challenge US dominance of international currency exchanges, creating instead a global multipolar trading environment. Europe aside, many nations are now eager to cut the tie that binds, which is the decades long American dominance of international financial mechanisms and also the general use of dollars to pay for oil and other energy supplies. The widespread use of petrodollars enables the buffoonish Janet Yellen at the US Treasury and the Federal Reserve banks to print unlimited unbacked fiat currency, knowing that there will always be a market for it.

Which brings us back to the Ukraine war, pursued "until we win" by Biden and his somnolent Secretary of State Antony Blinken. One of the first moves when Russia intervened in Ukraine was to block and eventually confiscate Russia's 300 billion dollars-worth of foreign reserves in banks in the US and Europe. That sent a shock wave across currency markets all around the world. Biden and Yellen had weaponized the US's own national currency, which hitherto had been an untouchable step in international relations for nations that were not actually at war. Countries like China and India with large economies then realized that the US Treasury Department and the dominance of the dollar as an exchange currency had now become a weapon of war and a serious threat to the economies of all other nations.

As a consequence, the US Dollar is right now being rejected by many nations as the world's reserve currency. Some nations all over the world have agreed to use the Chinese Yuan and Indian Rupee for any-and-all international currency transactions. Saudi Arabia continues to use the petrodollar but does not demand it. Recently, Saudi Crown Prince Mohammed bin Salman and Chinese President Xi Jinping agreed to permit the Saudis to sell oil to China in Yuan. Saudi Arabia, the world's largest oil exporter, is now allowing multiple currencies to be used to purchase its oil, a major attack on the primacy of the US dollar and it also has accepted Chinese mediation [to mend fences](#) with the US and Israel's arch enemy Iran. And the Saudis have even more recently refused a Biden Administration request that it start pumping more oil to reduce energy costs, signaling that the shift is both political and economic in nature. Japan, a major economy, has also [started purchasing oil and gas directly from Russia](#) against the US imposed energy embargo while Brazil, another major economy, has agreed to use the Yuan in its increasing trade with China. As fewer nations utilize the US dollar, America's ability to export and ignore its burgeoning domestic debt and inflation to other countries is being diminished.

This might have a decisive impact on the US currency as the drive to break with the petrodollar continues to grow and could [produce something like a "perfect storm"](#) impacting on the US economy. It threatens to drastically lower the standards of living of nearly all Americans within the next several years as the dollar loses value and purchasing power. As

the US economy is heavily interconnected with many European economies, Europe is also likely to be a victim of the coming disaster.

The good news, of course, is that the United States will no longer be able to afford its endless wars and international interventions. Lacking its economic power, it will no longer be able to declare itself “exceptional” and the enforcer of a “rules based international order.” It would mean an ending of the funding of developments like the Ukraine proxy war and the troops will have to come home from places like Syria and Somalia. And it might even mark the ending of sending billions of dollars annually to a wealthy Israel.

Ending dollar supremacy would inevitably have an immediate impact on what passes for US foreign policy, making it more difficult for Washington to initiate and sustain Treasury Department sanctions on countries like Iran and North Korea. It could also create economic turmoil for many countries until the situation resolves itself by producing greater volatility in currency markets worldwide. The Federal Reserve Bank will no doubt respond to the unfolding crisis by acting as it always does by raising interest rates to astronomical levels, thereby hurting most the Americans who can least afford the shock therapy.

And it did not have to turn out this way. It could have been avoided. If the US, which had no horse in the race, had left Ukraine alone Vladimir Putin would not have become a symbol of defiance against the “Rules Based International Order” and he would not have worked with China to establish multipolarity in the way the financial world operates. Instead, we have a situation where Europe is being de-industrialized due to soaring energy prices and Washington’s destruction of the Nord Stream pipelines while the US is potentially confronting economic disaster as the dollar’s relevance to international trade sinks. The ultimate irony is that Russia, and also the US/Israeli arch enemy Iran, are by comparison doing quite well economically as they sell their oil and gas to anyone in any currency. One has to conclude that when US Treasury Secretary Janet Yellen recently made her [secret trip](#) to Kiev to promise the despicable Volodymyr Zelensky billions of taxpayer dollars the United States might just have been better served if she had stayed in Washington and made some minimal effort to address the mounting economic problems confronting us here at home.

\*

Note to readers: Please click the share button above. Follow us on Instagram and Twitter and subscribe to our Telegram Channel. Feel free to repost and share widely Global Research articles.

*This article was originally published on [The Unz Review](#).*

*Philip M. Giraldi, Ph.D., is Executive Director of the Council for the National Interest, a 501(c)3 tax deductible educational foundation (Federal ID Number #52-1739023) that seeks a more interests-based U.S. foreign policy in the Middle East. Website is [councilforthenationalinterest.org](http://councilforthenationalinterest.org), address is P.O. Box 2157, Purcellville VA 20134 and its email is [inform@cnionline.org](mailto:inform@cnionline.org).*

*He is a regular contributor to Global Research.*

*Featured image is from TUR*

[\*\*Comment on Global Research Articles on our Facebook page\*\*](#)

[\*\*Become a Member of Global Research\*\*](#)

Articles by: [Philip Giraldi](#)

**Disclaimer:** The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)

[www.globalresearch.ca](http://www.globalresearch.ca) contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)