

## Crash of the Dollar? Is the US Dollar Doomed?

According to Bloomberg, "The era of the U.S. dollar's "exorbitant privilege" as the world's primary reserve currency is coming to an end"

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Global Research, June 12, 2020

Region: [USA](#)

Theme: [Global Economy](#)

*The US Dollar is in trouble. Many of us in the alternative media and several economists who were ignored by the mainstream media and others saw this coming many years ago. The mainstream media is now listening, in this case Bloomberg News in an opinion piece written by Stephen Roach, 'A Crash in the Dollar Is Coming' gives the reader something to think about. What is surprising is what Mr. Roach said in the beginning of his piece, "the world is having serious doubts about the once widely accepted presumption of American exceptionalism." A truth to consider given the fact that the world sees Washington's double standards when it comes to geopolitics, economics and free trade. Roach says that the U.S. dollar's "exorbitant privilege" is over:*

The era of the U.S. dollar's "exorbitant privilege" as the world's primary reserve currency is coming to an end. Then French Finance Minister Valéry Giscard d'Estaing coined that phrase in the 1960s largely out of frustration, bemoaning a U.S. that drew freely on the rest of the world to support its over-extended standard of living. For almost 60 years, the world complained but did nothing about it. Those days are over

Wow, makes me think how long he will last working at Bloomberg? Not only did the US cripple its economy by consuming a massive amount of debt that will never be repaid, they supported government programs, corporate bailouts and the most expensive government bill for taxpayers to date, funding the military-industrial complex. Trump increased the military budget to rebuild the military to continue its wars in Afghanistan, Syria and Iraq with new wars in the making with Iran and possibly Venezuela. Washington loves wasting trillions of dollars to sow destruction and chaos to keep the oil and heroin coming into U.S. shores. They have used US dollars as leverage against its adversaries from the Caribbean to the Asia Pacific for not obeying Uncle Sam. The US has imposed an embargo on Cuba, followed by economic sanctions on various nations for decades. Now the US is about to experience a new reality and that is its weapon of choice, the US dollar is on a verge of collapse. When will it happen? We don't know, we don't have crystal ball to foresee when exactly the US dollar will collapse, but it will happen:

Already stressed by the impact of the Covid-19 pandemic, U.S. living standards are about to be squeezed as never before. At the same time, the world is having serious doubts about the once widely accepted presumption of American exceptionalism. Currencies set the equilibrium between these two forces — domestic economic fundamentals and foreign perceptions of a nation's strength or weakness. The balance is shifting, and a crash in the dollar could well be in the offing

An article published by *Marketwatch.com* in 2019 ‘*Why Jim Rogers rejects notion of U.S. dollar as safe haven*’ said that “*Enter Jim Rogers, the chairman of Rogers Holdings, who says dollar fundamentals are “horrible,” but he’s buying it to prepare for the currency’s last-gasp rally.*” Rogers declared in an interview with *Real Vision* that “*People would think the U.S. dollar is a safe haven, it’s not. The fundamentals are horrible. Nobody in his right mind would buy the U.S. dollar, but I own a lot...because I’m not in my right mind. I’m assuming that the rest of the world is not in its mind either and they’re all going to buy it.*” Jim Rogers predicted that the US dollar will be a bubble in a couple of years “*I’m not very good at market timing but I would expect it to be in the next period of turmoil, which will be coming in the next two or three years.*” He was right as many others with the Covid -19 scare plus protests over the murder of George Floyd followed by economic instability is a combination that will pop the debt bubble. Stephen Roach also mentions the enormous budget deficit:

Lacking in domestic saving, and wanting to invest and grow, the U.S. has taken great advantage of the dollar’s role as the world’s primary reserve currency and drawn heavily on surplus savings from abroad to square the circle. But not without a price. In order to attract foreign capital, the U.S. has run a deficit in its current account — which is the broadest measure of trade because it includes investment — every year since 1982.

Covid-19, and the economic crisis it has triggered, is stretching this tension between saving and the current-account to the breaking point. The culprit: exploding government budget deficits. According to the bi-partisan Congressional Budget Office, the federal budget deficit is likely to soar to a peacetime record of 17.9% of gross domestic product in 2020 before hopefully receding to 9.8% in 2021

Roach does write for an anti-Trump financial news outlet and possibly salvaged his job as he conveniently blames President Trump (*in all fairness, he does deserve at least some of the blame*) for the economic decline, but this in all due respect began when the US government launched its quest to abandon the gold standard in 1933, then it officially ended the gold standard in 1971. The US dollar is not backed by anything of value, it’s only backed by imposing sanctions, embargoes or by military threats if any sovereign nation planned to switch into alternative currencies to free themselves from the US dollar:

Look no further than the Trump administration. Protectionist trade policies, withdrawal from the architectural pillars of globalization such as the Paris Agreement on Climate, Trans-Pacific Partnership, World Health Organization and traditional Atlantic alliances, gross mismanagement of Covid-19 response, together with wrenching social turmoil not seen since the late 1960s, are all painfully visible manifestations of America’s sharply diminished global leadership

Roach forgets to mention that it is not when Trump decided to withdraw the *Trans Pacific Partnership* (TPP) and the *World Health Organization* (WHO) that “*diminished*” US global leadership, it is the wars of aggression, orchestrated coups, embargoes, economic sanctions, unfair trade policies, interfering in foreign elections and assassinating foreign leaders that has “*diminished*” Washington’s power, not Trump’s withdrawal from globalist organizations. Many nations around the world are now aiming at the Achilles heel of Washington’s power and that is the US dollar. Roach claims that the demise of the US dollar will become inflationary, followed by a weak economic recovery, then by stagflation:

The coming collapse in the dollar will have three key implications: It will be inflationary — a welcome short-term buffer against deflation but, in conjunction with what is likely to be a weak post-Covid economic recovery, yet another reason to worry about an onset of stagflation — the tough combination of weak economic growth and rising inflation that wreaks havoc on financial markets

Several nations have been dumping US dollars including China, Russia, Iran with many more to follow. The reign of the US dollar is coming to an end as the world is quickly moving into a different direction. One quote that always lingers in my mind is from Gerald Celente, Founder of the *Trends Research Institute* and publisher of *Trends Journal* who has warned the US population for years in getting prepared for what's coming ahead, he recommends the three G's "*Guns, Gold and a Getaway Plan.*" I recommend silver if gold is out of reach. Stock up on food, water supplies, weapons to protect yourself and your family and the most important thing to do is to surround yourself with like-minded people who understand what is happening. Rapper Nipsey Hussle who was murdered in 2019 in South Los Angeles once said that "*If you look at the people in your circle and don't get inspired, then you don't have a circle. You have a cage.*" Think outside the box, think about yourself and your family and get together with those who have a plan to survive. Take action and protect yourself because sooner or later, the US economy will collapse, it's inevitable, besides the mainstream media is now starting to sound the alarm, and that is worrisome. There is still time to prepare, act now.

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*Timothy Alexander Guzman writes on his blog site, Silent Crow News, where [this article](#) was originally published. He is a frequent contributor to Global Research.*

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