

The American empire is falling with the dollar

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The US dollar is still officially the world's reserve currency, but it cannot purchase the services of Brazilian super model Gisele Bundchen. Gisele required the \$30 million she earned during the first half of this year to be paid in euros.

Gisele is not alone in her forecast of the dollar's fate. The First Post (UK) reports that Jim Rogers, a former partner of billionaire George Soros, is selling his home and all possessions in order to convert all his wealth into Chinese yuan.

Meanwhile, American economists continue to preach that offshoring is good for the US economy and that Bush's war spending is keeping the economy going. The practitioners of supply and demand have yet to figure out that the dollar's supply is sinking the dollar's price and along with it American power.

The macho super patriots who support the Bush regime still haven't caught on that US superpower status rests on the dollar being the reserve currency, not on a military unable to occupy Baghdad. If the dollar were not the world currency, the US would have to earn enough foreign currencies to pay for its 737 overseas bases, an impossibility considering America's \$800 billion trade deficit.

When the dollar ceases to be the reserve currency, foreigners will cease to finance the US trade and budget deficits, and the American Empire along with its wars will disappear overnight. Perhaps Bush will be able to get a World Bank loan, or maybe one from the "Chavez bank," to bring the troops home from Iraq and Afghanistan.

Foreign leaders, observing that offshoring and war are accelerating America's relative economic decline, no longer treat the US with the deference to which Washington is accustomed. Ecuador's president, Rafael Correa, recently refused Washington's demand to renew the lease on the Manta air base in Ecuador. He told Washington that the US could have a base in Ecuador if Ecuador could have a military base in the US.

When Venezuelan president Hugo Chavez addressed the UN, he crossed himself as he stood at the podium. Referring to President Bush, Chavez said, "Yesterday the devil came here, and it smells of sulfur still today." Bush, said Chavez, was standing "right here, talking as if he owned the world."

In his state of the nation message last year, Russian president Vladimir Putin said that Bush's blathering about democracy was nothing but a cloak for the pursuit of American self-interests at the expense of other peoples. "We are aware what is going on in the world. Comrade wolf knows whom to eat, and he eats without listening, and he's clearly not going to listen to anyone." In May 2007, Putin criticized the neocon regime in Washington for

“disrespect for human life” and “claims to global exclusiveness, just as it was in the time of the Third Reich.”

Even America’s British allies regard President Bush as a threat to world peace and the second most dangerous man alive. Bush is edged out in polls by Osama bin Laden, but is regarded as more dangerous than Iran’s demonized president and North Korea’s Kim Jong-il.

President Bush has achieved his dismal world standing despite spending \$1.6 billion of hard-pressed Americans’ tax money on public relations between 2003 and 2006.

Clearly, America’s leader and America’s currency are poorly regarded. Is there a solution?

Perhaps the answer lies in those 737 overseas bases. If those bases were brought home and shared among the 50 states, each state would gain 15 new military bases.

Imagine what this would mean: The end of the housing slump. A reduction in the trade deficit. And the end of the war on terror.

Who would dare attack a country with 15 new military bases in every state in addition to the existing ones? Wherever a terrorist turned, he would find himself surrounded by soldiers.

All of the dollars currently spent abroad to support 737 overseas bases would be spent at home. Income for foreigners would become income for Americans, and the trade deficit would shrink.

The impact of the 737 military base payrolls on the US economy would end the housing crisis and bring back the 140,000 highly paid financial services jobs, the loss of which this year has cost the US \$42 billion in consumer income. Foreclosures and bankruptcies would plummet.

If this isn’t enough to turn the dollar around, President Bush’s pledge not to appoint an attorney general if Michael Mukasey is not confirmed offers more promise. If the Democrats will defeat Mukasey’s nomination, there are other superfluous cabinet departments that can be closed down in addition to the US Department of Torture and Indefinite Detention.

The American empire is being unwound on the battlefields of Iraq and Afghanistan. The year is two months from being over, but already in 2007, despite the touted “surge,” deaths of US soldiers are the highest of any year of the war.

The Taliban are the ones who are surging. They have taken control of a third district in Western Afghanistan. Turkey and the Kurds are on the verge of turning northern Iraq into a new war zone, another demonstration of American impotence.

Bush’s wars have endangered America’s puppet regimes. Bush’s Pakistani puppet, Musharraf, is fighting for his life. By resorting to “emergency rule” and oppressive measures, Musharraf has intensified his opposition. When Musharraf falls, thanks to Bush, the Islamists will have nukes.

American generals used to say that the wars Bush started in the Middle East would take 10 years to win. On Oct. 31, General John Abizaid, former commander of US forces in the Middle East, put paid to that optimistic forecast. Speaking at Carnegie Mellon University, Gen.

Abizaid said it would be 50 years before US troops can leave the Middle East.

There is no possibility of the US remaining in the Middle East for a half century. The dollar and US power are already on their last legs, unbeknownst to Democratic leaders Pelosi and Reid who are preparing yet another blank check for Bush's latest request for \$200 billion in supplementary war funding.

There isn't any money with which to fund Bush's lost war. It will have to be borrowed from China.

The Romans brought on their own demise, but it took them centuries. Bush has finished America in a mere seven years.

Even as Gisele throws off the dollar's hegemony, Brazil, Venezuela, Ecuador, Bolivia, Argentina, Uruguay, Paraguay, and Columbia are declaring independence from the IMF and World Bank, instruments of US financial hegemony, by creating their own development bank, thus bringing to an end US suzerainty over South America.

An empire that has lost its backyard is finished.

Paul Craig Roberts [[email him](#)] was Assistant Secretary of the Treasury in the Reagan Administration. He is the author of [Supply-Side Revolution : An Insider's Account of Policymaking in Washington](#); [Alienation and the Soviet Economy](#) and [Meltdown: Inside the Soviet Economy](#), and is the co-author with Lawrence M. Stratton of [The Tyranny of Good Intentions : How Prosecutors and Bureaucrats Are Trampling the Constitution in the Name of Justice](#). Click [here](#) for Peter Brimelow's Forbes Magazine interview with Roberts about the recent epidemic of prosecutorial misconduct.

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