



Thanks to Washington's Abuse of the Reserve Currency Role, the Dollar Is on Its Way Out

Description

As the dollar declines, so does Washington's power.

The De-Dollarization discussion suffers from holdover thinking that a reserve currency is needed. No reserve currency is needed. Countries can settle their trade balances in their own currencies or contracts can specify the currencies of trade transactions. Countries with low inflation and low debt will have stronger currencies than countries with high inflation and debt.

A reserve currency sets up a special country with the power to pay its own bills with endless debt. At World War II's end, John Maynard Keynes had a better solution than the dollar as reserve currency, but Washington wanted the power of the reserve currency.

Inevitable De-Dollarization: Which Countries Are Moving Away From Greenback?

by Paul Craig Roberts

Category

1. Economy-Business-Fin/Invest
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