

# This is What the Start of the Dollar Collapse Looks Like

Many influential people report they are starting to hear a great flushing sound of dollars as globalism rips apart.

By David Haggith - Apr 16, 2025

One of my recent warnings was that the US is sliding toward more credit downgrades because the Trump Tariffs are stripping away the one thing *essential* to the dollar surviving as the global trade currency—TRADE. The big thing that makes the present situation far more precarious for the dollar than any previous situation is that the *trade* that makes dollars desirable and even needed around the world is being seriously sucked down a vortex. That greatly reduces need for dollars in trade, which makes this the easiest time ever for any nations wanting to ditch the dollar to do so as a way to finally end US hegemony.

That doesn't mean the dollar will go down without a hard fight, and it doesn't mean the dollar cannot still be saved, *but* its rapid decline has **begun**, and suddenly few seem to be arguing with that. In fact, many are openly saying it. Probably no one can say, based on any actual experience, how far a currency as broad and stable for such a long time as the dollar can slide before momentum continues the flush no matter what anyone does to intervene.

Right now, what we see is a spike in government and investor and banker conversations about the need for a rushed intervention to save the dollar from its rapid decline.

## US credit ratings on verge of collapse

The dollar's sudden journey down came today with its first major credit agency warning this year along with serious warnings of others:

European credit ratings agency Scope has warned that the United States could be downgraded if a lengthy trade war erodes long-term trust in the **dollar**, or if President Donald Trump implements even more extreme measures such as capital controls.

The fallout from Trump's trade tariffs has included the dollar's sharpest year-to-date fall against other major currencies in more than 50 years, while credit default swap (CDS) markets, which investors use to hedge risk, are pricing in as many as *five U.S. rating downgrades*.

What hits the US currency harder than all its competitors is that the US is the hub causing the global trade war, making it, as Scopes pointed out, far more heavily impacted by trade strangulation than *any* other other nation in the world. The US is, as I have argued recently, impacted by all nations acting against it

as well as by it acting against all nations (reducing trade between the US and the world in *both* directions—import and export) while other nations are only impacted in their trade relations with the US, but not with each other. This asymmetry is already leading to other major currencies rising in preferred status over the damaged dollar.

**"If doubts about the exceptional status of the dollar were to increase, this would be very credit negative for the U.S.," Scope's head of sovereign ratings, Alvise Lennkh-Yunus, said in a report published on Tuesday.**

Well, those doubts have arrived, and they are increasing in droves.

### **Dollar doubted bigly**

Let's start with an impartial metric of the dollar, rather than the politicized warnings of global leaders who are caught in the war.

Just look at the cross-directions that have come into play between the yields now needed to attract buyers into US dollars (US Treasuries) and the exchange rate between dollars and euros.

### **Something strange is happening in the US.**

**As investors batten down the hatches over fears of a tariff-fuelled financial crisis, a rare split has opened up between the dollar and the yields that America's government pays on its debts.**

What the graph shows is that the exchange value of the US dollar relative to the euro is plunging as yields on US 10YR Treasuries are rising. That large divergence is an adverse dynamic and very much an anomaly that has the world of finance worried.

**Already, this trend has panicked investors, who note that the two key financial metrics usually do the opposite by moving in tandem.**

It shows that the dollar is being used less and less in trade, so falling in exchange value against its second biggest trade competitor (the euro) due to lack of demand for trade dollars, while interest on the US debt is rising for the very reasons I said a couple of months ago would cause us to see this happening: people are not needing dollars as much and not trusting them as safe havens as much either.

As I put it, the US is moving in the direction of a banana republic:

**"A parallel sell-off in equity, rates and the currency is typical for emerging markets, but not for the world's core safe-haven markets...."**

Investors had become used to the idea that the US was the best place for their money in good times or bad, giving America the "exorbitant privilege" of controlling the world's reserve currency.

It meant lower borrowing costs and easy access to a flood of foreign money to invest in the States, making the country richer and helping its economy to grow faster.

**But suddenly, investors are turning their backs on the US, ditching the dollar and other assets all at once.**

**It represents a stunning reversal of usual patterns of behaviour, breaking what had come to be seen as something close to a basic rule of global finance.**

The result is that the dollar and bond yields, which by and large tend to move in tandem, have sharply diverged.

It is possibly not too late to turn the direction back around if Trump were to turn off his trade war, though **there is already some hint that the slide that has begun may have already passed the point of no return:**

**Even after the President suspended his most aggressive tariffs on almost all countries apart from China, markets have failed to comply.**

Now, of course, it could be that no one trusts Trump to have actually turned off many of his tariffs because he vacillates to extremes every day. Already he has reversed his latest supposedly irreversible Chinese tariff increases on electronic goods, which represent something like a quarter of China's trade with the US. It's being referred to as "the art of the repeal."

So, maybe if Trump truly ended his tariff war, the dollar denunciation by markets would turn back around, but the removal of some tariffs on a *temporary* basis leaves people and banks trading the dollar with no reason to believe its troubles now are ended.

There is a big question after 10 days of chaos. What is the incentive for other nations to offer much here? **The Trump administration is clearly spooked by the bond market reaction to the president's trade plans, and questions surrounding the safe haven status of US debt for investors....**

**Just under a quarter of China's total exports are now exempt from the 125% tariff, according to Capital Economics.**

Trump's latest sudden reversal this week also removes two-thirds of Taiwan's exports to the US from the high tariffs that were imposed over the weekend.

So, the dollar is showing *sustained* damage for now by not responding to these large but still partial attempts to salvage it.

**The dollar's depreciation in response to US tariff increases** – the opposite of economic textbook doctrine – and the US Treasury sell-off in parallel to equity losses – the opposite of safe-haven behaviour – have cast a broader light on the overall dynamics triggered by Trump's tariff policy....

## **My biggest prediction for 2025**

This brings me to my biggest prediction of financial catastrophe made at the start of 2025 for my paying subscribers—a risk even worse for the US than a stock-market crash, going into recession or rising unemployment, all of which made my later list in February.

**The biggest risk of all that this tariff war could bring about is the nuclear financial explosion of the US debt.** Inflating away the debt was once thought by some to be an answer for getting rid of it, but if the dollar's demise is not so much in its loss of purchasing power in the US due to inflation *but its demise as the desired global trade currency*, then interest on the debt soars for the reasons just given, and the debt goes nuclear.

Here is how I expressed the seriousness of that possibility when the year began:

### **The nuclear US debt bomb**

**That brings us to the tariff dynamics above. The compounding of Treasury interest pressures ... as dollars become less used and less desirable in a world of globally diminished trade will be happening as the US now has the biggest issuances of new debt to cover that it has ever seen....**

**Now, we get to the dangerous part. I don't think Trump is savvy enough to understand how cutting international trade way back is likely to raise interest on the US debt by curtailing a huge amount of demand for US Treasuries.** US companies doing business with consumers in the US don't cause any exchange of Treasuries.... ([THE DEEPER DIVE: Trump Tariffs Could Be Nuclear Time Bomb for National Debt](#), January 4, 2025)

This is exactly what we are now seeing. He didn't see that possibility, so he kept raising tariffs until the debt-bomb potential suddenly made itself obvious, causing him to reel back in a hurry.

Since Trump's natural response will be to cajole the Chinese government (and other governments where trade and dollar use is down) to buy more US bonds to finance the US debt, he may even threaten them with worse tariffs if they don't, thinking, as he seems to, that he can solve most international problems with tariffs. It won't do any good....

We already rocketed right past any remote hope of cajoling China into buying more US debt that it now has no use for by taking tariffs to a sky-high level that drops trade to absolute zero. (Except that Trump just backed off some for the third or fourth time. I've lost count.)

**The more Trump raises tariffs, if that is how he responds to everyone fleeing US debt *because they have no use for it*, the worse he makes the problem because tariffs are the primary cause of the problem in the first place.**

And that is what we are seeing. They are fleeing US debt because they have no use for it, thanks to the tariffs.

**Apart from their foreign-exchange needs, governments like China will also stop storing their surplus sovereign wealth in US Treasuries. That won't have to be due to retaliation (though that could happen and make the situation even worse for the US), but will likely happen due to those governments no longer having any surplus sovereign wealth in their trade-starved, therefore, tax-starved worlds....**

**That is how tariffs could become a massive *doom loop* as they stifle trade and reduce need for Treasury bills and bonds denominated in the global reserve currency, not just with China but between all nations.**

We have started to spiral down the doom loop as nations are backing away from US Treasuries and appear to have been hoarding gold this year in preparation.

Nations, after all, are always completely free to exchange their own national bonds in transactions *or to exchange gold* once they are trading more with each other to replace trade they had with the US because tariffs have shut them out of trading with the US.... The dollar is just easier as a global reserve currency because everyone trades a lot with the US, so everyone needs them....

That regrouping we are now seeing, too, as nations trade with each other as much as ever, but not so much with the US.

**History tells us other nations typically fight back with their own tariffs, stopping trade and, therefore, most foreign exchange both ways. So, becoming a lot more isolated under a protectionist regime *will likely be the one thing that actually can collapse the US dollar as the global reserve currency*. It depends on whether Trump gets as hyper-aggressive with tariffs as he sounds.**

And, there it is!

***So, tariffs have the power to completely unthrone king dollar as the global trade currency by killing trade* and, therefore, as the global sovereign-wealth reserve currency as well, all depending on how high they go and, therefore, how much they diminish global demand for dollars. It's the kind of math that I don't think politics and foreign diplomacy can find a way around....**

Well, tariffs went extremely high. The chain reaction rapidly began and so Trump rapidly withdrew them to a lower level; BUT they are still omnipresent globally, and chain reactions don't always end once you get them started. In this case, that could happen because, as the prediction continued ...

**Pile into all of that the damage that is *already* happening in the US bond world, and you can see how ripe that whole world is for a catastrophic explosion.**

With the crash of US bonds—if things go just a little further than they have so far—comes the crash of one particularly egregious monster in bond world, as that January prediction continued:

Market interest rates on just about everything typically price off of Treasury rates. So, if Treasury rates rise because of the problems laid out above for Tariff world, then the problems for CMBS [Commercial Mortgage Backed Securities] go critical just from that rise in rates ... even if tariffs give a fairly small hit to Treasuries....

**It looks like it's going to get messy, so we could have two nuclear bond bombs building up a reaction to go off in bond world at the same time.** [The US debt and CMBS that were already rapidly falling into default due to the Covidcrisis causing such massive commercial real-estate troubles.] **That makes me think disorderly deconstruction and chaos in bond houses.**

I laid out many more critical problems that will get swept into this chain reaction in bond world if the dollar goes down a little further or US bond interest rises because bonds lose their safe-have status. (Become a paying subscriber, and you can go back and read the full top-of-the-year article and get it all, but it's time for everyone to get some sense of how predictable the present situation was. This gives you the gist of it, and it's all right on track so far.) The chain reaction has already developed more quickly than I thought it would, as chain reactions are want to do. So, it could pass the point of no return and become calamitous quickly, too.

I'm not saying all of the above will happen, but the potential for this nuclear debt bomb to go off in a large chain reaction is already there and likely will be made worse by tariffs, depending on how much Trump strangles foreign trade with tariffs.

### **The broken trust fund**

With that, back to today's articles:

The cycle of trust that sustained the dollar has been broken. Nations are not as willing to give their trust to Trump as the new *de facto* dictator of the global economy. It's clearly no longer a global partnership, and whether it should have ever been on or not, the consequences of such a long partnership breaking up are dire. So, we need to recognize what is happening as the old globalism crumbles:

The reason for that is simple: **investors no longer trust America....**

**America's trade deficit stems from businesses and households in the United States buying goods from abroad.**

**It leaves dollars in the hands of foreigners, particularly in Japan and China, who in turn reinvest it in the US by buying government debt.**

Currently, more than one-fifth of America's government's \$36 trillion debt is financed by overseas buyers.

**If Trump succeeds in crushing the US's trade deficit, he will also cut off the flow of dollars which find their way back into America's bond market.**

That was my point exactly back in January.

Stabilizing all of those intense reactions that have pushed parties away from US debt, if Trump remains intent upon his tariff course, seems unlikely.

Usual measures that could stabilize the dollar are less available for the prime reason I've been laying out for a long time: **Jerome Powell would normally rush in to buy bonds, but he cannot do that without throwing accelerant on the inflation fire**, and the Fed has been working hard to get inflation down (until recently). So, throwing flames up to the sky is probably not on the Fed's list of favorite things to risk doing right now. So, Powell is sitting on his hands.

Secondly, everything that Powell could try to do to stabilize trust in the dollar has no ability to offset the *cause* of the distrust. It is not from the Fed's management of the dollar this time (which is rare). **The distrust is being caused by the chaotic and destabilizing decisions of the president to capriciously throw tariffs on again, off again, and on again and again all over the world and to threaten other nations with land grabs.**

It cannot stop capital outflows driven by a loss of confidence in US economic policymaking.

And here *The Telegraph* practically quotes my past words:

Ultimately, the reserve currency status that gives America such power globally is *based on trust*. And *once that trust is called into question, it risks becoming a self-fulfilling prophecy*.

So, the Fed cannot accomplish much by leaping in and adding the risk of high inflation, which devalues the dollar domestically on top of its devaluation on foreign exchanges as well. It cannot accomplish much by trying everything it usually does until and unless the president stops doing erratic things that make the world not trust the US. As I also wrote awhile back, you can make people trust you or likely. You may be the biggest guy who holds all the cards, but you cannot stop others from hating you or running from you if you play that hand. So, running is what they're doing.

Holger Schmieding at Berenberg Bank warns of a "Liz Trump moment" in America, referring to the former prime minister whose mini-Budget sparked market chaos....

**“Huge uncertainty will cause a retrenchment in investment and consumption, driving a sharp slowdown in the US economy.”**

That happens when shortages increase inflation or when the Fed pumps inflation back up by expanding its balance sheet again to create more money. When that is coupled with an economic downturn, you have stagflation, as seems to be where we are already going.

“These developments are so important to watch because they indicate a **potential paradigm shift in how the US is seen as a destination for capital flows overall**,” says Keller at Barclays.

The US has built a huge reputation over decades, which is a lot to risk losing at a time when it is already stumbling along under a mountain of debt. Hence the talk of more credit downgrades that will likely become their own self-fulfilling prophecy by raising the cost of financing that debt even more.

**Tariffs for trade imbalances are like hitting the rest of the world that was nice enough for decades to agree to use the dollar as their global trade currency with a major penalty if they continue to do so!**

With the yen and euro and Canadian dollar strengthening as the US dollar falls even in the face of rising bond interest that would normally make buying dollars more attractive, it certainly appears that a good part of the action is from people ditching the dollar in other nations. You see, bond yields are not rising this time around because the Fed is targeting higher interest rates—the usual reason—they’re rising *in spite of the Fed lowering interest rates* because fewer and fewer people want US bonds.

No doubt China is finding the funds it needs to support its yuan, which is also imperiled by the trade wars, by selling US Treasuries to buy yuan.

**The nation’s biggest bankster bank pushes the teller alarm button**

It’s a bit techno, but here is what we got about adverse Treasury actions from JPMorgan today:

Top-deck bid-ask for ESM5 and TYM5 are both roughly **-80% worse than the 20d market average. These are historically two of the most liquid contracts in global macro markets. The top-deck in UX1 is roughly -95% worse. There appears no recovery this morning either....**

**De-leveraging and deterioration of macro sentiment has morphed into a situation in which liquidity dynamics are now meaningfully impaired in liquid markets. The lack of liquidity could result in price moves that are outsized relative to the amount of flow** that is actually going through. This is in BOTH directions – significant bounces can take place ‘on air’ while it could similarly lead to unruly market outcomes to the downside.



Escaping the techno-jargon: When entering a liquidity crisis, which means because trading volume is way down, small trades can cause exaggerated moves in value.

This is important context as we head into risk events such as UST auctions, the FOMC Minutes, CPI, and, realistically, just **every minute of the trading day now as we are subject to Tariff tape bombs....**

Yesterday [April 8] the conversation rapidly flipped from equities back into the fixed income world as UST yields surged meaningfully led by the long end. It's pretty impossible for anyone to predict where we go from here (myself included), but deterioration of the broader liquidity framework is never a great setup for risk markets.

If current measures of bond action were a tachometer, I'd say we are not in the red zone, but we are definitely entering the orange zone. Typically, our worst economic periods, such as the Repo Crisis and the Great Recession, start out with a liquidity crisis of some sort. Then the Fed rushes to the rescue, **but this time the Fed can't rescue without risking a hyperinflation crisis, and its tools are powerless to fix trust that the Fed did not break.**

Perhaps those are the Fed's reasons for the Fedinactivity, *Semafor* describes,

The Federal Reserve is resisting pressure from the White House and Washington to spur big banks to buy more Treasury bonds, a reluctance that could further shake an unnerved market for US debt.

**Wild swings in Treasury prices forced President Donald Trump to reverse course on his sweeping tariffs, and investors remain spooked even after his backtrack. Higher yields on government bonds are a sign of stress and eroding faith in the American government to pay its bills.**

Still, the Fed isn't accelerating regulatory changes that would encourage banks to load up on government debt, people familiar with the matter said, even though Treasury Secretary Scott Bessent and JPMorgan CEO Jamie Dimon both support the idea....

The Fed has been working on a proposal since February but has no plans to rush out a final rule, **in part because it's wary of being seen as** panicking — or worse, **bailing out the administration or hedge funds that have been heavy sellers.** The current plan is to float the changes later this spring or summer through the normal regulatory process....

**There is no sense in doing all of that when the lack of liquidity is due to no one needing US Treasuries and no one Trusting the president nor liking what he is doing to all of them. The Fed knows it cannot fix any of that. Neither can banks.** Enough banks leaping into Treasury trade might slow all of that down, but will they even want to? They certainly cannot stop people from running away from US dollars for reasons that have NOTHING to do this time with banks. I suppose the thought is that, if banks rush in with a huge sweep to

soak of the Treasuries the rest of the world is fleeing, they can offset the global rush away from US debt. I highly doubt it.

### **Treasury to the rescue?**

**With the Fed hesitant to rush in because it feels caught between hell and hot place, Treasury Secretary Scott Bessent is saying the US Treasury may rush in.**

**“The safest asset in the country, US Treasuries, are not treated as such,”** Bessent said at the Economic Club of New York last month. “I’m not here today making a specific policy announcement, only to make the point that rigorous analysis must be applied to these regulations.”

You can whine about that change in how everyone is treating Treasuries now all you want, Bessent, or you could just stop doing everything you are doing to 1) make sure Treasuries not treated as the safest asset in the country for the simple reason that they are no longer *needed* when trade with other nations is falling; and 2) giving them every reason not to trust the Treasury that is issuing those bonds while hurting those nations!

**Here is another confounding prospect: If Treasury does step in, US credit may be downgraded even more quickly because that reeks of *banana-republic* management tactics.**

After all,

**One likely cause of the bond selloff is hedge funds unwinding popular Treasury trades, and direct intervention by the Fed would invite criticism that it is bailing out Wall Street.** The Fed could buy Treasury bonds itself, but has been shrinking its holdings since 2022 and is reluctant to grow its balance sheet.

**Well, if doing that would be seen as the Fed, once again, bailing out Wall Street hedge funds and their clearing houses and bankers, then why wouldn’t the Treasury stepping in be seen as *the US government* bailing out hedge funds and their bankers?**

**There is a queasy circular illogic in the *central bank* declaring US Treasury bonds a risk-free asset at the exact moment the market has decided they aren’t.**

**There is an even more queasy circular logic in the *US Treasury* declaring US Treasury bonds a risk-free asset at the exact moment the rest of the world has decided they aren’t.**

**How circular is that?! Bessent is saying the US may start buying back its own Treasuries to keep its yields down. That sounds like a doom loop to me.** I was against it when Janet Yellen suggested it to help keep interest down while she funded Bidenomics. **Why would I be any less against it now?** It’s the kind

of obtuse thing former third-world nation, China, would do if they fell back on their old ways. Oh yeah, China is already doing that by proxy:

**China has also clearly intervened in the FX market, ordering local banks to sell dollars and buy yuan after last week...**

...because it has the dictatorial power to order banks to do things — an autocratic direction the US seems to be rushing headlong toward.

Says, *Zero Hedge*,

**China's FX intervention would fully explain the bizarre concurrent weakness in both the dollar and TSYs, which some overeager commentators are ascribing to the death of US dollar reserve currency status...**

Ya think? I'm not sure why *ZH* has suddenly changed its tune away from ascribing death of the dollar by way of China, since that was a drum *ZH* beat incessantly for a very long time—a rhythm included in its constant refrain about the BRICS nations trying to eviscerate the dollar by creating a competing yuan-based currency that would bring death to the dollar. That never happened, of course. Now Trump is doing it for them. Maybe *ZH* has an audience to pander to by affirming Trump's Trade War so long as Trump continues to leave Russia out of it, as he notably has.

in reality it was just a few days of China dumping US bonds and selling the proceeds (US Dollars) to buy yuan.

Sure. **Because that is how you do that sort of thing** ... and then do it for a few days more ... and then a few days more ... whenever the move looks likely to be most effective against the US or most needed to rescue the yuan. This gives China a way to prop up its own currency *and* hurt the US at the same time. Why would it not? I mean that style of central planning has been China's MO since Mao.

I'm not the only one who feels queasy about the US government heading down the China Road:

The chatter alone is worrying enough: **"When senior politicians start talking about technicalities of obscure financial regulations on mainstream TV you can be sure something is up,"** writes *Bloomberg* columnist Paul Davies.

I think so.

Reuters also adds that "China has taken a slew of measures to stabilise its domestic stock markets, reeling from an escalating trade war with the U.S." and notes that "the moves have largely shielded stocks in China from the massive selling seen on global markets."

Thus, the US Treasury may do the same thing as former third-world, commie China, buying back its own debt, but it probably won't be using proxies to do it as China has in order to camouflage its moves.

**In fact, the Treasury secretary hinted at this himself in an interview with *Bloomberg*, when asked if he has contingency plans if the selloff becomes "more unnerving" (for example if foreign countries, i.e. China, may be selling US Treasuries in response to the trade war).**

His answer: "we are a long way" from needing to take action, but "we have a big toolkit that we can roll out" if so, and included in that toolkit is the department's buyback program for older securities, Bessent said. **"We could up the buybacks if we wanted."**

In other words, go full bananatard.

I mean buying back your own debt to manage your interest rates is tantamount to using your credit card to pay the monthly payment on the very same credit card.

Good grief!

**Something wicked this way comes**

**No wonder billionaire Ray Dalio says, "I'm worried about *something worse* than a recession."**

The hedge fund billionaire said he's more concerned about trade disruptions, *mounting U.S. debt*, **and emerging world powers bringing down the international economic and geopolitical structure that has been in place since the end of World War II.**

**By which he means bringing down the dollar**, which as been the one structural thing the world has unified around, though support for that idea has waned in the last couple of decades as the US has increasingly weaponized the dollar .

"We are going from multilateralism, which is largely an American world order type of thing, to a unilateral world order in which there's great conflict," he said....

Dalio on "Meet the Press" said Sunday that Congress should reduce the federal deficit to 3% of gross domestic product, echoing comments he made at CNBC's CONVERGE LIVE event in March.

"If they don't, we're going to have a supply-demand problem for debt at the same time as we have these other problems, and the results of that will be worse than a normal recession," Dalio said.

**The very value of money is at stake, Dalio said. A breakdown in the bond market, combined with events like internal and international conflict, could be an even more severe shock to the monetary system than President Richard Nixon's cancellation of the gold standard in 1971 and the global financial crisis in 2008.**

**The very value of official US money is at stake.** So, yes, that would be more severe than what Nixon did to the dollar when he opened it up to such problems. It would be the conclusion of those problems. We are now right where slow death of the dollar really gets started. **All the rest was prelude.**

Dalio points out that, if Trump were to change his policies and congress got together to take the debt back down, rather than boosting it higher, *maybe* the dollar's sacrificial death could be averted.

Well, sure! But has anyone heard anything about congress hashing out a plan to drastically cut the budget this year? Their current proposed budget is not only as bloated as ever, it takes no advantage of the phantom DOGE expense cuts, which Elon has dialed back from \$2-trillion, at first, to \$1-trillion; and the latest word to today was that he sees maybe a little less than \$200-billion. So far, the DOGE Bros. managed to cut \$120-billion, so they have shut down the federal website that revealed how much spending was going up or down. Transparency, you know.

**Federal spending is on track to come in 7.4% *higher* in this fiscal year than in Biden's last full fiscal year.**

"You would expect, given the rhetoric, to see big decreases relative to last year," Wendy Edelberg, former chief economist at the Congressional Budget Office and director of the Hamilton Project, told MarketWatch.

"It's less surprising when you consider that most of the cuts they have talked about are pretty small bore, and I think that's the major takeaway," she added.

Maybe further down the road.

Of course, that is what they have always said in both parties. Someone else will complete the cuts that congress has proposed for the future, down the road; *but someone else never does*. It's so easy to cut some future congress's budget for them.

So, yes, the dollar could still be saved from its now visibly approaching demise, but that would take the kind of joint cooperation that we haven't seen since Newt Gingrich cut government costs while Bill Clinton raised taxes to find the sweet spot in the middle. It would also take a cease-and-desist action by the president *against his own plans* to kill the foundational need for the dollar by eliminating all trade deficits.

As goes the dollar, so goes the US debt.