

## The decline of the USA

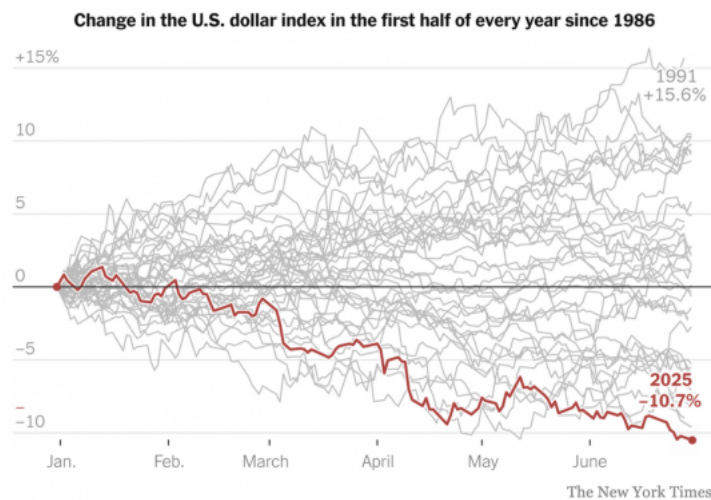
Published: January 12, 2026, 11:46 pm

---

I have given one or two warnings about Trump and his economic policies since he was inaugurated earlier this year.

One of my predictions was that he wanted to crash the dollar, effectively removing its status as the world's reserve currency.

He has had a good go at doing so. Many news organisations have variations on this chart, this one coming from a newsletter from the New York Times:



Does it matter?

Yes, because it helps increase inflation in the USA.

Yes, because it tends to inflate US interest rates.

And yes, because it indicates a lack of confidence in the USA, which will have repercussions in world power relationships that will, in turn, have knock-on effects in US politics.

None of these is positive for the rest of the world.

So, yes, this matters, which is precisely why I have talked about these issues and their implications. It gives me little satisfaction to have been proved right, precisely because there is no sign that anything is going to get better. Trump's USA is still heading for fascism. That might downgrade the dollar, but the political implications are much more significant. It's not just that the USA is in decline; it is going to drag the world down with it.