The dollar's enduring appeal may owe less to Washington than to decades of worldwide use.

More Than America's Money

James Boughton

IS THE DOLLAR REALLY five centuries old? It became the official currency of the United States through an act of the Continental Congress in July 1785, which makes the age of the "almighty" dollar just 241 years. In this engaging new study, however, Brendan Greeley gives us a timeline that starts in 1518, when a silver mine in Bohemia began minting silver coins called *thalers*.

Use of the coins spread organically as traders sought to overcome the chaos of multiple currencies, often of questionable value, when buying goods from distant markets. In Spain, the *thaler* became the *dólar*. Even in parts of British North America, the Spanish silver dollar circulated alongside versions of the pound sterling. The American revolution overthrew not only British rule, but also its system of coinage. At the urging of Thomas Jefferson, the US established a decimal system with the dollar as its unit of measurement.

Greeley, a columnist at the *Financial Times* who is currently completing a PhD in financial history at Princeton University, uses this history to argue that the dollar is a natural being beyond the control of any nation. "The dollar is not America's currency," he states boldly. "It works for the world—for now." His point is valid: Anyone in the world can create US dollars simply by engaging in a contract with payment committed in this currency. When a German bank, say, makes a loan to a European customer with the amount of repayment denominated in dollars instead of euros, that loan becomes a dollar-denominated asset identical in nature to a loan by a US bank. Contracts denominated in this way—in what were once called "Eurodollars"—underpin the bulk of international trade and finance. In total they far exceed the domestic US money stock, and they are beyond the control of the US government and the Federal Reserve.

This insight changes the thinking about a big question in international finance: Will the US dollar continue to be the world's dominant currency, or is it set to be unseated by...by what? The euro? The renminbi? The SDR? Crypto? So far, no currency has such worldwide acceptance as to credibly challenge the widespread demand for the dollar. No one knows whether it will happen, but the prevailing view among financial historians and analysts is that this is a game the US will lose only if it fails to keep its own financial house in order.



THE ALMIGHTY DOLLAR
500 Years of the World's Most Powerful Money

Brendan Greeley

Penguin Random House

New York, NY, 2026, 432 pp., $32

Persistent large federal budget deficits and questions about whether the US government can and will preserve its financial soundness generally underlie doubts about continued global dollar dominance. Other recent histories of the dollar, such as Paul Blustein's *King Dollar* and Barry Eichengreen's *Money Beyond Borders,* come to different conclusions about the likelihood of the dollar's fall from grace, but they all base their projections on the strength of US economic policies.

Greeley sees it differently: "The dollar isn't a global currency because people are in awe of the United States," he concludes. It is because of "a series of habits built up over the past fifty years," and the continuation of those habits is beyond the control of US institutions.

Is it that simple? Perhaps the best lesson to take from this story is not that the conventional view is wrong but that it is not quite complete. **F&D**

JAMES BOUGHTON *is a senior fellow at the Centre for International Governance Innovation and a former IMF historian.*