

Bitcoin Helps USD's Reserve Status "In A Strange Way": Coinbase CEO



BY TYLER DURDEN

MONDAY, DEC 29, 2025 - 10:00 AM

Authored by [Brayden Lindrea via CoinTelegraph.com](#).

Coinbase CEO Brian Armstrong has claimed Bitcoin provides healthy competition for the US dollar, which in turn pressures policymakers to maintain fiscal discipline and helps preserve the greenback's dominance.

“[Bitcoin] provides a check and balance on the dollar in the sense of if there's too much deficit spending or inflation in the US, people will flee to Bitcoin in times of uncertainty,” Armstrong [argued](#) in an interview on Tetragrammaton with Rick Rubin on Thursday.

“It might be okay to have 2-3% inflation if the economy is growing at 2-3% but if inflation outstrips the growth of the economy, you'll eventually lose the reserve currency status, and that would be a massive blow to the United States.”

He said that Bitcoin indirectly keeps the dollar in check by ensuring the Federal Reserve and financial regulators avoid actions that could undermine confidence in the US economy.

“So I actually think in a strange way, Bitcoin is helping extend the American experiment,” the Coinbase boss concluded.

America's debt is growing at \$6B a day, nearing \$38T

US national debt has boomed to \$37.65 trillion, and is now rising by \$70,843 per second — or nearly \$4.25 million per minute — [according](#) to the US Congress Joint Economic Committee's debt

dashboard.

In early October, [JPMorgan touted Bitcoin](#) and gold as the “debasement trade” amid increased uncertainty in the dollar.

Bitcoin soared to a \$126,080 high on Oct. 10 but has since retraced 30% to \$88,210, while gold has continued its tear, setting its latest high of \$4,545 per ounce on Friday.

The Trump administration signed an executive order to establish a [Strategic Bitcoin Reserve](#) in March, a move that several US senators said could mitigate the nation’s mounting debt.

However, the reserve currently stockpiles seized Bitcoin without purchasing any and the [Bitcoin Act of 2025 bill](#) — which purports to support the SBR — is still in the early legislative stages in Congress.

Stablecoins may do better at preserving dollar dominance

Other industry pundits argue that stablecoins have a bigger role in cementing the US dollar’s status as the reserve currency than Bitcoin.

In addition to creating strong demand for US debt, stablecoins are pushing the US dollar into the hands of individuals and businesses worldwide, Polygon Foundation CEO Sandeep Nailwal [said](#) last month.

“Dollarisation 2.0 is happening in real time — from LatAm to Africa, entire economies are being rewired around digital dollars.”



Antonio García Martínez (agm.eth) ✓ 
@antonioigm

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The shift to stablecoins will further entrench USD hegemony and dollarize the world, while bidding up the value of the dollar vs other currencies.

And ditto tokenizing US equities, which suddenly have a borderless global market of investors.

It'll be an American golden age.



Izabella Kaminska ✓ @izakaminska · Jul 1

📖 1/ I wonder how many people realise that what's really going on with stablecoins is a massive US statecraft play to re-dollarize the world on its own terms. You could even call it a "re-stablization op" (yep - there's a gag in there).

Source: [Antonio García Martínez](#)

The US passed the [GENIUS Act](#) in mid-July, seen as one of the most comprehensive stablecoin frameworks to date.

The stablecoin market currently [sits](#) at \$312.6 billion, a figure that the US Treasury estimated in April would reach [\\$2 trillion by 2028](#).