



Blunted? Even the Wall Street Journal admits the US's favourite weapon is rusting

Description

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Yuan

The Wall Street Journal's (WSJ) latest feature on how American sanctions on Iran failed because China built a yuan-powered [workaround](#) will be a difficult read for Atlanticists.

China has built up international trade in the yuan, giving Iran and Russia a way to evade sanctions <https://t.co/EviGCVtIXW>

WSJ The Wall Street Journal (@WSJ) [June 24, 2026](#)

The piece falls shy of praising China's financial system, which it says is aimed at weakening Washington's power to dictate world affairs.

The failure of the US's Economic Fury is explained by WSJ as:

in late April when the U.S. escalated its "Economic Fury" campaign against Iran, sanctioning a major Chinese refinery [it said bought billions of dollars worth of Iranian oil](#) The refiner, [Hengli Petrochemical](#) said its supplier had guaranteed the oil wasn't Iranian.

But it also put the U.S. on notice. Future [oil purchases](#) Hengli said, would be settled in yuan instead of U.S. dollars, the energy market's main currency—making it harder for outsiders to track the flows.

China defended Hengli's rights, too. It [said](#) that "illicit unilateral sanctions that have no basis in international law," adding that it "firmly" defended the lawful rights and interests of Chinese companies.

How they did it

The WSJ details how Iran transacted with China using China's financial architecture, which relies on several mechanisms: Chuxin, special-purpose vehicles, mBridge, and CIPS.

Chuxin is an entity in which yuan payments from Chinese buyers (of Iranian oil) are parked rather than sent directly to Iran. The money is then passed to Chinese contractors working on Iranian infrastructure projects like airports and refineries.

Special-purpose vehicles shuffle yuan to Chinese exporters, who ship car parts and other goods back to Iran in exchange for the oil.

mBridge is a platform launched in the UAE, Thailand, and Hong Kong that lets central banks settle payments directly using blockchain, without a U.S. bank touching the transaction. All of this runs on CIPS, China's alternative to the SWIFT messaging system, which the U.S. can't easily monitor.

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The same yuan playbook, applied to Russia

The WSJ also reports that a similar pattern has played out with Russia since its war in Ukraine began in February 2022. After the U.S. tightened sanctions, more Russian oil exports and other trade with China were settled in yuan.

Today, Russian officials say more than 90% of trade between Russia and China is settled in yuan and Russian rubles. For comparison, the yuan was used in just 2% of Russian trade in February 2022.

Even Trump admits it

In a separate exchange with Fox News on June 17, 2026, Trump was asked about the difference between giving Iran U.S. dollars and simply unfreezing their frozen assets.

He responded:

We have taken a lot of their money and we froze it. At a certain point in time, I guess we're going to have to give it back. You know, if we didn't give it back nobody would ever invest in the dollar again. If you do that, you really don't have a system.

BREAKING: [@pdoocy](#) presses President Trump on what the difference between giving Iran U.S. dollars and unfreezing U.S. dollars:

“We have taken a lot of their money and we froze it. At a certain point in time, I guess we’re going to have to give it back. You know, if we didn’t?”
pic.twitter.com/TcrtA5hz6d

Fox News (@FoxNews) [June 17, 2026](#)

Trump’s point, while rambling, shows he knows that trust in the dollar is falling as the US government has prolifically used sanctions to punish nations not following its rules.

More clearly, he is telling Fox News that if the U.S. makes a habit of seizing and keeping foreign assets, confidence in the dollar erodes. No one will hold dollars or invest in US Treasuries if they fear their assets could be frozen or taken away.

The WSJ has previously [reported](#) that some of Iran’s frozen assets date back to the 1979 revolution, but most are more recent payments for oil sales to China, India, South Korea, and Japan, money that got stuck when Trump withdrew from the nuclear deal in 2018.

Estimates vary, but Tehran says it has at least \$100 billion frozen abroad, with an initial \$24 billion being the priority to unblock.

In conclusion, even Trump and WSJ seem to know the game has changed.

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By [Nandita Lal](#)

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- News

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- blunted
- even
- favourite
- journal
- news

- 7. rusting
- 8. street
- 9. the
- 10. uss
- 11. wall
- 12. weapon

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- 1. News

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