

College of Business Book Review by Inhyuck “Steve” Ha

Title: The demise of the dollar... and why it’s great for your investments
Author: Addison Wiggin
Publisher: John Wiley & Sons, Inc.
Length: 218 pages
Price: \$16.95 (paperback)
Reading time: 5 hours
Reading rating: 4 (1 = very difficult; 10 = very easy)
Overall rating: 3 (1 = average; 4 = outstanding)

In his book, “The demise of the dollar... and why it’s great for your investments,” Addison Wiggin offers a practical analysis of the current status and future of the U.S. dollar. As the editorial director and publisher of The Daily Reckoning, he has become a popular controversialist due to his insights and inimitable writing style. He argues that the devaluation of the dollar is being accelerated by a heavy debt burden, the fiscal and trade deficits, the imbalance of the economic structure, and low interest rates.

Wiggin believes that Congress made a mistake when it created the Federal Reserve Board (FRB) and gave it the power to control the money supply. The FRB’s strategy to keep interest rates low in order to boost the economy by stimulating consumption is the main culprit for the current financial crisis of our economy. Currently, the national debt is about nine trillion dollars, which is equivalent to about \$30,000 of debt for each person in the country. The U.S. economy is about to implode. How long can it last if we have to keep borrowing more and more money to pay off the national debt. The question is not if the bubble will burst, but when. The fate of the dollar is in foreign investors’ hands, not ours; he named this the Empire of Debt in his other book, “Empire of Debt: The Rise of an Epic Financial Crisis” (with William Bonner). While not everybody agrees with Wiggin’s ideas, this is an eye-opening book.

The old idea – get a good job, work hard, and the government will take care of you –is no longer true. Depreciation of the dollar is an alias for inflation. If the value of the dollar keeps falling, your savings will not be able to support you after you retire. We should not pass our financial burden to the next generation, who can not vote now.

People criticize Wiggin’s view as overly pessimistic – especially among those who believe the dollar will last forever. Rather, he is realistic and practical. No one can stay on top unless efforts have been taken to maintain the status quo. Is it hopeless? Not really! Under the subtitle – and why it’s great for your investments – he suggests several profit-generating techniques for investment portfolios – invest in precious metals such as gold, tangible resources, and foreign financial markets. However, it does not seem that his main purpose is to provide readers with advice to generate profits by using the dollar crisis. Instead, he is sending us a wake-up call to improve the physical condition of our economy by shifting from being a consumption country to a production country. Nothing

lasts forever. However, no one wants to attend the dollar's funeral -- at least in this generation or the next.

Inhyuck "Steve" Ha is an assistant professor of Economics in the College of Business at Western Carolina University. His interests include regional economics and community economic development. For previously reviewed books, visit us at our website at www.wcu.edu/cob/.

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