

America`s weak dollar essay



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The article discusses a contradictory issue concerning the fall of U. S. dollar, and that is to say, it addresses the macroeconomical problem too narrowly so that the article seems one-sided.

First of all, I would disagree with the statement concerning the seasonal nature of the currency decline: economical analysts have probably found that the trend is long-lasting and has been obvious for almost ten years. As an alternative, I would like to present the U. S. trade deficit as a major cause for the fall of dollar.

In reality, there exists a clear interrelation between the fall of the dollar and the trade deficiency on the world arena: there is a discrepancy between the U. S. exports and imports as the main reason for the weakening of the national currency and attribute the American economic problems to both Japanese and Chinese technological advancements like the invention and high-level output of digital cameras, computers as well as to Finnish enhancements in the mobile phones production and German leading sphere of machinery and automobiles.

Historically, the crisis derived from the Vietnam military conflict, as George Washington at the certain time decided to convert dollars into gold instead of military defense. Furthermore, the war deteriorated the image of America and thus decreased the attractiveness of its products.

Nowadays, the common European currency has completely replaced the U. S. dollar and thus made its position unstable, so the U. S. trade deficit and the resulting decline of the U. S. national currency should be considered primarily in terms of the economic discourse between the EU and the US.

In simpler words, due to the fall of popularity of American products and the penetration of economic unions into global commercial arena, the national currency has been loosing its positions.