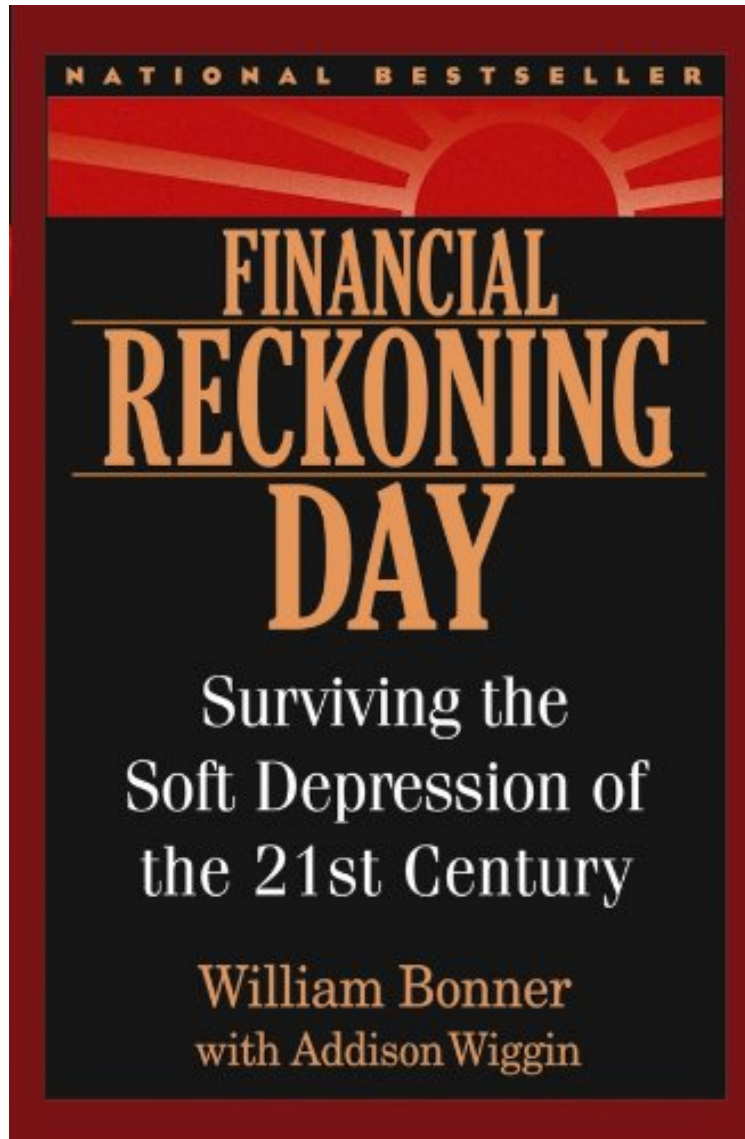


(Free pdf) Financial Reckoning Day: Surviving the Soft Depression of the 21st Century (Agora Series)

Financial Reckoning Day: Surviving the Soft Depression of the 21st Century (Agora Series)

Will Bonner, Addison Wiggin
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Will Bonner, Addison Wiggin : Financial Reckoning Day: Surviving the Soft Depression of the 21st Century (Agora Series) before purchasing it in order to gage whether or not it would be worth my time, and all praised Financial Reckoning Day: Surviving the Soft Depression of the 21st Century (Agora Series):

2 of 2 people found the following review helpful. A Dim View of the FutureBy William Whipple IIBonner and Wiggins see the world as a complicated place, where things can easily go differently than expected. One of the big problems is the human tendency to hop on the bandwagon, expecting that successful strategies will continue to work

even as the chances that they will fail is increasing. The stock market does not go up year after year, sooner or later there will be some down years. But once people get used to double digit stock returns, they expect them to continue and adjust their spending accordingly. Stock price growth is dependent on earnings growth, which requires new products and investment. Financial engineering and cost cutting only work in the short run. Managing earnings on a quarterly basis is a sure-fire way to discourage long-term strategic moves. Investment must come from savings, which represents foregone consumption. If the central monetary authority tries to compensate for inadequate savings by creating too much money, the currency will lose value rather than supporting the creation of wealth. Some theorists see the Great Depression as the result of not resorting to deficit spending quickly enough. Others blame the failure to create enough money quickly enough. Neither view is sound, per Bonner and Wiggins, because once the economic situation (which started as a speculative boom) got out of hand the government was powerless to correct it. Similarly, the Japanese government drove interest rates down to virtually zero and engaged in radical deficit spending in the 1990s. Neither tactic cured a prolonged depression in that country. And guess what, the U.S. seems to be headed for another prolonged depression, which started with a stock market bust around the turn of the century and will go on to a housing bust, etc. The timing is apparently running a few years behind the depression in Japan because the postwar baby boom lasted longer here than there. In recognition that things often turn out differently than expected, however, we will not know for sure what is coming until it happens. The arguments are well crafted and backed by plenty of historical examples, but the authors' fatalistic tone is a bit hard to take. It would be nice to see some suggestions as to how economic disaster could be avoided. Also, with all due respect, I never did consider gold to be an attractive long-term investment. 1 of 1 people found the following review helpful. A forecast to the future. By Deegan Peter I read this book almost three years ago so I read it again last week. They seem to have their heads pointed in the right direction. Recent events have shown that their dire predictions have come true. The fall of the stock market, the bursting of the housing market and the rise in commodity prices. Somehow they missed out that commodities would be a quick flash in the pan and quickly fall to seek out new lows. It appears that is where we are today. Now we have the govt. trying to bailout the Big 3 auto companies after bailing out most of Wall Street. They were correct in their prediction of inflation picking up steam which is at the point where the economy is today. With all the govt. spending, world wide, we will see that almost every govt. will have a problem with inflation. Who wins with inflation? Only those that own real assets, or those few that had the foresight to start buying gold and silver years ago when they were much cheaper than they are now. I have a lot of admiration for the two authors. They have exposed the Bush administration for the big spenders they are in contrast to the fiscal conservatives they claimed to be when they ran for office a long 8 years ago. I have no doubt that the Obama administration will continue down the same path of big govt. spending in an effort to stimulate the economy. This will be done even at the expense of the downfall of the value of our currency. There is no doubt in my mind that the US dollar will lose its status as the reserve currency in the world. What will replace it, is beyond my area of expertise. I do suspect that it will be a currency that is somehow linked to gold. I have a strong feeling that while the US govt. will strongly push for a common currency with Canada and Mexico, "the Amero", China and the Saudis might have other ideas. Canada just may want to join in with China and the Saudis since they have an abundance of oil and gold potentially making them a powerhouse if there is an economic shuffle of power. Deegan Peter 12 of 13 people found the following review helpful. Excellent Explanation of Economic History, But... By D. Buxman This book provides great insight into investment bubbles and the madness of crowds. My only complaint is that the subtitle, "Surviving the Soft Depression of the 21st Century," is somewhat misleading. There isn't much investment advice to be found here, other than "Sell the DOW and buy GOLD." This is excellent advice as far as it goes, but in this book it doesn't go much farther. Having said this, I think the author does a great job of drawing parallels between the Japanese economy of 1989 and the U.S. economy of 1999. There are compelling arguments to be made that our economy is destined to decline in much the same way that Japan's did ten years earlier, but in greater magnitudes. I also enjoyed the political discussions about democracy and freedom, and how the first doesn't necessarily guarantee the second. The fact that the author is also a copywriter, makes the book a pretty easy read.

"History shows that people who save and invest grow and prosper, and the others deteriorate and collapse. As Financial Reckoning Day demonstrates, artificially low interest rates and rapid credit creation policies set by Alan Greenspan and the Federal Reserve caused the bubble in U.S. stocks of the late '90s. . . . Now, policies being pursued at the Fed are making the bubble worse. They are changing it from a stock market bubble to a consumption and housing bubble. And when those bubbles burst, it's going to be worse than the stock market bubble . . . No one, of course, wants to hear it. They want the quick fix. They want to buy the stock and watch it go up twenty-five percent because that's what happened last year, and that's what they say on TV." mdash; Jim Rogers, author of the bestseller Adventure Capitalist from the Foreword to Financial Reckoning Day Advanced praise from bestselling authors "An investment book that will not only enlarge your investment horizon, but also make you laugh and thoroughly entertain you for a few hours." mdash; Dr. Marc Faber, author of the bestseller Tomorrow's Gold "Financial Reckoning Day is . . . in the category of scintillating sex or good vision, something to be savored and enjoyed-before it is too late." mdash; James Dale Davidson, author of the bestseller The Great Reckoning and The Sovereign Individual "A powerful

and insightful vision . . . each paragraph stimulates a new rush of thoughts that fills in gaping holes in the investor's understanding of what has happened to their dreams . . . while prepping them to confront any new confusion that may arrive." —Martin D. Weiss, author of the bestseller *Crash Profits*

"This book is an intellectual tour de force." (GetAbstract.com) "a very level-headed book for adventurous readers." (Accounting Technician, May 2004) This worthwhile, well-organized book presents insights into the current U.S. economy by comparing contemporary economic events with historical ones, especially such systems as Japan's in the 1990s and the United States in the 1930s. Find out why high-spending, high-borrowing consumerism leveraged the U.S. economy and also what the "soft depression" means for investors. (Best Business Books 2003, Library Journal, March 15, 2004) "...The authors...come up with some disturbing conclusions..." (The Journal, Newcastle, 5 February 2004) "...every serious investor should read this book..." (www.iii.co.uk (AMPLE), 6 January 2004) "...the book has rattled me enough to prompt further inquiry." (The Telegraph, 13 December 2004) From the Inside Flap Is the U.S. economy turning Japanese? According to maverick investment writers Bill Bonner and Addison Wiggin, the country's current economic picture mirrors that of Japan's decade-old "soft depression"—caused by an aging population and a structural reaction to its record-breaking financial boom. As the U.S. downturn drags on, investors want to know what's behind it all, what's in store, and what they can do to safeguard their investments. *Financial Reckoning Day: Surviving the Soft Depression of the 21st Century* helps you chart your own financial destiny in today's precarious investing climate. Irreverent and eye-opening, this "big picture" investment book starts with a simple premise: history shows us that investing has less to do with raw economic data and new statistics—the domain of most other investment books—and more to do with old rules, metaphors, and experience. Putting this unique metaphorical focus (and its underlying principles) into action, *Financial Reckoning Day* draws upon military and sociopolitical milestones to highlight the surges and slides of history. Going a step further, the authors emphasize the powerful relevance of these events to today's economic uncertainties. Brimming with down-to-earth wisdom and take-it-to-heart lessons, *Financial Reckoning Day* tells you: Why the "Information Age" stock boom went bust, with sobering insights into such companies as .com, Cisco Systems, and Global Crossing Why high-spending, high-borrowing consumerism "leveraged" the U.S. economy and what you might expect from the "soft, slow depression" in the decade ahead Why Japan's "miracle economy" unexpectedly collapsed and why a decade of monetary stimulus has failed to revive it How the Civil War—and the financing of wars in general—led to the creation of the central banking system What the legacy of Fed chief Alan Greenspan "ought" to be How the speculative mania for John Law's *Compagnie des Indes* in the early eighteenth century presaged the dot.com stock craze How the "Aging of the West" is more likely to affect stock prices in the years to come than fiscal policy As it reveals the hazards of democratic consumer capitalism and the financial follies of history, *Financial Reckoning Day* warns that depressions are not necessarily a thing of the past. And that's why it's so vital to have an essential, wide-angle resource like this on hand . . . to get you through the current crunch—and put profits back in your portfolio. From the Back Cover FINANCIAL RECKONING DAY "History shows that people who save and invest grow and prosper, and the others deteriorate and collapse." "As *Financial Reckoning Day* demonstrates, artificially low interest rates and rapid credit creation policies set by Alan Greenspan and the Federal Reserve caused the bubble in U.S. stocks of the late '90s. . . . Now, policies being pursued at the Fed are making the bubble worse. They are changing it from a stock market bubble to a consumption and housing bubble." "And when those bubbles burst, it's going to be worse than the stock market bubble . . ." "No one, of course, wants to hear it. They want the quick fix. They want to buy the stock and watch it go up twenty-five percent because that's what happened last year, and that's what they say on TV." —Jim Rogers, author of the bestseller *Adventure Capitalist* from the Foreword to *Financial Reckoning Day* More praise from bestselling authors "An investment book that will not only enlarge your investment horizon, but also make you laugh and thoroughly entertain you for a few hours." —Dr. Marc Faber, author of the bestseller *Tomorrow's Gold* "*Financial Reckoning Day* is . . . in the category of scintillating sex or good vision, something to be savored and enjoyed—before it is too late." —James Dale Davidson author of the bestseller *The Great Reckoning* and *The Sovereign Individual* "A powerful and insightful vision . . . each paragraph stimulates a new rush of thoughts that fills in gaping holes in the investors' understanding of what has happened to their dreams . . . while prepping them to confront any new confusion that may arrive." —Martin D. Weiss, author of the bestseller *Crash Profits*