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#### Sommario/riassunto

A trend depreciation of the dollar since 2002 raises concern among some in Congress and the public that the dollar's decline is a symptom of broader economic problems, such as a weak economic recovery, rising public debt, and a diminished standing in the global economy. However, a failing currency is not always a problem, but possibly an element of economic adjustments that are, on balance, beneficial to the economy. This book examines the economic context in which to view the dollar's recent and prospective movement, and analyzes the evolution of the exchange rate since its peak in 2002. It also discusses several factors that are likely to influence the dollar's medium-term path, what effects a depreciating dollar could have on the economy, and how alternative policy measures that could be taken by the Federal Reserve and the Treasury might influence the dollar's path.

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