

## The U.S. Dollar and its Rivals

**Study Leader: Woody Canaday**

**Wednesdays, 1:30 - 3:30 p.m.**

**6 weeks beginning Oct. 16**

**AIL Classroom, Lethbridge Lodge, Colby-Sawyer College**

**Maximum number of participants: 40**

The U.S. dollar has dominated global trade and finance since a new monetary and financial order was outlined at Bretton Woods in 1944. The United States acquired great advantages, and accepted responsibility to support the global growth of trade and its accompanying flow of funds. This role increasingly conflicted with domestic priorities, leading to challenges and adjustments – notably, Nixon’s abandonment of the dollar’s link to gold in 1971.

The course will review key changes since Bretton Woods and then focus on contemporary issues and potential rivals to the U.S. dollar. We’ll examine whether the U.S. dollar losing its dominance would be a bad thing and if there is room for a global system with two or three major currencies anchoring trade and finance. Among other topics, we’ll explore:

- The risks from the rapid ramp-up of government debt in the U.S. and other major economies.
- Denying bad actors’ access to their U.S. dollar assets, a moral policy that has caused a backlash among some nonaligned nations that worry they may be next.
- Candidates for displacing or reducing the dominance of the U.S. dollar – and how to assess their likelihood of success.

Cryptocurrencies are already being used to move money around the world, challenging central banks’ control of their currencies. To examine how far this might go, we will discuss:

- Bitcoin (BTC), a self-regulating currency with its own international clearing system, aka blockchain (system for verifying trustworthiness).
- Ethereum (ETH), a currency whose blockchain supports innovative financial services including stablecoins (cryptocurrencies pegged to real world assets, such as the U.S. dollar).
- The use of cryptocurrencies to evade the law – and Bitcoin’s use as legal tender in El Salvador.
- Central banks creating digital versions of their own currencies in response – posing both opportunities and privacy risks.

There is no textbook for this course. Selected readings will be provided. A glossary of terms will be included. Active questioning is encouraged.



**Woody Canaday**

Woody Canaday studied classics at Harvard and business at Stanford. He worked at Morgan Guaranty Trust and at Greenwich Associates, where he was a consultant for 30 years to foreign exchange and fixed-income dealers in the Americas, Europe and Asia-Pacific. He has been a lifelong summer resident of New Hampshire and moved to New London in 2017.