

Jim Rogers and Marc Faber See Disaster Looming, Blame The Fed

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Legendary investors Jim [Rogers](#) and Marc Faber have similar outlooks on the financial crisis and the efforts of the Federal Reserve to revive the U.S. economy. What do they think of the Fed's quantitative easing policy? In a word, it is a recipe for disaster.

According to Rogers, governments have not addressed the underlying problems which triggered the crisis, but instead have "flooded the world with money." He argues that trying to solve the problem of too much consumption and too much debt with more consumption "defies belief," and will result in epic failure.

Faber's outlook echoes the sentiments of Mr. Rogers. He says, "If we agree that excessive credit and excessive leverage led to the crisis, then what [the Federal Reserve](#) is doing is giving a wrong medicine to the patient—they are giving the drug addicts more drug instead of sending them to rehabilitation, which is not good for the economy. So I think that the whole policy will eventually end in another disaster but we don't know when and many things can happen in between."

So where do Faber and Rogers see opportunity? Well, both are extremely bullish on agricultural commodities and companies. Rogers says that it will be farmers not bankers driving Ferraris in the coming decades. Faber likens investing in agriculture to investing in oil in 2001 or 2002.

If you are interested in a fairly simple and straightforward way to act on the advice of Rogers and Faber, the PowerShares DB Agriculture ETF (NYSE: [DBA](#)) tracks the price of corn, soybeans, sugar, and wheat. Another way to take advantage of a surge in commodity prices in the coming years is to invest in managed futures or buy currencies such as the Australian and Canadian dollars which are linked to the price of commodities. This can also be done with ETFs. The Australian Dollar Trust ETF is ticker symbol (NYSE: [FXA](#)) and the Canadian Dollar Trust ETF is ticker symbol (NYSE: [FXC](#)).

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