

TABOO OPINIONS #38

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2-22-05 BEHIND THE SEEMS

Time and Reuters have reported that some U.S. diplomats and some people in the provisional Iraq government have contacted the Sunni insurgent leadership in 'back channel' talks to find a way to get the Sunni insurgents to stop fighting.

I don't doubt it. A deal may be in the making. The questions are: what do the Sunnis want and how much will it cost us?

We may offer to stop destroying Sunni cities and leave them alone if they stop killing Americans and Shiite officials and Iraq policemen, soldiers, etc.

We might even promise to reconstruct their destroyed cities at a faster pace and pay their Sunni leadership bribes and inflated 'payroll' money.

And we could promise to get out of Iraq real soon after the December elections.

Maybe we and our Iraqi government stooges might even consider letting Saddam Hussein go into permanent exile somewhere. [It's going to be difficult to indict and convict Saddam for war crimes while ignoring George W. Bush's 'pre-emptive war' crimes.]

I suspect we are going to see American Foreign Policy at work in all its bribe-threat-kill glory.

THE CHICKENS COMING HOME TO ROOST

Today was instructive: The price of a barrel of crude oil topped \$51, the South Koreans announced a cut back in their purchases of our treasury debt (as had the Chinese), the value of the dollar plunged, and the stock market dropped 174 points (which roughly translates to \$174 Billion).

Which means that the game of spending ourselves into prosperity using borrowed money is about over.

The stimulative deficits strategy has failed and now the rest of the world is beginning to refuse to let us get away with it.

They let us devalue the dollar (and ate their dollar losses) for years in order to sell us their products and earn more dollars.

As long as they could justify accumulating rapidly deteriorating dollars, the game continued. The Federal Reserve flooded the country with low-interest rate debt, the American people happily borrowed and spent, borrowed and spent, went deeper and deeper in debt, bought overpriced stocks, bought overpriced homes, cars, vacations... Happy Days Were Here Again!

But now the vast debt bubble seems to be leaking. The American consumer is coming up against very expensive gas and oil, increasingly expensive food, mortgage costs, etc., and his income isn't keeping pace.

Millions of consumers are facing debts and living expenses which cannot be paid...and soon banks and mortgage corporations will face floods of missed payments...and soon jobs will disappear...and international trade will shrink and the mostly Asian countries who bought our treasury debt will not be able to buy any more (even if they wanted to) and HORRORS! they might even sell some of their U.S. treasury notes and bonds and bills which would drive the value of the U.S. dollar down and down and down...which we Americans would experience as "inflation" and a grinding, lower standard of living.

Get used to the idea of living with relatives (or they with you), or living in your car.

I could elaborate on all this, but too much pleasure is bad for me.

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