

# TABOO OPINIONS #48

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## 5-18-05      **GETTING A FEW THINGS OFF MY CHEST** **[Opinionectomies are painfull]**

The arrogance and nerve of the Bush administration, especially Secretary of The Treasury John Snow ["Treasury" itself is a misnomer anymore, since there's no treasure in the vaults, only I.O.U.'s to everybody under the sun, yea even unto the unborn seventh son of the seventh son], himself a liar and a political prostitute----never believe *anything* the man says. He has no shame...is amazing.

Now the administration has 'warned China on Tuesday that it could be cited as a currency manipulator and face economic sanctions unless it moves swiftly to overhaul its currency system.'

Today I saw that new limits had been put on Chinese clothing exports to the USA.

As I have noted before, China has enormous billions of US\$ accumulated in its reserves, and any time it wants to teach us a lesson it need only sell a few billion of them on world currency exchanges to drive down the value of the US\$ and thence drive up interest rates in this country, which would act as an added tax and drive down commerce and loan activity---leading into a recession.

For us, the most egregious currency manipulator of all time, to complain that the Chinese are taking advantage of us because they refuse to raise the value of their currency (while we are now and for four years have been assiduously driving down the value of our currency! Is the epitome of bald-faced hypocrisy.

Please note that only in odd corners of of the financial press will you find reporting that of late China, South Korea, Russia, and Norway are either selling dollars big time and/or not buying additional amounts of our weekly-monthly humongous billions of new \$debt.

As Holmes would say, "Dr. Watson, something is afoot!"

Two weeks ago the \$57 price of oil was proof of good times, that the American consumer could take the 'hit'.

Today, with oil at \$47 the price of oil is rarely mentioned except as good news for the American consumer.

HA! \$47 oil means less is being used because less driving is done, business is less, or inventories are too high because of less use.

So we'll see where the price of oil goes next.

Mortgage applications for new home loans went down 11% last week, while last month new home construction went up to a record high. I begin to wonder who will buy all those new houses?

END TABOO OPINIONS #48