

# Re: Why do the Japanese/Chinese purchase USD over the Euro?

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- *From:* Nospam <nospam@xxxxxxxxxxxx>
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Brablo wrote:

I took a look at the USA's bond holders, and the vast majority of our dollar-denominated bonds are with the Japanese and Chinese.

Why do they crave dollars as opposed to the Euro? There are more euros in circulation (higher market cap), and it's therefore a more liquid investment. Also, the European area is also hungry for Eastern Asian goods (i.e. Hondas, and remote controls). Why do the Eastern Asians target our currency to raid?

While hungry, they are also smarter and keep a lid on the trade not to harm the domestic economies.

retrogrouch had a post in alt.politics.economics with a scary news:

<http://news.bbc.co.uk/2/hi/business/6502725.stm>

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The US has lost its position as the world's primary engine of technology innovation, according to a report by the World Economic Forum. The US is now ranked seventh in the body's league table measuring the impact of technology on the development of nations.

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Free trade is not bad if done properly, but as everything it become harmful when taken by an idiot without any limit. Everything have a limit in this world and it is insane to overpass it.

That is why you have to take the antibiotics 1 at every 8 hours for 21 days and not all 63 of them at once. Heck, even water in overdose it is harmful:

<http://www.guardian.co.uk/usa/story/0,1991038,00.html>

Unfortunate, in US we got a bunch of lunatic neoconservative-libertarians fundamentalists that poisoned our economy with an overdose of free trade.

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we are on the path of "water poisoning" and I am really sure that as of this moment the damage can be completely be undone anymore. But anyhow, it is very clear that if we do not stop now, and s take actions to stop the disaster, a total economic meltdown it is unavoidable.