

Re: Why Bernake is smirking.

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Source: <http://sci.tech-archive.net/Archive/sci.econ/2007-12/msg00164.html>

- *From:* The Ghost In The Machine <ewill@xxxxxxxxxxxxxxxxxxxxxxxxxxxx>
 - *Date:* Sun, 16 Dec 2007 14:46:52 -0800
-

In sci.econ, phil scott
<phil@xxxxxxxxxxxxxxx>
wrote
on Sun, 16 Dec 2007 12:54:46 -0800 (PST)
<d2c18486-8058-4112-aa01-9df385870313@xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx>:

On Dec 16, 12:27 pm, The Ghost In The Machine
<ew...@xxxxxxxxxxxxxxxxxxxxxxxxxxxx> wrote:

In sci.econ, phil scott
<p...@xxxxxxxxxxxxxxx>
wrote
on Sat, 15 Dec 2007 12:42:20 -0800 (PST)
<c9dc70f5-063b-4ef1-a53c-5a780aa73...@xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx>:

Bernake smirks...worth listening to despite the echo.

<http://uk.youtube.com/watch?v=yAwvlDJgJbM>

I noticed Bernake's facial expressions under the beard... he
smiled
faintly when Dr Paul mentioned that the funny money
situation had been
going on 10 years before he (bernake) got there... then later
bernake
went into an undiquisable smirk as Dr. Paul began to get
very explicit
about the devaluation of the dollar robbing savers blind.... Im

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sure
the rest of congress sees it too.

Bernake would be smirking for two reasons.... first, there is nothing he can do given congress/ and presidential requests to float the boat as long as possible...and two, he knew this going in. and so did Greenspan, and those interests who profit so handsomely during wars and financial collapse (title to stock and property reverts to the prime banks when all others default... the story of 1929)... just prior to 1929 the newly founded FED flooded the nation with money, creating the bubble that ended in the crash).

If Bernake fails to flood the market with funny money, and stops doing that as the FED did in 1928-29.. we will see the nastiest world wide crash yet. He knows that. Beyond his direct control are the causes of national insolvency, which are:

1. we have offshored much of our industrial production base.

Cheaper for multinational corporations.

2. we have offshored many of our best jobs.

Cheaper.

3. we have allowed our borders to be over run with illegals who cost hundreds of billions in services we cant afford.

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Cheaper than actually fixing the problem, which is somewhere in Mexico.

4. we have 70%+ govt bloat.

Government *IS* bloat. Until someone can state exactly why government exists (the only reasons I can think of are a common monetary base, standards handling, and a standing navy), perhaps we're better off without it?

Then again, without it we'd have a form of anarchy which would probably quickly revert to a form of feudalism.

Also, a lot of county/parish/borough/precincts exist at the local level; these among other things tax for fire and police protection and public schools (which are slowly withering for lack of funding here in California, and probably in other states as well).

per student funding average in calif is 10,500 dollars. well above the national average, with drastically lower than average results. thats because of the 100,000 dollar a year 'admisinstrators' taking most of the money... for details search google.

I'll admit to wondering if this is a problem that needs to be fixed at the California level only — but we've had a mini-revolt here, which resulted in Arnold Schwarzenegger as governor, and he just got reelected for another 6 year term as well.

Can anyone say Reagan protege? :-) Fortunately, he won't become President without a Constitutional amendment.

5. many civil servants are retiring at age 51 with \$100,000 to \$150,000/hr !! (police, fire, prision guards etc)...Half of some county budgets.

They'll need it. The estimated wages to continue a "middle class" lifestyle have been estimated to be as high as \$200k. We should have had a hint of problems when

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"supplemental social security" became the sole source of income for a large number of elderly. (Dunno if that was during the Carter or the Reagan Administration. I suspect the latter, but Carter had some massive problems of his own.)

it will be nasty for sure. a lot of retirees are already moving to third world countries in order to afford a living.

That only goes so far. At some point -- dunno when -- everyone will have the same wages, living conditions, and problems. Of course I don't see that happening for 50 years or so.

6. we have bogus/ unfair trading laws.

Actually, our side is completely fair (we're as open as a sieve, practically). It's the other side that causes problems. There is the exception of food tariffs, though.

I think 'open as a sieve' as serious problems.

There's probably an optimum tuning-point. What it is, I don't know.

the tariffs of others is also a problem but imo only faintly... as long as US labor is forced to compete with slave labor we sell our own national interest.

US labor is always competing with other's labor, slave or no. It's the nature of the beast. Best we can do is impose tariffs on those known to use slave labor, and since one of them is China one has some very interesting geopolitical questions to answer first.

There's also the issue of how one determines fact. The World Court is arguably the most logical, but I don't see the US paying much attention to its findings. :-) (A pity.)

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Whether a throttle (tariff) would help there, I for one don't know. It doesn't help that trade problems are treated as "tit for tat" affairs at the diplomatic level, looking more like geopolitik than economic disputes.

Bernake cant do a damn thing about any of that....so he smirks.

<http://fskrealtyguide.blogspot.com/2007/12/real-gdp-growth-has-been-...>

What can he do?

nothing...but iddue credits and hyper inflate the currency.. our problem is with a corporate controlled congress selling out national interests...and simple idiocy... most of these dont even understand the issues.

these dont self correct btw.

I wouldn't expect them to. However, we will also dip down below the world average (about \$10k/year) in GDP/cap, which should at least counterbalance the immigration problem we're currently having. Depending on inertia, we might overshoot, then correct. The time frame for all this is unknown, especially since Mexico's oil fields are starting to fail. They might have 10 years left.

my advice, brace yourself.

Phil Scott

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#191, ewi...@xxxxxxxxxxxxxx

"640K ought to be enough for anybody."

– allegedly said by Bill Gates, 1981, but somebody had to make this up!

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quoted text –

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#191, ewill3@xxxxxxxxxxxxxx

Been there, done that, didn't get the T-shirt.

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