

Re: What to do about milspace/govspace

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On Oct 2, 10:59 am, Ian Parker <ianpark...@xxxxxxxxxx> wrote:

The basic fact is that the Chinese are strongly in surplus and the US is in deficit. If the various holdings of dollars around the world stay put, the world economy will be stable. Should one country decide to download dollars in significant quantities the price of the dollar will decline.

You're talking petroeuros instead of petrodollars as the only realistic way to do it. That is an act of war. I ain't proud of the fact, but if any country does decide to pay for oil with anything but dollars they should consider themselves a target.

A billion would make a round sum.

A billion? A billion is peanuts. Hell they lost 9 billion to what appears to be a crooked contractor in Iraq. No, more like a 100 billion to get anyone's attention.

The US position is based on confidence. As soon as the dollar started to decline all countries would put their reserves into Euros. As we know from the sub prime market a relatively small amount of actual cash can destroy confidence. A billion would send a message without precipitating a collapse.

The US is in a position where it is being held up by China. OK the Chinese do not want to see an abrupt collapse in confidence. They want an adjustment of the US trade deficit but not an abrupt one. The basic reason why the US can run this deficit is because the dollar is a reserve currency. Dollars can be printed which go into reserves round the world.

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We force people to use them for buying oil. Not doing so means that you become a target.

Confidence is a fragile thing. While there is confidence in the US everything is fine and dandy. As soon as confidence ebbs there will be a crash. A crash is a self sustaining event, the world markets are in a state of instability.

Given that both sides have an interest in stability, does it really make sense to talk about having a war?

Only unless someone decides to upset the balance.

You are right in that the tax cuts preceeded Iraq. However it would have been more honest for bush to have cancelled the tax cuts when war broke out. That would have been the honest thing to do.

China wants stability and does not want a war. Does the US? If the CIA were able to carry out a real conspiracy, prove somehow that the Chinese were behind 9/11 (how I don't know) the public might have some appetite for a war despite the costs. If the CIA cannot smear them adequately, then people are going to blame the government for the collapse in their pension provisions. Unlikely they could. The CIA have been found out every single time.

Every? How do you know that?! Look at the drug trade. Found out? Get real!

This is the hard truth that none of the candidates will tell you.

But intelliegent people can figure it out.

Do consider that the whole euro/dollar thing may come to a head in the coming decades. Don't think that we can't make it three in a row. Again, I'm not proud of it but I do understand it.