

Massive dollar collapse imminent ..

by Edmund Conway via reed - Telegraph UK *Wednesday, Jan 7 2009, 10:29am*

international / social/political / other press

warns Willem Buiter, former Bank of England policy maker

The world simply would not tolerate America irresponsibly printing more money in order to save its economy. There's more than a hole in the bucket dear Obama, the Bush regime blew the bottom out and no amount of printing VALUELESS toilet paper money can save the situation.



Obama faces \$10 trillion national debt

FACE REALITY! Any attempt to print-off reams of bills would meet with massive dumping of US assets by other nations that do not wish to be caught with massively devalued US bonds and bills.

As previously stated, the BRIC group of nations would probably form a stronger economic alliance; a model which other regions/nations would follow.

Faced with economic pariah status -- not even Mexico and Canada could afford to maintain ties with a tail-spinning US economy -- the USA would probably fragment into regions that could, over time, pull themselves by the bootstraps out of economic oblivion.

Banksters, Wall St rogues and Robber Barons have destroyed the world's largest economy and the numb, dumbed-down, America sheeple allow these criminals and gross incompetents to maintain their positions and non-performance related huge wages! Bernie '\$50b' Madoff, the world's biggest fraudster continues to live in luxury -- only in America!

Dream on while you can, sheeple, a rude awakening awaits!

From the Telegraph:

The long-held assumption that US assets - particularly government bonds - are a safe haven will soon be overturned as investors lose their patience with the world's biggest economy, according to Willem Buiter.

Professor Buiter, a former Monetary Policy Committee member who is now at the

London School of Economics, said this increasing disenchantment would result in an exodus of foreign cash from the US.

The warning comes despite the dollar having strengthened significantly against other major currencies, including sterling and the euro, after hitting historic lows last year. It will reignite fears about the currency's prospects, as well as sparking fears about the sustainability of President-Elect Barack Obama's mooted plans for a Keynesian-style increase in public spending to pull the US out of recession.

Writing on his blog , Prof Buiter said: "There will, before long (my best guess is between two and five years from now) be a global dumping of US dollar assets, including US government assets. Old habits die hard. The US dollar and US Treasury bills and bonds are still viewed as a safe haven by many. But learning takes place."

He said that the dollar had been kept elevated in recent years by what some called "dark matter" or "American alpha" - an assumption that the US could earn more on its overseas investments than foreign investors could make on their American assets. However, this notion had been gradually dismantled in recent years, before being dealt a fatal blow by the current financial crisis, he said.

"The past eight years of imperial overstretch, hubris and domestic and international abuse of power on the part of the Bush administration has left the US materially weakened financially, economically, politically and morally," he said. "Even the most hard-nosed, Guantanamo Bay-indifferent potential foreign investor in the US must recognise that its financial system has collapsed."

He said investors would, rightly, suspect that the US would have to generate major inflation to whittle away its debt and this dollar collapse means that the US has less leeway for major spending plans than politicians realise.

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