

[China threatens 'nuclear option' of dollar sales](#)

[China threatens to trigger US dollar crash](#)

[Dollar falls as report suggests Beijing threatening asset sales](#)

The second link has a note to the effect that 44% of the US debt is foreign owned; China is estimated to own about \$900B, near enough to a trillion dollars.

From the third link:

“Asked about the Telegraph article in an interview with Fox News, Bush responded that China would be “foolhardy” to attempt to weaken the US currency in retaliation for US pressure over Beijing’s alleged currency manipulation. “If that’s the position of the government, it would be foolhardy for them to do this,” Bush said.

Foolhardy. Political bluster and rhetoric aside, that must be a very comfortable sandhole in which he is inverted if he really does not understand, or denies, that they have us on a leash and a choke collar. At least he didn’t deny that they could were they to so desire.

Will they exercise it? I don’t know that I would look for that right now, but that is not really the point. What it points out is that in borrowing from others we give them control over us. When the Chinese think they can get away with major moves against us, I think we can look for them to act at times. Yes, they partly need us to buy their goods, but when the rest of the global markets have begun to buy them as well, they don’t need us so much any more. They have real interest [sic] in flexing their economic power, and they are willing to play a long game.

Whether or not people will ever connect the dots that in our sumptuous lifestyle we have sold ourselves into slavery to others, and be willing to make some very hard decisions with personal impact, remains unknown. This is easy to blame on presidents and Congress; while they do control the fiscal policy, we ultimately hold them accountable, or not, for how they manage that. I take my share of blame, as I’ve not done so for most of my life. Yes, international finance is a very complex area, but one basic remains unchanged: the debt holder controls the debtor. Mostly I must say that I’ve chosen the easy route of not seriously questioning those that have been and are borrowing scads of money over the past decades. Enough.

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