



## Key News

- [The number of newly laid-off workers](#) (US) filing claims for unemployment benefits fell more than expected last week to the lowest level in over a year. (AP)

## Quotable

“The common curse of mankind, -- folly and ignorance.”

William Shakespeare

## FX Trading – Fed Fantasy: You can’t make this stuff up

***Financial Times*: Federal Reserve officials have expressed concerns that near-zero interest rates could fuel “excessive risk-taking in financial markets” but believe the possibility of such an outcome is “relatively low”, minutes from its November meeting show.**

Say what? Is that a misprint? Is it parallel universe time? Mr. Einstein, please call your office!

“Could fuel risk taking” but the possibility of that happening is “relatively low”? What the heck? Has anybody checked the Hallowed Halls of the Federal Reserve in Washington D.C. to see if maybe there isn’t a whole bunch of Chinese drywall behind all that rose-colored paint? People have been known to hallucinate from Chinese induced fumes in the past.

Has anyone at the Fed been paying attention for let’s say—the last seven years? Low interest rates—effective free credit—is responsible for almost all economic ills which ail us. Yet we get that claptrap from Fed “minutes.” Maybe these things need to be renamed more appropriately—Fed Minutes of Delusion Not Ready for Prime Time. And these people have PhD’s in Economics. Yikes!!!!!!!!!!!! Very scary for anyone aspiring to such a lofty level...I now thank goodness I wasn’t that good with math or I may have swerved into the land of the economic brain dead too during my academic years.

Amazing!

And we wonder why the US dollar index made a fresh new post credit-crunch low this morning? With the FOMC Keystone Cops at the wheel, the fact that the dollar isn’t in all-time new low territory is what’s shocking. Ron Paul was so far ahead of this ugly curve it’s not even funny. Maybe this latest fantasy fabricated from the Fed will finally wake up the “Fed is so independent and vital to our economic interests crowd,” a crowd

that rarely does any independent thinking for they are too busy feeding at the teat of Washington zeitgeist.

Mr. Paul has always believed the Fed created more trouble than it has ever been worth. There have been many before him who thought the same, only to be steamrolled by the political special interest who seem to always be the biggest dependents (you know the names) of so-called *Fed independence*—an oxymoron indeed!

If I remember correctly, at another place, and another time, maybe another universe, there was a very smart man with common sense. His name was Milton Friedman. Mr. Friedman nailed it many years ago when he suggested the Fed, or Federal Open Market Committee, should be replaced by a computer that buys and sells bonds in order to maintain the money supply at around the natural growth rate of the economy.

Wouldn't that have saved us all a whole bunch of jobs and real wealth; not mention all those congressional testimonies that are beyond excruciatingly painful in so many ways.

Ever since congress, at the urging of a small elite group of “economic thinkers” and control freaks from a small island off the coast of Georgia, called (Dr.) Jekyll Island, breathed life into the contraption we call the Fed, bad things economic have ensued.

It shouldn't be this hard to inject some common sense into US economic policy—it just shouldn't. But, as my mother, always said—there is no such thing as fair in the world, there just is, so learn to deal with it. This she learned by watching my grandfather working many awful jobs, all the time, in order to barley feed his family during the last great depression; another massively awful business cycle downturn bestowed on us by the great men at the Fed thanks and their easy money policies to support their “independent” interests.

When something doesn't do what it's supposed to do, why do some continue to pretend it does? Easy answer; because they benefit from the system no matter how flawed.

Below is a sampling of *real* knowledge from the Great One; a man who by the way was shunned by the so-called economic elite of his day. The PhDs in economics then and now couldn't carry his proverbial jock strap, yet they never gave the Great One the title of professor here in the US. His views were just not in with those that really knew what was going on the “modern” economy. Some things never change...

“The ultimate cause, therefore, of the phenomenon of wave after wave of economic ups and downs is ideological in character. The cycles will not disappear so long as people believe that the rate of interest may be reduced, not through the accumulation of capital, but by banking policy.”

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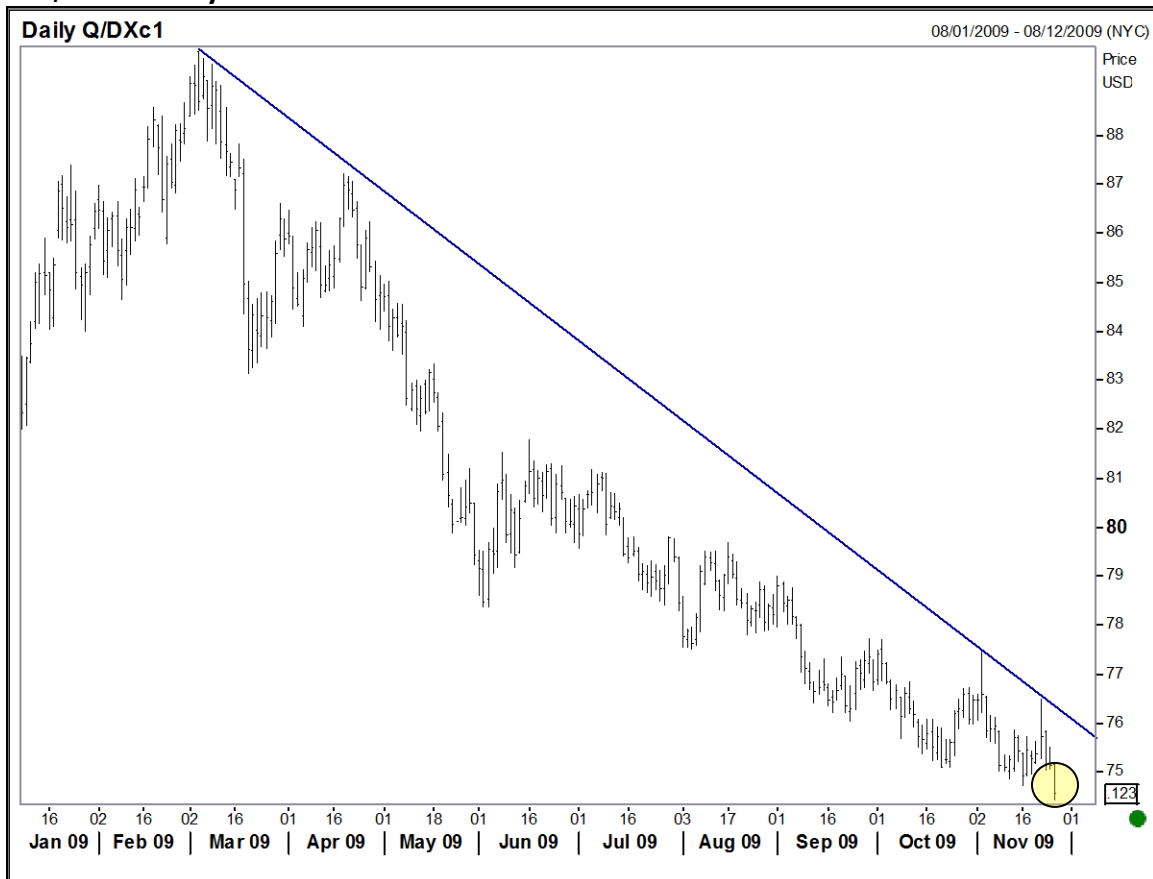
“The cyclical fluctuations of business are not an occurrence originating in the sphere of the unhampered market, but a product of government interference with business conditions designed to lower the rate of interest below the height at which the free market would have fixed it.”

“There is simply no other choice than this: either to abstain from interference in the free play of the market, or to delegate the entire management of production and distribution to the government. Either capitalism or socialism: there exists no middle way.”

Ludwig von Mises

Case closed!

### US \$ Index Daily



Happy Thanksgiving!

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