

“The Media Lies for A Living”: The Decline in the US Stock Market is “The Fault of China”

Where is Neo When We Need Him

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In The Matrix in which Americans live, nothing is ever their fault. For example, the current decline in the US stock market is not because years of excessive liquidity supplied by the Federal Reserve have created a bubble so overblown that a mere six stocks, some of which have no earnings commiserate with their price, accounted for more than all of the gain in market capitalization in the S&P 500 prior to the current disruption.

In our Matrix existence, the stock market decline is not due to corporations using their profits, and even taking out loans, to repurchase their shares, thus creating an artificial demand for their equity shares.

The decline is not due to the latest monthly reporting of durable goods orders falling on a year-to-year basis for the sixth consecutive month.

The stock market decline is not due to a weak economy in which after a decade of alleged economy recovery, new and existing home sales are still down by 63% and 23% from the peak in July 2005.

The stock market decline is not due to the collapse in real median family income and, thereby, consumer demand, resulting from two decades of offshoring middle class jobs and partially replacing them with minimum wage part-time Walmart jobs without benefits that do not provide sufficient income to form a household.

No, none of these facts can be blamed. The decline in the US stock market is the fault of China.

What did China do? China is accused of devaluing by a small amount its currency.

Why would a slight adjustment in the yuan's exchange value to the dollar cause the US and European stock markets to decline?

It wouldn't. But facts don't matter to the prostitute media. They lie for a living.

Moreover, it was not a devaluation.

When China began the transition from communism to capitalism, China pegged its currency to the US dollar in order to demonstrate that its currency was as good as the world's reserve currency. Over time China has allowed its currency to appreciate relative to the dollar. For example, in 2006 one US dollar was worth 8.1 Chinese yuan. Recently, prior to the alleged

“devaluation” one US dollar was worth 6.1 or 6.2 yuan. After China’s adjustment to its floating peg, one US dollar is worth 6.4 yuan. Clearly, a change in the value of the yuan from 6.1 or 6.2 to the dollar to 6.4 to the dollar did not collapse the US and European stock markets.

Furthermore, the change in the range of the floating peg to the US dollar did not devalue China’s currency with regard to its non-US trading partners. What had happened, and what China corrected, is that as a result of the QE money printing policies currently underway by the Japanese and European central banks, the dollar appreciated against other currencies. As China’s yuan is pegged to the dollar, China’s currency appreciated with regard to its Asian and European trading partners. The appreciation of China’s currency (due to its peg to the US dollar) is not a good thing for Chinese exports during a time of struggling economies. China merely altered its peg to the dollar in order to eliminate the appreciation of its currency against its other trading partners.

Why did not the financial press tell us this? Is the Western financial press so incompetent that they do not know this? Yes.

Or is it simply that America itself cannot possibly be responsible for anything that goes wrong. That’s it. Who, us?! We are innocent! It was those damn Chinese!

Look, for example, at the hordes of refugees from America’s invasions and bombings of seven countries who are currently overrunning Europe. The huge inflows of peoples from America’s massive slaughter of populations in seven countries, enabled by the Europeans themselves, is causing political consternation in Europe and the revival of far-right political parties. Today, for example, neo-nazis shouted down German Chancellor Merkel, who tried to make a speech asking for compassion for refugees.

But, of course, Merkel herself is responsible for the refugee problem that is destabilizing Europe. Without Germany as Washington’s two-bit punk puppet state, a non-entity devoid of sovereignty, a non-country, a mere vassal, an outpost of the Empire, ruled from Washington, America could not be conducting the illegal wars that are producing the hordes of refugees that are over-taxing Europe’s ability to accept refugees and encouraging neo-nazi parties.

The corrupt European and American press present the refugee problem as if it has nothing whatsoever to do with America’s war crimes against seven countries. I mean, really, why should peoples flee countries when America is bringing them “freedom and democracy?”

Nowhere in the Western media other than a few alternative media websites is there an ounce of integrity. The Western media is a Ministry of Truth that operates full-time in support of the artificial existence that Westerners live inside The Matrix where Westerners exist without thought. Considering their inaptitude and inaction, Western peoples might as well not exist.

More is going to collapse on the brainwashed Western fools than mere stock values.

Paul Craig Roberts was Assistant Secretary of the Treasury for Economic Policy and associate editor of the Wall Street Journal. He was columnist for Business Week, Scripps Howard News Service, and Creators Syndicate. He has had many university appointments. His internet columns have attracted a worldwide following. Roberts’ latest books are [The](#)

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