
Subject: Dollar is going down...

Posted by [Hydra](#) on Tue, 06 Jan 2004 22:30:27 GMT

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IRON-FARTI checked on xe.com/ucc the other day so see how many dollars I could get for my English money (British Pounds, GBP) And it was like ~1.76 dollars for one pound.

I check again 2 days later (few mins ago) to see that it has already gone up 3 cents. (~\$1.79/Pound)

A few years ago It was like \$1.2, less that that even, per Pound.

I was surprised to see this dramatic change, really.

For those who don't know, this is because of heavy spending by the government. So the US economy has gotten worse. And if you didn't know that last fact, you probably didn't understand why so many people oppose bush.

Runs to cash in

Index	2002 close	2003 close	% change
Dow Jones Industrials	8341.63	10453.92	+25.3%
S&P 500	879.82	1111.92	+26.4%
Nasdaq	1335.51	2003.37	+50.0%

Economy getting worse, huh? Then why did the Dow Jones increase by 25.3% and the Nasdaq by 50.0%? Why did the overall size of the economy grow by about 8% or 200-300,000 new jobs were created? Something tells me the Democrats won't be using the slogan "It's the economy, stupid!" this year.

MrBobSo anyway, the reason the US dollar's value is going down is because of inflation. And since the money is worth less than it's said to be, people get rid of the bad money and keep the good money (Gresham's Law). That's why people always spend modern moeny and keep things like gold and silver certificates.

That is part of why the dollar goes down against foreign currencies, but the main reason the dollar goes down is to promote US trade with foreign businesses. It becomes more costly to US businesses to import than to export, and foreign businesses find out they can get more for their currency value. This is done when the economy does not show growth for longer than two consecutive fiscal quarters (the technical definition of a recession) to promote trade with other countries so businesses would produce more goods and make more of a profit instead of buying foreign goods.
