My Problem With Speculative Currency Traders

Gordon Styles, Engineer & Managing Director, Star Prototype

Star Prototype China is owned and run by Gordon Styles, British businessman and engineer.

In 1993, Styles began building what became the U.K.'s largest rapid prototyping technology (RPT) company, which he later sold.

Styles then founded Star Prototype — a full service RPT bureau that specializes in rapid prototyping, urethanes, CNC machining, rapid tooling and molding — in 2005 with the intention of offering western clients the opportunity to use a reliable and high-quality rapid prototyping and rapid manufacturing supplier in China.

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Speculative currency trading should be made illegal world-wide.

It is ironic that the man who kicked over the money changers' tables in the temple two thousand years ago was nailed to a cross.

Again my company has lost $100,000 or more on currency movements in just a few months.

The last time it happened at the beginning of the economic crisis, we only made back about 30 percent of our losses on the upturn. I lose my money in the

Receivables/Debtors account. I give credit to people and I cannot swap around the currencies that my outstanding invoices are denominated in — therefore I am powerless to protect myself.

The currency traders are having a field day stealing from hard working business people who only seek to make an honest profit.

Some say I should hedge my currencies — but why should I have to? I am not a pin-striped thief, and therefore I should not have to understand that kind of unnecessary trickery.

There is much criticism of China [1] for controlling its currency exchange rate, and yet, frankly that is the only way to bring stability to the world of international trade.

Between July 2005 and July 2008, China revalued its currency upwards on a monthly incremental rate from 8.28 to 6.83. China only stopped this controlled process of revaluation when "all-hell-broke-loose" and the USD rose dramatically as people sold shares and ran to the dollar just prior to the collapse of late 2008.

Exchange rates should be set by broad political and economic consensus, gently sloping lines should be carefully drawn on graphs and broadly approved by all, and the rates should incrementally move in the directions that all parties agree are correct.

Does this sound like some kind of feverish dream? Surely the ability for governments to decide their currency exchange rate is "currency manipulation" and quite socialist?

The USA has been threatening to label China as a "currency manipulator." Well in fact, what most people don't know is that between 1945 and 1973 that is exactly how currency exchange rates were set in the World.

At the behest of the USA, in 1944 a conference was held at Bretton Woods in New Hampshire which led to the major currencies of the World being pegged to each other for nearly 30 years.

Currency rates moved according to global political consensus and the system became known as the Bretton Woods System [2]. This system brought global peace and was the birthplace of the IMF and the World Bank. It was a truly successful system of *currency manipulation* put in place by the USA.

For sure there will always be those who wish to flout the consensus, but this has to be far better than the roller coaster ride that is global currency trading today where only the super greedy and super ignorant set the rates — and the super incompetent politicians allow them.

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For more information, visit www.star-prototype-china.com *[4] and check out the Star Prototype* blog *[5].*

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