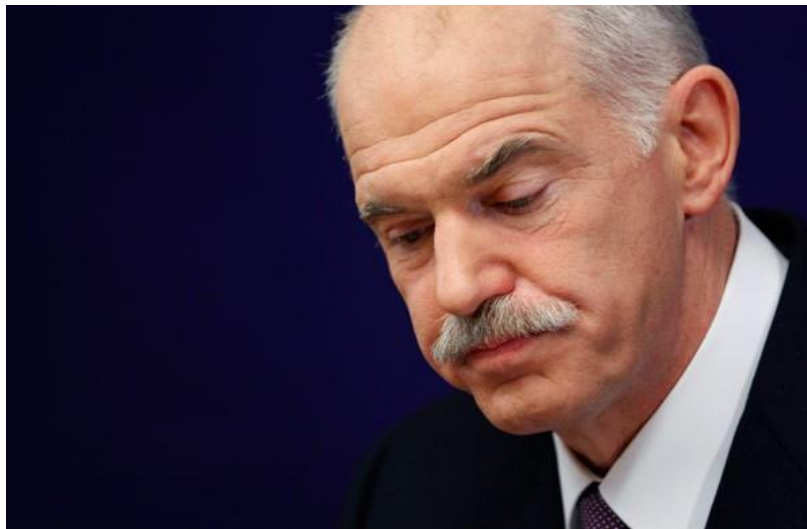


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Now What's Going On

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THE EUROPEAN MODEL HAS FAILED A CRISIS IN DEMOCRACY

The most stunning aspect of the entire Greek **Sovereign Debt Crisis** is the fact that European leaders are up in arms over the fact that George Papandreou announced that Greece would hold a referendum on the EU's latest shock therapy "rescue" plan destined to destroy Greece faster than a speedy bullet. Everyone claims we live in a democracy, but in truth, this is just a corrupt republic the same as Julius Caesar was faced with when he crossed the Rubicon. The

propaganda that has survived painted Caesar as an evil dictator. But when he crossed that river, the people cheered, the senators fled Italy, and Caesar walked into Rome as a hero. There was a massive debt crisis and the people were ecstatic. Republican government always turns into corrupt vile things dominated by oligarchies. We are at that same point in time.

It has ALWAYS been about the debt for the past 6,000 years. Each generation seems to somehow believe they are the exception to history. In Caesar's day, the bankers were the senators. Real estate collapsed in price and they refused to accept the property back in payment. They were taking all other assets including your children and selling them into slavery. Yet historians raised the likes of vile people like Cato and Brutus who were notorious dishonest people to a pedestal of praise all because they did not understand the Roman office of Dictator, which was an elected position for one year who would get the job done when the politicians were incapable of forming a committee to act in a timely manner. We could use such a position today. We have similar posts like the Chairman of the Fed, but these are unelected posted that the politicians hand power to and do not bother to understand what they really expect from such positions. How about an actual elected position for one time only and the plan is the running platform he **MUST** follow?

Even during the US Civil War there was a serious corruption with the banks. During the post-Civil War, numerous of loans were given for the purpose of rebuilding. However, the banks were making "demand" loans which were allowed to call a loan at any time they wanted with a 30 day notice. The borrower could be up to date in payment – that did not matter. There was no fixed period for a mortgage. This presented an opportunity for tremendous corruption. The borrower had just 30 days to come up with all the money on the loan. He could refinance with someone else if he was lucky. This led to carpetbaggers, who came from the North carrying all their possession in a carpet bag or sack, then pouncing on the opportunity to buy property dirt cheap. They would swoop in and buy foreclosed properties on these called loans that were worth significantly more than the amount that the bank called. No doubt there was corruption and all sorts of bribes being paid. Alabama, for example, passed a law that entitled the borrower to redeem their property if the bank foreclosed on their property after the sale if they could come up with the cash beyond the 30 days. Eventually, a Federal law was enacted to end the corruption where banks were calling demand mortgage loans unless the borrower was in default.



This European “bailout” is not for the people, but to save the banks. When Greece says it will let the people vote, Europe is up in arms fearing that if the people are allowed to actually vote on politicians do, they will reject their shenanigans. We have European Carpet Baggers now trying to swindle the people all to keep the debt game going that will blow up in everyone’s face shortly down the road.

The Greek prime minister George Papandreou has now been ordered to appear before the G20 in Cannes by Angela Merkel to be "read the riot act" over such reckless ingratitude as to dare allow the people of Greece to vote on what they do behind closed doors. To me, this smells like the fall of the Roman Republic. The banks who wrote Sovereign CDS on Greece have reneged

claiming that last week's dose of new loans that included a 50% voluntary bank debt write-offs, are refusing to honor their contracts claiming that a 50% haircut is not a complete default. Greece should completely default and step back and what how the tightly rack of balls breaks and how many will fall down the holes (pockets) on the pool table.

Europe is demanding more savage cuts and privatizations that they claim would halt the Sovereign Debt Crisis and extinguish the Eurozone contagion – the debt disease. Papandreou's referendum is no doubt a serious political crisis at home. Members of his personal party are defecting and the opposition is licking their lips. It is widely expected that 60% of the people are against the Euro plan in Greece and the failed austerity that has driven Greek society to the brink of disaster, is ignored by the G20 for the sake of the bankers. Let’s state the facts plain and simple. ALL non-bank holders of Greek debt will lose 50% today. The banks will get a backdoor rescue plan to compensate for their 50% loss. The bottom line, everyone BUT banks will lose 50%.

Papandreou's government may collapse and the referendum may never actually be held for there is a brewing political crisis in Greece. Even if the referendum goes forward, the Greeks will certainly be subjected to a barrage of all sorts of threats from Europe and no doubt blackmail from the pro-European press and the politicians behind them. Nevertheless, this controversy goes to the very heart and soul of all of our rights, privileges, and immunities of

everyone. This is a real Crisis in Democracy as Europe's politicians clamor to save their seriously flawed design for a single Europe. This is the clash between the idea of a democracy where the **PEOPLE** decide the fate of a nation and a **REPUBLIC** where those who claim to be representing the people usurp powers to dictate their fate without any recourse to the people whatsoever. Europe is showing what we all will face as the **Sovereign Debt Crisis** continues to unfold – **PUBLIC v PRIVATE** interests.

This is not simply a fear of the risks of delay that would affect the bond markets. What the Euro politicians are really up in arms about is the danger that Greeks might vote the wrong way. Then the question becomes: What happens if Greece is kicked out or pulls out? Will Europe unravel like a woman's wool skirt with the threat fixed to a foreign object that unwinds the entire garment? Voting is simply just not how things are done *Behind the Curtain*. Just look back when Denmark and Ireland had to actually consult its people. Remember? They were forced to vote a second time until they got it right. As long as the people agree with the politicians, then it's OK. When they do not, they are the great unwashed!

A real live Crisis in Democratic principles has emerged all to protect the banks that lent to Greece because they were a Euro member. Greece is actually being stripped of its sovereignty by both the EU and IMF officials who are the modern Euro-version of carpetbaggers except they have taken hold of the bureaucracy drafting budgets, establishing policy and deadlines, and insisting upon higher tax rates and ordering state privatization at bargain basement prices during a terrible economic state of depression. Then they want property taxes while ordering state layoffs with no hope of private employment and then what? Will the next step be confiscate the homes of the unemployed and sell them at pennies on the euro to enrich the banks? Is there anyone who can see just why there is a rising nationalist anger that is growing in Greece and will spread to Italy and Spain where unemployment among the youth is at 40%?

It is time for a serious reflection upon the thinking of European leaders. They are hell-bent on creating a civil war and rising social unrest all to keep the dent game going and the bankers happy. Europe is on the verge of a death spiral of spending cuts and tax increases as socialism collapses and there is desperate attempts going on to retain political power at the expense of society. Greece is in deep trouble thanks to the economic crisis set in motion by New York CDS products that has manifested in an economic contraction that appears to be headed for at least a 7 year contraction coupled with escalating debt. This makes absolutely no sense whatsoever.

Nobody in government ever looks at the long-term. They are all fixed on the election cycle and that has seriously shortened the horizon. When there is no strategic long term planning. We get precisely what we have right now – chaos without any transition plan. By no means is Greece

the economy that is actually being rescued since there is no plan beyond austerity all to pay the debt and the banks. Nobody even considers how to make this transition from high public employment to private employment. And what the hell is this stupid shit about property taxes? European and US banks exposed to Greek debt is all the politicians care about so they can continue to borrow forever and don't really have to pay off their own debts. The Greeks are mucking up their own agendas. A Greek failure may seize up the European credit system and that is all they care about – not the people! They have imposed the greatest fiscal contraction imposed upon any nation in modern history. This is the stuff that brought Hitler to power.

The Greek economy is collapsing while its debt is exploding all as interest rates rise. Greek interest rates hit 80%. The people have an **ABSOLUTE RIGHT** to vote in a referendum proposal of this magnitude and in a real “democracy” they should decide and have the right to select an alternative to default. In at least should raise the question of an alternative. In 1931, most of Europe defaulted. South America and China did the same. Britain suffered greatly and boomed before the USA once it called a moratorium on its debt and abandoned the austerity of the gold standard they could not meet. We are beyond a bailout for the Greek economy. Greece should begin to plan its orderly economic transition and default on its debt and just live within its means. Start printing drachma now. Forget borrowing and trying to comply with the creditors' terms that will destroy Greece that will send the country down a spiral of economic decline for decades lasting 26 years of economic stagnation. Get out of the Euro and stop letting the carpetbaggers destroy the country.

The Europeans leaders refuse to reform. They have lived by the sword of dictating and they shall die by that sword. Greece is only going to be followed by Portugal, Spain and Italy. Portugal and Spain were ruled by fascist dictators until the mid-70s and that is not that too far removed from the memories of the people. Both have previously been reduced by stringent bailout conditions to maintain the debt structure and now Spain has unemployment among the youth of 40%. They yielded to the pressure of Brussels, Frankfurt and Washington who all warned of economic disaster. This is not working and Italy is now on the list of endangered countries. Europe's crisis is pushing the entire global economy to the brink of a Financial Armageddon.

This purported “rescue package” has already been recognized as a complete failure and just a sham for the banks as the Fed bailout **Long Term Capital Management**, a hedge fund, all because they simply owed the banks. EU leaders have desperately turned to lobbying China to back a Euro bailout as a whole, and if China bites, say good bye to China. We are on the verge of perhaps the Fall of Rome. There will be an explosion of social unrest with rising unemployment and we could end up in World War III before this is all over.

The sad part – this could be fixed in 30 days or less. However, politicians just will not do what is right for society. This is all about keeping the debt game going. They borrowed to fund what they called “socialism” because they felt the pain of the people oppressed by the rich. They get the poor to blame the rich not paying all their wealth when they should be blaming the politicians for their licentiousness that has led to this policy of perpetually borrowing with no intention of paying off anything – **EVER!**

Look at Britain, where the economic stagnation is clearly not about state extravagance in spending programs. Instead, it's principally the result of a debt crisis that began with the Crash of 2007 causing a drop in tax revenues that has worked like a boomerang feeding right back into the banks that caused it. Bank lending has collapsed as has private investment. In the United States, interest rates are kept at near zero and after inflation they are negative all the way up to the 10 year government bond. They have deprived citizens out of earning interest while banks charge record highs on a spread between cost of funds and demands for even secured loans. A car loan they was 3.9% yet the CD rate for the same period is 0.7%. **NEVER** in recent history have banks made so much money to cover their prior gambling losses.

Europe now faces potential breakup, and this will lead to trade disputed and kicking now “foreigners” from other member out of their states as unemployment rises. It is exceedingly unlikely that Europe will survive in its current form. From the outset I warned it would be the debt that would tear Europe apart. To tie together 17 countries with such a widely different landscape of economies all for this idea of wrapping them around a single currency to achieve the larger than US economy and a single national identity, has proven to be not the dream but the nightmare. It is a shame, for Europe could have worked had the politicians gotten out of the way.



The aftershocks of the coming Greek default are likely to now trigger a global economic disaster. This is far beyond the question of whether Greece stays or does she go. We are approaching the point of no return. The loss of credibility created by the crisis extends to the entire Sovereign Debt Crisis that has seized control of western civilization and Japan. While Merkel last week raised the specter of “war” if the Eurozone goes down, she had better listen to her own words and look at the long-term. Stop the bullshit. This is the whole global economy we are talking about now.