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Bankers have seized Europe: Goldman Sachs Has Taken Over

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On November 25, two days after a failed German government bond auction in which Germany was unable to sell 35% of its offerings of 10-year bonds, the German finance minister, Wolfgang Schaeuble said that Germany might retreat from its demands that the private banks that hold the troubled sovereign debt from Greece, Italy, and Spain must accept part of the cost of their bailout by writing off some of the debt. The private banks want to avoid any losses either by forcing the Greek, Italian, and Spanish governments to make good on the bonds by imposing extreme austerity on their citizens, or by having the European Central Bank print euros with which to buy the sovereign debt from the private banks. Printing money to make good on debt is contrary to the ECB's charter and especially frightens Germans, because of the Weimar experience with hyperinflation.

Obviously, the German government got the message from the orchestrated failed bond auction. As I wrote at the time, there is no reason for Germany, with its relatively low debt to GDP ratio compared to the troubled countries, not to be able to sell its bonds.

If Germany's creditworthiness is in doubt, how can Germany be expected to bail out other countries? Evidence that Germany's failed bond auction was orchestrated is provided by troubled Italy's successful bond auction two days later.

Strange, isn't it. Italy, the largest EU country that requires a bailout of its debt, can still sell its bonds, but Germany, which requires no bailout and which is expected to bear a disproportionate cost of Italy's, Greece's and Spain's bailout, could not sell its bonds.

In my opinion, the failed German bond auction was orchestrated by the US Treasury, by the European Central Bank and EU authorities, and by the private banks that own the troubled sovereign debt.

My opinion is based on the following facts. Goldman Sachs and US banks have guaranteed perhaps one trillion dollars or more of European sovereign debt by selling swaps or insurance against which they have not reserved. The fees the US banks received for guaranteeing the values of European sovereign debt instruments simply went into profits and executive bonuses. This, of course, is what ruined the American insurance giant, AIG, leading to the TARP bailout at US taxpayer expense and Goldman Sachs' enormous profits.

If any of the European sovereign debt fails, US financial institutions that issued swaps or unfunded guarantees against the debt are on the hook for large sums that they do not have.

The reputation of the US financial system probably could not survive its default on the swaps it has issued. Therefore, the failure of European sovereign debt would renew the financial crisis in the US, requiring a new round of bailouts and/or a new round of Federal Reserve "quantitative easing," that is, the printing of money in order to make good on irresponsible financial instruments, the issue of which enriched a tiny number of executives.

Certainly, President Obama does not want to go into an election year facing this prospect of high profile US financial failure. So, without any doubt, the US Treasury wants Germany out of the way of a European bailout.

The private French, German, and Dutch banks, which appear to hold most of the troubled sovereign debt, don't want any losses. Either their balance sheets, already ruined by Wall Street's fraudulent derivatives, cannot stand further losses or they fear the drop in their share prices from lowered earnings due to write-downs of bad sovereign debts. In other words, for these banks big money is involved, which provides an enormous incentive to get the German government out of the way of their profit statements.

The European Central Bank does not like being a lesser entity than the US Federal Reserve and the UK's Bank of England. The ECB wants the power to be able to undertake "quantitative easing" on its own. The ECB is frustrated by the restrictions put on its powers by the conditions that Germany required in order to give up its own currency and the German central bank's control over the country's money supply. The EU authorities want more "unity," by which is meant less sovereignty of the member countries of the EU. Germany, being the most powerful member of the EU, is in the way of the power that the EU authorities desire to wield.

Thus, the Germans bond auction failure, an orchestrated event to punish Germany and to warn the German government not to obstruct "unity" or loss of individual country sovereignty.

Germany, which has been browbeat since its defeat in World War II, has been made constitutionally incapable of strong leadership. Any sign of German leadership is quickly quelled by dredging up remembrances of the Third Reich. As a consequence, Germany has been pushed into an European Union that intends to destroy the political sovereignty of the member governments, just as Abe Lincoln destroyed the sovereignty of the American states.

Who will rule the New Europe? Obviously, the private European banks and Goldman Sachs.

The new president of the European Central Bank is Mario Draghi. This person was *Vice Chairman and Managing Director of Goldman Sachs International and a member of Goldman Sachs' Management Committee.* Draghi was also Italian Executive Director of the World Bank, Governor of the Bank of Italy, a member of the governing council of the European Central Bank, a member of the board of directors of the Bank for International Settlements, and a member of the boards of governors of the International Bank for Reconstruction and Development and the Asian Development Bank, and Chairman of the Financial Stability Board.

Obviously, Draghi is going to protect the power of bankers.

Italy's new prime minister, who was appointed not elected, was *a member of Goldman Sachs Board of International Advisers*. Mario Monti was appointed to the European Commission, one of the governing organizations of the EU. Monti is European Chairman of the Trilateral Commission, a US organization that advances American hegemony over the world. Monti is a member of the Bilderberg group and a founding member of the Spinelli group, an organization created in September 2010 to facilitate integration within the EU.

Just as an unelected banker was installed as prime minister of Italy, an unelected banker was installed as prime minister of Greece. Obviously, they are intended to produce the bankers' solution to the sovereign debt crisis.

Greece's new appointed prime minister, Lucas Papademos, was Governor of the Bank of Greece. From 2002-2010. He was Vice President of the European Central Bank. He, also, is a member of America's Trilateral Commission.

Jacques Delors, a founder of the European Union, promised the British Trade Union Congress in 1988 that the European Commission would require governments to introduce pro-labor legislation. Instead, we find the banker-controlled European Commission demanding that European labor bail out the private banks by accepting lower pay, fewer social services, and a later retirement.

The European Union, just like everything else, is merely another scheme to concentrate wealth in a few hands at the expense of European citizens, who are destined, like Americans, to be the serfs of the 21st century.

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