

# Financial Chaos and Debt Default in the European Union

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Between now and the end of the year, most likely in the fall, we'll see major financial and economic problems in Greece, Ireland, Portugal, Belgium, Spain and Italy. Those events will sorely test Germany, France, Holland and Austria.

Over and over we hear announcements from Brazil of trade wars. Brazil is deliberately reining in their currency, the real, due to its strength. They have imposed reserve requirements on domestic banks' foreign exchange positions. These are taxes on investments and de facto currency controls. Such actions are very good moves that cause indirect higher gold prices.

In Ireland harsh measures are being taken. Public spending will be cut 12%. Added to that is a tax increase that would be a reduction of \$7.8 billion. Public services and the minimum wage will be cut as well. The wealthy will pay more and child support payments will fall.

While the above troubles manifest themselves the US goes merrily on its way like nothing was wrong. Americans have been pre-propagandized, as they were under stimulus – one into believing a recovery is in progress. We don't share that prediction. The Irish and others understand their problems, but Americans cannot come to grips with them.

Like other members of the euro zone, Ireland discovered they could borrow cheaply under one interest rate fits all. This policy, which we predicted 14 years ago, would be disastrous, was disastrous for Ireland, Greece, Portugal, Spain and Italy, and Belgium. Needless to say, the leverage provided by cheap money brought on speculation, particularly in real estate, that brought on today's problems. Yes, speculation by individuals was a problem, but as in other countries, the problems really lie with the banks, which are really responsible for these tragedies. They should have never made the loans in the first place. Stupidly, the Irish government bailed out the banks just like Greece did. They should have defaulted and allowed the banks to fail. The banks were more than complicit. Just as we see now in the US the banks have at least temporarily been bailed out and depositors guaranteed that their savings are safe. There are also the stimulus programs everyone else has tried as well, that we have seen ultimately don't work. That is because they are geared to bail out the financial sector and not the economy.

Ireland's budget will be followed by equally harsh budgets guided by the IMF, which will lead to decades of poverty, as bad as the 800 year reign of Britain over the Emerald Isle. PM Brian Cowen and Finance Minister Brian Lenihan sold out the Irish people to British bankers. The vultures are circling the Republic to prepare for years of future enslavement. Many have called it economic treason.

Allied Irish Bank and Anglo Irish Bank caused all the problems and now the Irish people have to bail them out. A then secret meeting was held at which AG Paul Gallagher sat in as adviser to the government and Dermot Gleeson, AIB Chairman and former AG representing the banks. Both are Illuminists and members of the Bilderberg Group. These two and the PM and FM sold out Ireland to save the banks owned and controlled by the British. They have put the Irish people on the hook for \$600 billion. In addition, government bought \$70 billion in toxic bonds containing real estate from these banks. These banks are owned by British, French, German banks that are controlled by the Black Nobility and among them the Rothschilds and Queen Beatrix of Holland, an ardent Bilderberg. Her father, Prince Bernard, was a former Colonel in Hitler's SS.

The only thing left for Ireland to do is to default and leave the euro returning to the Irish punt. They should also leave the EU. They should also end fractional reserve banking, which would allow government to issue debt free, interest free money with gold backing. They should kick Royal Dutch Shell out of the Irish offshore gas fields and much more. This in part was what we told the Greeks to do.

We see a rocky year in Europe that could end in bankruptcies. The efforts to bailout Greece and Ireland and now Portugal and Spain, will increase debt throughout Europe and lead to all nations having problems. The deal struck with Ireland to cover bank insolvency will only increase the debt in the long run and not solve the problem. There is no effort of debt restructuring because the banks refuse to take losses. This attitude and policy is carried forward in all governments via fellow Bilderberg connections. The system has to be changed and purged, but they won't hear of that. Again, we remind everyone it was the banks that were and are responsible for the condition that the Western world is in today and now they want the public to bail them out. The banks are an extension of the Fed in the US and the Fed was the moving party. They lowered interest rates eventually to zero and it was they who increased money and credit by 17% to 18% for an extended period of time. The Fed created the debt bubble and all the damage you see is a result of that. They are now using tactics, which they know will not work, but they do not know what else to do. It is all about buying time and covering up what they have done. As a result not only did banks over leverage, but so did corporations and individuals, not to mention speculators. Now that bank leverage is down from 70 to 1 to 40 to 1, when 9 to 1 is normal. They are getting a high enough return from the Fed that they have cut lending by 25% or more to small and medium sized businesses. Such antics can only impede recovery. We have been told since last June that lending would increase. By the Fed's own admission it has increased by a very small amount. Thus, our conclusion is that the Fed is deliberately restricting lending in order to keep banks away from risky loans.

These Fed policies and those of the ECB are designed to extend problems rather than solve them, which tells us there is no solution. Look at what has been done in Greece. No solution, just patchwork and austerity in order to delay the problems. Ireland's bailout is a carbon copy. Such programs can only bring on default, which we expect to occur later this year. In March or April the Irish election result could turn everything upside down. That could cause a run on other sick economies. This grand design for nations to be interconnected could eventually cause all of them to collapse like dominoes. If the US, the UK and Europe are in trouble the entire world is in trouble.

QE1 and QE2, as well as TARP and other programs were only designed to bail out the financial sector in Europe as well as the US. As we predicted last May there would be QE2

and then QE3. The aggregate spending \$2.5 trillion each time, as we saw in QE1. In QE2 the pork laden extension of the Bush tax cuts supplied the \$868 billion to assist the fed in keeping the economy and the financial sector afloat. After expenses the Fed returns its profits back to the Treasury. That then isn't a major problem. What is the problem is that the owners of the Fed control all aspects of financial and economic life. They do not get inside information; they create it. What these banks and brokerage houses do is make mega-money because they really control the system. That is what the Fed is all about – control. Can you imagine trading departments at major brokerage firms and banks for months never have a losing day trading? We were professional traders for 25 years – that is simply impossible unless it involves illegal activity. The owners of the Fed have a license to steal. They created the credit crisis and the taxpayer now is subsidizing them so they can make even more wealth. All this happens because people do not understand fractional banking and the true role of the Fed, which is to loot America.

The pork laden tax bill may temporarily help the economy, but QE2 will only flow to the Treasury and the financial sector. As we have said before the Fed could end up owning all of the Treasury debt. These desperate actions cannot help but force foreign buyers to vacate the market. These activities of the Fed and the fiscal irresponsibility of government in time can only create more inflation.

The spent and borrow policy is totally profligate and will have to be paid for by future generations, if not defaulted upon.

Then there is the horrible concept of free trade, globalization and terrorism. Today anything you have to say that government disagrees with labels you a terrorist. Government tells us danger lurks everywhere. These fears in part are neutralized by the good deeds being done by transnational conglomerates. If they provide jobs and opportunities in the second and third world's there supposedly will be less chance of conflict with terrorists and others who disagree with US policy. Everything is supposed to have a global solution. The cost for this over the past 11 years has been the loss of 8.5 million good paying jobs and 42,400 businesses that will never return unless we institute tariffs on goods and services. Of course, in this process these transnationals get filthy rich and avoid some \$750 billion in taxes. That is if they are able to pull off their latest tax-free caper. This in part is what the new world order is all about. Destroy the economies of Europe and the US and force them to accept world government. These are part of the group of people who want to dictate how you will live – every facet of your life. This process destroys the sovereignty of the nation state. Their functions are taken over by the World Bank, IMF, BIS and the WTO.

We are then beset with the privately owned Federal Reserve whose power stretches worldwide. Recent legislation makes the Fed a financial and monetary all encompassing monopoly. The Fed from its inception usurped the power of the Constitution and the US Treasury. The IOU's, Treasury bonds, are sold to the Fed for a digital entry, the value of which is created out of thin air. For this the Fed receives interest paid by US taxpayers. Funds are used by the Fed on a fractional basis multiplying profits. That means interest is paid indefinitely unless the bonds are redeemed.

Today as a solution to poor bank lending we see austerity programs whose creation go back centuries. The enforcer today is the IMF, which in its processes becomes a dictatorial power of its own. In the austerity process comes privatization or the looting of assets owned by a sovereign state in the name of repatriation of debt. Of course, the buyers at \$0.30 on the dollar are transnational conglomerates, part of the worldwide Bilderberg Group and the

Trilateral Commission. This cartel of bankers controls all these institutions and has for hundreds of years in one form or another. The idea is to bring on perpetual economic and financial crisis, so that the IMF's work is never completed. A form of debt bondage, which is supposed to be stability. The IMF may be the new world order's Gestapo, which sets up formerly sovereign states as supplicant members of world government. The goal ultimately is a world bank to control all nations monetarily and financially. The stepping-stone to this condition is the BIS, the Bank for International Settlements.

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