

Financial Dislocation: Cycles and booms and busts just don't happen. They are planned...

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Cycles and booms and busts just don't happen. They are planned that way. In the late 1990s Fed Chairman Alan Greenspan commented on irrational exuberance and said he hoped the market would cool down. The amount of money and credit he had introduced into the system had a great deal to do with a forming of a bubble. He indicated that on the short-term there was little he could do about it, when all he had to do was raise margin requirements from 50% to 60% temporarily. We wrote about the solution as a coupe of other writers did, but no one really wanted to take away the dotcom punchbowl. In late March of 2000 the market began its collapse. We removed our subscribers out of the market in the first week of April, as did Joe Granville, a friend and one of the best market timers ever.

Sir Alan Greenspan spent almost 20 years serving his masters who own the Federal Reserve, JPMorgan Chase, Goldman Sachs, Citigroup and many more. The Fed has no independence – it takes orders from these banks and brokerage houses. This same group controls Congress by paying off 95% of the representatives and senators via campaign contributions and via lobbying. Thus, with the assistance of the Fed, Wall Street and banking, they not only control money, supply, credit, interest rates and Washington, but they control our entire economic and financial scene and the lives of every American. Booms and bubbles can be blamed on politicians, but the real culprits behind the scenes are Wall Street and banking in which we spent 29 years of our lives and for many of those years owned our own firm. If you do not know and understand these realities you should not be an investor or a financial and economic journalist. Our whole existence as a nation is controlled from behind the scenes by parsonages and groups most people have never heard of. All of what you see just didn't happen; it was planned that way. People must understand that creating money out of thin air to fund astronomical deficits has to end in failure and ruin. We are now in an inflationary depression that will probably graduate into hyperinflation and then descend into a deflationary depression. This is what these elitists have done for centuries and have more often than not gotten away with it. This time it will be different.

We started warning people more than 50 years ago that the path America was taking could only end in tears. The days of inflation and social and political misery are finally upon us and as a result, so is social dislocation worldwide in the form of protest, demonstrations, civil wars and the overthrow of governments. We are not witnessing that in North Africa and the Middle East. This has been in reaction to dictatorial governments, low wages, high prices for food and few jobs. As we have said over and over again, revolutions begin with empty bellies. What you are seeing will not be limited to the third and second worlds, but to the first world as well. the elitists have again gone too far and the people of the world are

reacting. This is only the beginning of dramatically higher food prices and perhaps oil and gas prices as well. Governments cannot help, nor can the elitists behind the scenes for all intents and purposes, saving the system is now out of their hands and what they have done has been discovered.

Most countries have followed the path of the US, UK and Europe, accumulating deficits many of which are unpayable. Essentially the world banking system is bankrupt. The Fed and the ECB buy debt and toxic debt as well as sovereign debt; the funds used for this purpose are created out of thin air. Sooner or later there will be a major worldwide meeting to revalue, devalue, and to multilaterally default. This can be the only solution to 40 years of profligacy and fiat currencies. The present cover-ups by central banks, Wall Street, banking and the City of London won't last much longer. Unemployment worldwide and higher inflation are worsening and can only end in social and political dislocation. How can a government such as the US continue to spend in excess of 60% of revenues and expect others then the Fed to purchase their bonds? Spending has to be cut and taxes raised over a five year period. If that doesn't happen and we get QE3 and more stimuli there will be ever more inflation and debt. Finally there will be financial collapse.

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