

Financial Terrorism

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By decree, by the privately owned Federal Reserve, zero interest rates are here to stay. You do not get to borrow at those rates, only the member banks do. In the latest currency swap (loan) from the Fed to the ECB, European Central Bank, as we noted in previous issues over the last two months, that Europe has been forced to join the Anglo-American system. The system of zero interest rates and the continual creation of money and credit. Due to the Fed's ability to create endless supplies of money and credit it eventually took over the control of ECB and European monetary policy. These policies starkly point out the zero interest rates and monetary policy of endless money creation is the path to be taken probably by all in the system to lesser or greater degrees. That means no savings and that leaves speculation and the purchase of gold and silver related assets.

Looking at monetary history we would categorize this policy as Neanderthal. The recession/depression that the Fed has been trying to neutralize via zero interest rates and quantitative easing hasn't worked and it won't work. What is worse is the Fed knows it won't work. Greenspan and Bernanke saw 21 years of such policy not work in Japan, yet they learned very little from living history. An example that zero interest rates do not work and render currency meaningless is the housing market. They cannot even lower bank home inventory with 3.8% loans. That tells you lower interest rates are not the answer. More jobs are the answer and where are they? They are in some other country under free trade, globalization, offshoring and outsourcing. It is far more important that transnational conglomerates make mega profits. Zero interest rates and quantitative easing stifle many things. It causes banks not to lend and to hold cash and as well be in no real hurry to get rid of real estate inventory. They figure the zero interest rates and QE will go on indefinitely. Such a climate also leads banks to speculate. If our take on the financial sector is correct it will be a hole before the bottom comes out of the system. The ability of the elitists to keep the game going until hyperinflation manifests itself is very good. You just saw that with a \$1 trillion loan from the Fed to the ECB. They can make as many of these loans as they please until the system signals no more. How long will that take, who knows? All we know is that gold and silver will rise in that process.

The FOMC, the Federal Open Market Committee, which gives marching orders to Ben Bernanke, has said its goal is to devalue the dollar by 1/3 over the next 20 years. As you can see we may well see years of devaluation zero interest rates and quantitative easing. Again the only alternative to save the value of your assets is to own gold and silver related assets. What an admission. This will be the fallout from excusing monetary creation. The FOMC also said there would only be 2% inflation over that period. Of course, any sane person can hardly believe that. Just think what it is really going to be. If you want a glimpse of the future, but in a speeded-up timeframe, just envision the 98% loss in the value of the dollar since 8/15/71 and compact it into 3 to 5 years. All fixed income investments will lose purchasing power. Those in regular shares will have to be lucky enough to get out near the

top and switch to gold and silver related investments. The smart investor will have been long this dynamic for a number of years. Now you can see that US dollar holders will be the ones who have been chosen by design to pay for the insane machinations of those who control our government. At its very worst the gold standard far outperforms the Keynesian monetary approach.

After laying off every worker they could corporate America is finding it harder to find income growth. Consumption worldwide has definitely been affected by the financial problems in Greece and Europe over the past four years. At the moment if Greece's parliament does not pass enabling legislation this week, then Greece and the region face more difficult problems. If parliamentarians pass such legislation all that voted for it will be out of office in April. The ongoing demonstrations show you how outraged the public has been for the past two years. Even with a 70% haircut and austerity it would take Greece 30 years to exit depression. The idiots enforcing austerity expect revenues to grow. There is no way that can happen. Even if an agreement was signed it cannot be kept. They will need bailouts every year. That means despite trillions of dollars being thrown into the European caldron monetary chaos will continue in the EU for years to come. Just look at the heavy financing requirements this year. They will get financed but the eventual result will be brutal, in spite of all the money and credit being put into the system economies will struggle and earnings growth will fall. It will be a difficult year and 2013 will be even more difficult.

Austerity is certainly taking hold in some EU countries making growth very difficult. In Portugal in December growth was minus 3.6% and in November 2.5%. In Greece it fell 2.9% in December and 6.2% in November. Even Germany and France are tightening up. In the euro zone year-on-year rates of growth fell to minus 0.3% from plus 8.1% in 2010. In that period the euro fell 12.8% versus the US dollar, which should have been helpful to the euro and European production and sales, but it wasn't. In addition as we said earlier loose monetary policy on its very own undermines exporter's profits offsetting the short-term advantages of currency debasement. Austerity cannot be applied at once no matter what situation. That simply strangles an economy making no recovery possible. If Europe does not ease up they'll be in for more serious trouble next week.

The foregoing, of course, is complicated by UK, US, and NATO sanctions against Iran on oil sales and access to the world banking system, which is going to haunt the petrol dollar. It won't be long before Iran shuts off Europe's oil imports. That should help to flatten any European GDP growth expectations. Doesn't the possibility of Iran selling oil for gold to India wake people up? Gold is the world premier currency and that is being demonstrated by just such discussing of its utility.

In 1933, it was the Communists that were the excuse that brought about the Enabling Act that brought Adolph Hitler to total power. Today we have terrorists that will enable that leap to power. Today's propaganda is far-reaching and far more powerful and effective than anything Dr. Goebbels could have put together. It is overwhelming and unrelenting anti-privacy. Almost everything is being monitored and everything electronic you use will be accessed to fill government databases. Then we have the TSA, which assaults travelers in airports and now at internal checkpoints all over our nation. Interference in our lives is justified by terrorism, which is an excuse for pursuing suspicious activity or the possibility of pre-crime situations. If you look or act like a potential terrorist you can be arrested or detained without charges forever, simply disappearing from society.

Americans, in order to continue their idyllic lifestyles have traded in their freedom and liberty for promises of security from terrorists. We give up our country to a group of totally insane elitists just as the Germans did so long ago. There is nothing sensible anymore. The middle class has lost its logic. They do not want to see through anything as long as they have theirs and nothing disrupts their lives. By living in this cocoon it allows Americans to live in their own world and overlook what their government is doing in their name. Do not forget living as prisoners makes us safer. You might ask why people would want to take our freedoms away from us? We can certainly understand a terrorists' motivation, but the elitist's goals are far more complicated. They want our hearts and our minds. They want to enslave us, because they consider us useless rabble to do as we are told. They want the complete submission of all societies.

Of course there is no war on terror. Its beginnings began in the 1970s via the Iran Contra program and flowered from there into the vast penal system we see today. Our elected representatives have voted over 90% to help enslave us. These people are all paid off by those who want to enslave us – our own representatives – the people we put in office. They authorized our federal government to indefinitely imprison without charge or trial American citizens and others picked up inside and outside the US. There is absolutely no reason for such legislation and the public knows that, but few speak out. This is what happened in the Germany of the 1930s.

These terrorists are everyday people like you and us: veterans, gun owners, journalists and commentators, constitutionalists, gold and silver owners, home schoolers, those who are religious and those who dare to speak out.

The history of the last century was the precursor for today's events. All the books are there to be read that inform you of your coming servitude, if you do not act to stop them. Your government and those who control it are coming at you from every angle, especially electronically and it is going to get worse. Buckle up and get ready for battle, because it will be a long and difficult one. Get Ron Paul elected as our president and we may be able to reverse this horrid situation we are in.

President Obama on Monday unveiled a \$3.8 trillion spending plan that seeks to pump billions of dollars into the economy while raising taxes on the rich to tame a soaring national debt now projected to grow significantly faster than previously forecast.

The president's outlook for debt reduction has deteriorated markedly since September, when Obama told Congress that his proposals would hold annual deficits well under \$600 billion after next year and permit the debt held by outside investors to rise to \$17.7 trillion by 2021, or 73 percent of the overall economy.

The new 10-year blueprint shows annual deficits exceeding \$600 billion every year except 2018. And the portion of the debt held by outside investors would grow to \$18.7 trillion by 2021, or 76.5 percent of the economy — a full \$1 trillion higher.

The White House announced plans on Monday to help "Arab Spring" countries swept by revolutions with more than \$800 million in economic aid, while maintaining U.S. military aid to Egypt.

In his annual budget message to Congress, President Barack Obama asked that military aid to Egypt be kept at the level of recent years — \$1.3 billion — despite a crisis triggered by an Egyptian probe targeting American democracy activists.

The proposals are part of Obama's budget request for fiscal year 2013, which begins October 1. His requests need the approval of Congress, where some lawmakers want to cut overseas spending to address U.S. budget shortfalls and are particularly angry at Egypt.

Obama proposed \$51.6 billion in funding for the U.S. State Department and foreign aid overall, when \$8.2 billion in assistance to war zones is included. The "core budget" for the category would increase by 1.6 percent, officials said.

Most of the economic aid for the Arab Spring countries — \$770 million — would go to establish a new "Middle East and North Africa Incentive Fund," the president said in his budget plan.

Analysts said it was difficult to tell how much of the proposal was actually new money.

"As presented it's very difficult to determine if the Arab spring fund is new wine in new bottles or old wine in new bottles," said John Norris, a former U.S. foreign aid worker now at the Center for American Progress.

The Middle East and North Africa Incentive fund "will provide incentives for long-term economic, political, and trade reforms to countries in transition — and to countries prepared to make reforms proactively," the White House budget document said.

The proposal said this approach "expands our bilateral economic support in countries such as Tunisia and Yemen, where transitions are already underway."

It would also build on other programs for the area, including up to \$2 billion in regional Overseas Private Investment Corporation financing, up to \$1 billion in debt swaps for Egypt, and approximately \$500 million in existing funds re-allocated to respond to the region last year, the budget document said.

It did not say how the Middle East and North Africa Incentive Fund would be divided between countries, or give any other details of the plan.

Egypt has long been among the top recipients of U.S. aid, getting about \$1.6 billion annually, mostly in military assistance. In fiscal 2012, \$250 million of aid approved for Egypt was economic; \$1.3 billion was military and there was a \$60 million "enterprise fund" approved by Congress.

No U.S. assistance is moving to Egypt at the moment, U.S. lawmakers and their aides said

last week. Some legislators favor cutting off aid to Egypt entirely if it does not drop accusations against American democracy activists and lift a travel ban on them.

Obama continued the practice of putting proposed foreign assistance for war zones in a separate account. This account, known as the "Overseas Contingency Operations," includes \$8.2 billion for the State Department and foreign aid.

It includes \$3.3 billion for Afghanistan, \$1 billion for Pakistan, and \$4 billion for Iraq, where U.S. troops have left the country but the State Department has picked up some of their functions such as police training.

Because of the central bank's cheap financing, some economists warn, sick banks now face less pressure to confront their problems to clean out bad loans and other impaired assets, or even wind down operations if there is no hope of a turnaround. The European Central Bank, they say, could inadvertently spawn a cohort of "zombie banks," burdened by nonperforming loans and assets that remain on the books, like the ones that helped make the 1990s a lost decade for Japan...

As the experience of Japan showed in the 1990s, zombie banks tended to keep lending to troubled borrowers to avoid recognizing losses from bad loans. As a result, the healthiest and most productive companies struggled to find credit. "Zombie banks support zombie companies," said Nicolas Véron, a senior fellow at Bruegel, a research organization in Brussels. "Zombie banks will not extend credit to borrowers that need it. This is bad for the economy."...

A gain in U.S. business inventories trailed the improvement in sales in December, showing companies may continue to restock shelves and warehouses in early 2012.

The 0.4 percent increase in stockpiles followed a 0.3 percent advance the prior month, Commerce Department data showed today in Washington. The median projection in a Bloomberg News survey called for a 0.5 percent rise. Sales climbed 0.7 percent, the most since July.

Prices of goods imported into the U.S. rose in January for the second time in six months, reflecting higher costs for automobiles and petroleum.

The 0.3 percent gain in the import-price index follows a 0.1 percent decrease in December, Labor Department figures showed today in Washington. The increase matched the median projection of economists in a Bloomberg News survey. The cost of imported consumer goods excluding cars fell by the most since October 2010.

Sales at U.S. retailers rose less than forecast in January, reflecting an unexpected

drop in purchases of automobiles.

The 0.4 percent [gain](#) reported by the Commerce Department today in [Washington](#) was half the 0.8 percent rise median forecast of economists surveyed by Bloomberg News. Purchases excluding car dealers climbed 0.7 percent, more than projected and the biggest gain since March.

Retailers like Target Corp. and Limited Brands Inc. topped analysts' sales forecasts last month, when many companies offered incentives to bring back shoppers after holiday sales stagnated. Further gains in employment are needed to bolster wages and underpin confidence, ensuring that demand can be sustained.

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