

Towards a Worldwide Inflationary Depression

The Anglo-American Empire is in an ongoing State of Collapse

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According to our calculations we have been in an inflationary depression since February of 2009. Everyone looks back on the deflationary depression of the 1930s as a benchmark or a reference. As far as we are concerned the 1930's depression only ended when the powers behind government arranged another war. Few talk about the recession of the early 1920s, which only lasted two years and was caused by the newly formed Fed, which financed US participation in World War I. They raised interest rates, which enticed citizens to save, which provided money for loans for research and expansion. The Fed, other than raising rates, stayed neutral, as did the Treasury. The result was the recession ended quickly. A bad story with a happy ending, which contributed to the roaring 20s, which the Fed eventually turned into a depression via their interference.

There was no deficit spending in the 1920s and funded debt fell by 1/3rd. That went on from 1945 to 1960. Today we have a different kettle of fish, which consists of perpetually kicking the can down the road, hoping some miracle will save the day, when those who caused these problems know full well the situation cannot now be saved without purging the system and allowing maleinvestment and speculation to die a normal death in bankruptcy. The Fed, Wall Street and speculators cannot bring about recovery, but they try anyway. Those who agree with these elitists are fools and they will pay a high price for not listening.

The Treasury is issuing \$2.16 trillion in debt annually and if the Fed purchases 80% that works out to \$1.7 trillion a year. As QE2 comes to end this month there will be few to buy that \$1.7 trillion in treasuries and the system will collapse into deflationary depression. That means the Fed has to keep doing what it is doing. If the Fed stops we'll have deflationary depression with a year. If they continue doing what they are doing we will have hyperinflation in 2 to 2-1/2 years.

Today's worldwide crisis centered in the US, UK and Europe did not have to happen. It was not caused by incompetence and greed. It was designed to destroy the economic and financial system to a point where the inhabitants of these countries would beg for world government. It began, as we know it on August 15, 1971, when the US went off the gold standard. Since then the dollar has lost 98% of its value versus gold, silver and in some cases other currencies. As this became the monetary future, events were put in place to move almost all industry and some services out of the US, UK and Europe, better known as free trade, globalization, offshoring and outsourcing. In addition unsustainable debt was created to make sure the system collapsed. Of course, as far as the elitists are concerned, there is no problem – there is just a period of adjustment. Part of this adjustment is the extension of the short-term debt limit to \$16.3 trillion from \$14.3 trillion.

When, we ask, will Social Security and Medicare be cut? Trillions in taxes were paid for this

old age and survivor's pension. From its very inception the money was looted from the general fund and the bonds issued are not worth the paper they are written on. Mandated benefits can never be covered as the taxes are at this very moment being looted. This is a reflection of what is happening in the entire global system, a hallmark of socialism. As the debate rages, we can assure you the elderly will get screwed again with major cuts in Social Security and Medicare.

As we said earlier the longer the inevitable is delayed the worse the result will be. We do not know what untoward event will bring on the inevitable, but it is there lurking somewhere. When it happens it will be like a bolt out of the blue.

The Anglo American empire is in an ongoing state of collapse, which they deliberately caused themselves in order to subdue and enslave humanity. We saw the faux adulation afforded to the illegal alien who calls himself president. The Anglo American special relationship still is firm at the upper levels. This includes their joint role of guardians of civilization. Just more Illuminist sanctimonious crap. The key to globalist power is control of the world banking system and we plan to take that away from them. This is not 1348, and there will be no exile from Venice. There will only be long prison terms, a confiscation of all family wealth and execution for those who have betrayed our country. This time the Illuminists will suffer the unthinkable. Something they have not suffered in the last 1,000 years.

The Fed is now holding just under \$2.8 trillion in bonds of which they say \$1.6 trillion is in Treasury paper. The rest is in Agency securities and toxic bonds. By the end of June they should be over \$3 trillion. Our question is what is the real figure? How much do they have or are they committed for with other nations that are not visible? Remember, it took two years and a trip to the Appeals Court to force the Fed to tell us what they were secretly hiding from us. As a result they have no credibility, so anything they say has to be taken with a grain of salt. From June to June, we expect that \$1.6 trillion to grow to \$3.3 trillion and the Fed may well have to disperse another \$500 to \$850 billion to keep the system afloat. That would bring to figures to \$3.8 to \$4.15 trillion. That should be enough to keep the system afloat, provide 50% hyperinflation and tend to the beginnings of WW III. The creation of war will be the distraction needed to force inflation, debt and monetary problems into a second position. Who worries about money and purchasing power when they may be dead shortly? This is the pattern the elitists have followed for centuries.

At the same time the amount of Treasuries purchased by foreign investors and other nations are falling and that we believe will continue. The question then arises how much additional paper will the Fed have to absorb – another \$600 billion a year? We do not know that answer, but it doesn't look good.

We believe after having seen Mr. Strauss-Kahn set up for extinction as head of the IMF and as the main challenger to Mr. Sarkozy, that there is a power struggle going on between the European and the Anglo American interests to above all make sure that the dollar remains the world reserve currency no matter what the circumstances. This is really the main battle that is going on. The Europeans want the SDR, the British and Americans the dollar. The latter's thinking is that since WW II the US has again and again saved the world economy, being the engine that has driven all economies. In the recent case of China it is the same as well. If US markets had not approved and opened their markets to China's exports and most favorite nation treatment, China would not be where it is today. The American elitists

believe the dollar deserves its position no matter how much they have damaged it.

You can see Europe going all out to make sure French Finance Minister Christine Lagarde becomes head of the IMF. They want a European running the IMF in spite of the fact that Strauss-Kahn said in 2007 that the next leader of the IMF would not be a European. That is why the Mexican finance minister, Mr. Carstens, threw his hat in the ring. He is in reality the US designate. An additional reason that has brought Lagarde strong European support is that Sarkozy wants to get rid of her, because she is doing a good job. Another reason we see conflict within the inner sanctum is that Greece could bring down the ECB and the euro and it seems the elitists would like that. It switches focus away from a falling dollar and destroys its main competitor, the euro. This is a titanic struggle that most observers are missing. It makes Strauss-Kahn's arrest and termination at the IMF and his fall from socialist party grace a diversion. The battles are for the continued supremacy of the US dollar and more control over the IMF via Carstens. US interests want a Greek default and a euro breakup. The US rating agencies continue to attack the ratings of all of the weak euro counterparts and at the same time short European country bonds. The UK is in this with the US up to their eyeballs. The US and UK have left Europe to swing in the wind. This is what is really going on in Europe. Remember, there is no honor among thieves.

Late developments from our contacts in Greece tell us the bankers, EU and IMF had best forget about collateralizing debt (Mnemonic). The entire country is now aware of what the bankers are up too. What put the frosting on the cake was that a publication in the Netherlands said as a result of the secret deal, the Turks would get a Greek Island and raise their flag over it. That has really enraged the Greeks. PM Papandreou told 30 of his party legislators (Voulefles) that if they didn't vote for collateralization he will fire them and replace them with people off the street. He obviously thinks he is a dictator because that is beyond his legal authority. Each day 150,000 people are surrounding the Vouli, the Parliament and the members are growing. PM Papandreou now only moves by helicopter, obviously fearful of assassination. One thing is for certain he will have difficulty ever living in Greece again. A woman professor said on TV that a Patriotic resistance has already started in Crete and in many smaller cities; people are signing up in the new movement. The police cannot handle the massive crowds and the military is securely behind the people. The bankers had best give it up and walk away. They are going to lose this one and it means the end of the euro zone and the EU.

Switching back we must remind you again that the Fed is monetizing \$900 billion, not \$600 billion as you have been told. Without that number the Fed could not have accomplished all of its Treasury buying. Of the almost \$2.8 trillion in bonds some \$900 billion are toxic waste, that is about 33%. We do not know their value, but we would guess it to be close to \$200 billion, which the American taxpayer will get to pay for – that is a \$700 billion loss, if that is what it works out to be. By what has happened over the last few years we conclude the Fed is the main source of economic instability. There is very little savings and that is understandable with virtually zero deposit interest rates. The Fed can throw money and credit at the problems, but in the final analysis you have to have a large pool of savings to borrow from. For some time there was negative savings. Presently they are 4% to 5%, which is inadequate to launch a permanent recovery. Quantitative easing only temporally solves the problem. The Fed's approach has driven what savings there are and funds from QE2 into speculation and that does not create recovery. Loose monetary policy diverts funding away from positive recovery activities to speculation and into bubbles. The Fed's policies will bring

about one or two conclusions: hyperinflation is obvious as an extension of present policies. The other is a cessation of creation of money and credit, which will bring about a falling economy and economic contraction. At least at this juncture the Fed continues on Plan A – expansion. At the same time we are told an increase in interest rates are a long way off. Toward this end the Fed's balance sheet is quickly expanding and we do not see any slowdown ahead. An increase from 15% to 17% might not seem like much, but it is, especially when savings numbers are falling causing a loss in underlying momentum. This is negative for Treasuries because 80% of buying has to continue to come from the Fed via monetized money created out of thin air.

If anyone believes higher inflation is going to act as a governor on monetary growth they are mistaken. The Fed has little concern regarding inflation and price stability, if they did they wouldn't be doing what they are doing. The government lies about the CPI figures and the Fed swears to it. The figures are far higher than stated and anyone who believes official figures is very remiss in professional evaluation.

Between the Fed and Congress \$1.8 trillion has been spent to achieve 1.8% growth in the first quarter and all indications are that the economy is slowing again. We thought the carryover in the first quarter would have been 2-1/2% to 3-1/4%, but that didn't happen. We expected a further slowing in the second quarter to 2% and then negative growth for the remainder of the year. We'll stick to that projection, but the slippage will come from a lower level. Unless QE3 is already underway we should see minus 2% for the second half of the year. What professionals and investors have to understand is that what the Fed is doing doesn't work and the Fed knows that. The longer they create money and credit the higher inflation will rise along with gold, silver and commodities and the lower the dollar will fall versus other currencies, but more importantly the lower the US dollar will fall versus silver and gold.

The same kind of condition exists in Europe with the same systemic corruption we see worldwide. The current Greek government is an excellent example. It is probably the most dishonest since WWII. And that includes the mid-80s communist government of George's father, Andreas of the Papandreou crime family. As we look back we wonder what EU countries were thinking of when they knew they were subsidizing a lifestyle Greeks could never afford? Government workers were retiring at 50. Living standards have been cut 30% to 40% and retirement is now 70 years. These are appropriate measures, but the changes should have been stretched over years. The shock has essentially crippled the economy. Even Draco was not that cruel. The very concept agreed to by the Greek administration to put \$400 billion in assets into the hands of foreign experts is something that will harbor strife for years to come. It must be remembered that the banks and governments should have never made those loans in the first place. Who is to know whether these fellow EU socialists are going to do any better than the Greeks have done? The European and British banks want their money back, and it will be interesting to see if they are successful.

In the US a similar situation exists. Even if there is debt approval on August 2nd, the damage caused by the impasse will continue far into the future because printing of money and credit by the Fed is certainly not the answer and financial people worldwide are well aware of that. If legislation is not passed, real interest rates will rise from today's ridiculously low levels very quickly. That means bonds would plunge along with the stock market, which in turn means all Treasury fiscal needs would have to be filled in a vacuum by the Fed. Hyperinflation and a dollar collapse would be the final outcome.

As a result of this predicament the only real asset the US has that is worth anything are the portfolios of Fannie Mae, Freddie Mac, Ginnie Mae and FHA. Instead of nationalization their holdings would be sold off to collateralize outstanding US debt to the debtors. That would be \$6 trillion worth. Or perhaps 401Ks and IRAs could be commandeered by Congress in behalf of the state and given to creditors. The Americans thus robbed of their lifetime assets would receive worthless government guaranteed annuities. Those assets would probably be exchanged for perhaps \$0.50 on the dollar or \$0.33 on the plunging dollar. Can you see what your government has been doing and continues to do to you in order to further enrich those in government, on Wall Street and in banking? This is what you have worked so hard for – betrayal. This is probably where this is all headed and you are the victims. You cannot do much about the situation, as the Greeks and others cannot, short of a military coup. This is where you stand and this is where this is all headed and you had best prepare for it, because if you do not you will be very sorry.

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