

Subject: Economic Pearl Harbor

Economic Pearl Harbor



Did you know they had some warning at Pearl Harbor?[\[1\]](#)

Paul Craig Roberts was Assistant Secretary of the Treasury in the Reagan administration. He is coauthor of *The Tyranny of Good Intentions*. He says, “**The worst part of the decline is yet to come.** Bank failures and home foreclosures are yet to peak. The commercial real estate bust is yet to hit. The dollar crisis is building. When it hits, interest rates will rise dramatically as the US struggles to finance its massive budget and trade deficits while the rest of the world tries to escape a depreciating dollar.”

*Once the majority of voters and special interests have
an interest in increasing spending – even by borrowing –
rather than in limiting taxes and debt, the game is practically over.*

Greg Kadajski

A second leg down in the U.S. economy is all but certain and we won't have to wait long to see how things are going to shake out. There are many likely triggers for the next phase of the crisis and likely they will merge and rise up against us in a simultaneous assault on our present system and way of life. It

may already be "dire" and "severe" out there but it's going to get a whole lot worse. Now that the Dow has pierced the 10,000 level we are ripe for a steep ride down where a lot of people are going to lose a lot more money.

The U.S. has balanced its budget only five times in the past 50 years. The four straight years of surpluses starting with 1998 now look like a statistical error.

David Pauly

Our next crisis, due sometime soon (any day, week or month now; for many millions it is already here), will likely be much more dangerous than what we saw in the fall of 2008; and its probably going to come on like an unannounced force five tornado but the government and the media have been sounding the all clear sirens for months. Jim Sinclair and others on the other hand are riding down the virtual streets like Paul Revere did on his horse shouting, "Everything we have discussed here for many years is NOW taking place. Everything we have suggested is coming is NOW on your doorstep."

California is on the verge of becoming the first failed state in America.[2]

Professor Kevin Starr

Karl Denninger asks, "Is It Time to Recognize Reality?" We are at a rare moment in history and events will come on at dizzying speed. Denninger warns, "Every nation that has ignored the foundational principles of sound banking and credit for a sufficient period of time has suffered either severe economic depression or monetary collapse. There are no exceptions." "The real threat to national security lies in the finance sector rooted in Wall Street. Almost all talk about foreign threat is a grand distraction from the internal threat, even as incredibly grand fraud is committed in the name of patriotism," writes Jim Willie.[3]

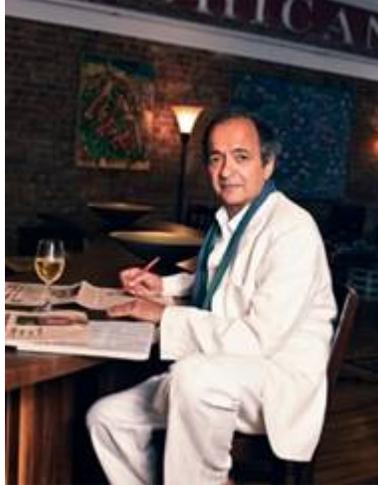
Richard C. Cook says, "The U.S. is increasingly in a state of political, economic, and moral paralysis, caught as it were between the "rock" of protracted recession and the "hard place" of terminal government debt. The underlying cause of the crisis is in fact the debt-based monetary system, whereby the U.S. ruling class long ago sold out our nation and its people to the international banking cartel of which the Rockefeller and Morgan interests have been the chief representatives for over a century." [4]

Congresswoman Marcy Kaptur makes a compelling case of a Financial Coup D'Etat. New York's Wall Street is stealing the rest of the country blind; California is going down hard as the bankers ride home laughing in their limousines.

Richard C. Cook says, "Bankers, mainly those in the U.S., have so shattered the world economy by debt mounted on debt that there may be no reprieve except the creation of a slave society based on rule by the rich over the masses of whatever peons should happen to survive the downturn and its tragic

effects on employment, health, the food and water supply, and even our ability to cope with climate change.”

Did you know that some people think the biggest bank robbers are the banks themselves?[5] The real crooks are the bankers and they hold top positions in the American government.



Jerome Celente’s [audio](#) gives a birds eye view into all of this.

Bankers are literally pillaging and raping everything around them, something they are good at because it is something they have always done. Humanity has been lead to slaughter (wars) for over two hundred years in a fashion that the banks have profited handsomely from; and the fractional reserve banking system, creating money from nothing and charging interest on it, the biggest crime scam in the history of our race, which few have the courage, intelligence or perspective to fight against even in their imaginations. Now Americans are having to face the unpleasant fact that its economy has nothing to show for all the bailout money borrowed and spent but we are supposed to be happy because at least the wealthy have been bailed out.

On 7 December 1941 the greatest disaster in United States history occurred but now we have certain banking interests that have surpassed the infamy of that attack through a financial attack on the entire nation. In the attack at Pearl Harbor less people were killed then at the World Trade Center. The present suffering and the tidal wave of pain that is arriving for uncountable millions is an infamy that will ring down through future ages but the bankers don’t really care and they really do love their limousines.

*Many Americans do not see a threat from Russia.
They see a threat from greedy corporate interests
that allegedly own governments, like our own.*

Jeffrey R. Nyquist

Of course it is not the United States alone that is facing the financial hangman. The Baltic States are once again in the eye of the storm after leaked reports that Sweden is bracing for a **full-blown economic and political "breakdown" in Latvia** with financial markets elsewhere in the region are likely to be hit

by contagion, with Hungary, Romania, and Ukraine most vulnerable. The Svenska Dagbladet newspaper said Sweden's finance minister Anders Borg had told banks secretly that Latvia's political order was unraveling, advising them to prepare for the collapse of Latvia's rescue talks.[\[6\]](#)

Gov. Paterson will propose \$2.5 billion in budget cuts today - primarily in health and education - to close a mushrooming deficit the controller says could hit \$4.1 billion. Asked to describe the latest round of proposed budget cuts, Paterson had a one-word answer: "Pain." "It's going to be pretty grim," Paterson told the Daily News..

State tax collections are continuing to take a dive and this is a huge blade beginning to further gut the American economy. Our financial system and fiat money will soon be toast so I am sounding the emergency horn and am pushing hard on the button. But “Exuberant markets and slap-happy finance ministers, combined with record profits at the investment banks of Mordor/Wall Street, are supposed to convince us that the worst is over, calamity has been averted, and with sober and moist eyes we roll up our sleeves to prevent the ghosts in the machine from re-emerging. A more masterful symphony of optical delusion has never been conducted, and the invisible puppeteers manipulating the strings of marionettes Ben Bernanke and Timmy Geithner are smug in their continued anonymity,” writes James West, who says we better “prepare for the next leg down.”[\[7\]](#) West also reminds us that, “The long term deterioration of the U.S. Dollar has been underway for decades.” The only thing preventing a dollar collapse it seems is an international race to the bottom in terms of paper currencies; meaning if the Americans are doing it everyone feels compelled to play the currency debasement game.

If this recovery continues long enough there won't be a single person left in America who still has a job.

Bill Bonner

The economy is growing weaker not stronger and central banks are already in a panic over the severe backwardation of gold, meaning to cover short positions certain banks are offering up to 1,250 dollars an ounce in paper currency instead of having to deliver on physical gold that they don't have but legally should.[\[8\]](#) “Indeed, the disposition of Western central bank gold reserves is a secret more closely guarded than the blueprints for the manufacture of nuclear weapons,” writes Chris Powell.

“There is a headline that has been all over the media ever since September 2008,” Amerman continues: “*Bank Bailout Will Soak Taxpayers*. As obviously true as this headline appears to be, it is in fact, dangerously misleading. Indeed, as we will cover in this article, the idea that taxes will pay for the bailout is ludicrous, an insult to both your intelligence – and your net worth. Instead, the real source of the bailout monies will not be the taxes you pay, but the value of your savings. The value of your checking account, the value of your IRA or Keogh, and the value of all your investments are the true source of payment for Wall Street's reckless mistakes. When we combine the bailout with the trouble the

US was already in, the result could be a 95% reduction in value for all of our savings, retirement and otherwise, as we will **illustrate step by step in this article.**”⁹What is certainly coming is a collapse of entitlement programs and pension plans and this will hit hard. Real money, real value is being sucked out of the masses but there is only so long this funny money con game can last before the dealer steps up and says game over, collect your chips, but then you find out at the cashier's window those chips are worth nothing.

*I am a firm believer in the people. If given the truth,
they can be depended upon to meet any national
crisis. The great point is to bring them the real facts.*

Abraham Lincoln



Financial analyst Max Wolff says, “We have done almost nothing to solve any of our structural economic problems. In our ‘recovery’ of the last six months, **we have seen the lives of the bottom 80% of Americans get harder every day.**” The long-running positive mood that has prevailed these past few decades is on its last legs and we should have compassion for the resistance people put up to seeing what is laying ahead. It is not going to be a joyous time as modern civilization passes through its zenith to face a hard downturn and entrance into what can only be described as **the most treacherous moments ever for humankind**

*The data confirms that government stimuli are worsening the
structural imbalances underlying our economy. The recent
'rebound' in GDP is not resulting from increased economic output,
but merely from the fact that we are borrowing more than ever.*

Peter Schiff

Though hyper inflation/currency collapse is still a future possibility the short term has credit and debt collapse on the table. The debts are simply too overwhelming so stand for all hell to break loose. Most officials are still counting on a recovery proving human penchant for fantasy. “To claim that the system can be put on proper stable footing is lunatic. To expect that the nation can be recalibrated so as to return

to the Good Ole Days of US global dominance and leadership is lunatic. To urge that the economic signposts, megaphones, and billboards be once again guided by policies best described as Bubbly Economic Mythology is lunatic. Yet delusional Americans actually believe the dominant ship at sea can lead as flagship, when it has taken on more water than the Titanic,” writes Jim Willie.[\[10\]](#)

The World Bank in October warned the global economy was on unsteady legs, saying that 2010 would be "a highly uncertain economic year."

Talking about the federal budget deficit, which tripled to a record \$1.4 trillion for the 2009 fiscal year[\[11\]](#) that ended at the end of September, House Minority Leader John Boehner, R-Ohio, said "This new CBO data makes it clear that our children and grandchildren will end up buried under a mountain of debt if we continue taxing, spending and borrowing at these dangerous levels. How many alarm bells have to be set off before Washington Democrats get serious about tackling dangerous budget deficits?"

A million seconds is 11.5 days. A billion seconds is about 32 years. A trillion seconds is 32,000 years.

John Allen Paulos

Mathematician

It is no small thing that the United States government fiscal deficit is running at a trillion and a half dollars a year. There are other big threats that could trigger a 180-degree change in the trajectory of our lives though. Collectively we are living in the shadow of some terrible bombs besides the nuclear ones, any of which could go off at any time and set in motion a truly catastrophic change in the human collective. There is the debt bomb, the climate bomb[\[12\]](#) and an agricultural bomb ticking away and of course there is the medical bomb with the pharmaceutical companies keeping up the race with the banks to suck the life blood out of the public.

Instead of a recovery it seems that the misery is just getting started.

We have flooding conditions (central banks around the world are creating fiat money) yet most people today are suffering from monetary dehydration. What is beyond our imagination or courage to imagine is right around the corner so expect to receive the blow of a two by four right on the nuke of your neck unless you prepare. The changes that are coming will be difficult ones, the kinds that “just drain the heart right out of you," said the son of a ninety two year old woman forced from her nursing home.[\[13\]](#) We have reached the end of our rocket like ride to riches and have passed the apex of our financial and economic trajectory. The wealth of the entire world is still contracting forcibly with the next leg downward destined to be especially hard.

Read the second part on the [IMVA Site](#)

Mark Sircus Ac., OMD

[1] http://en.wikipedia.org/wiki/Pearl_Harbor_advance-knowledge_debate
http://www.apfn.org/apfn/pearl_harbor.htm
<http://tiny.cc/1TDBI>

In his 1982 book *Infamy: Pearl Harbor and Its Aftermath*, Pulitzer-prize winner John Toland reveals that almost everything the Japanese were planning to do "was known to the United States" on the morning of the attack, via intercepted messages never communicated to commanders at Pearl Harbor. President Roosevelt (FDR) provoked the attack, knew about it in advance and covered up his failure to warn the Hawaiian commanders. FDR needed the attack to sucker Hitler to declare war, since the public and Congress were overwhelmingly against entering the war in Europe. The US was warned by, at least, the governments of Britain, Netherlands, Australia, Peru, Korea and the Soviet Union that a surprise attack on Pearl Harbor was coming. All important Japanese codes were broken. FDR and Marshall and others knew the attack was coming, allowed it and covered up their knowledge. He needed massive public outrage and that required big sacrifice. Roosevelt saved all the important elements of the fleet. In the spring he had sent many ships to the Atlantic. He kept the aircraft carrier *Saratoga* on the West Coast. And his sending of the two carrier groups out of harbor meant that not only they but also their fast escort ships would be saved - all the new ships stationed at Pearl Harbor were saved. Only WWI junk was left in harbor.

[2] <http://www.guardian.co.uk/world/2009/oct/04/california-failing-state-debt?showallcomments=true>

[3] <http://www.financialsense.com/fsu/editorials/willie/2009/1001..html>

[4] <http://www.globalresearch.ca/index.php?context=va&aid=15651>

[5]

http://www.kingworldnews.com/kingworldnews/Broadcast/Entries/2009/9/25_Gerald_Celente.html

[6] <http://www.examiner.com/x-6012-State-of-the-World-Examiner~y2009m10d12-Banks-brace-for-Latvias-collapse?cid=examiner-email>

[7] <http://www.financialsense.com/fsu/editorials/west2/2009/1001.html>

[8] <http://www.financialsense.com/fsu/editorials/kirby/2009/1009.html>

[9] <http://www.financialsense.com/fsu/editorials/amerman/2009/0917.html>

[10] <http://www.financialsense.com/fsu/editorials/willie/2009/1001.html>

[11] http://news.yahoo.com/s/ap/20091007/ap_on_go_co/us_budget_deficit

[12] The BBC is weighing in on global cooling meaning the mainstream press is finally working out that the entire climate debate about global warming is about to collapse so they had better get ahead of the game and come clean with what is happening with the sun and what that means for planet earth and all the people on it. The global warming gig has played itself out and has only gone on as long as it has because climate change was a weapon for more mass taxation. Global warming takes a holiday as heaters across the country seemed to go on much earlier than usual. Stunning records for cold were set across the nation increasing the demand for heating fuels over the weekend. The Chicago Marathon, according to the Chicago Tribune, had its coldest start since a 33 degree low in 2002 which they say was a far cry from 2007 when temperatures soared into the upper 80s and officials canceled the marathon after 3 1/2 hours into the event. In Denver it was reported that an arctic cold front moved in and broke a cold temperature record that stood for 104 years. In fact **last Friday the 9th of October Denver saw temperatures plunge 23 degrees in five hours setting the stage to make that record low.** There were record lows in many parts of the country like Wyoming, Utah, Illinois and Iowa and if records were not broken in many areas it was extremely close.

[13] http://news.yahoo.com/s/ap/20091004/ap_on_re_us/us_meltdown_nursing_home_cuts

Economic Pearl Harbor

Part Two

"We are certainly in a deflationary state," said David Rosenberg, chief economist and strategist with Gluskin Sheff and Associates in Toronto. "Of that, there's no doubt. I think people still have no clue as to just how weak the economy is," Mr. Rosenberg said. **Remove the "impressive medication" administered by governments, and most economies are at a virtual standstill."**

On October 6, 2009, the entire world saw just how quickly the value of the US dollar could fall. From that day forward, central banks and foreign investors will include in their financial planning the risk of the failure of the US dollar. From now on, the US dollar is on a deathwatch. Patrick A. Heller

"The pain of allowing Lehman to fail will be dwarfed by the agony of bailing out the rest of Wall Street, which is now a foregone conclusion. Just because the Lehman bankruptcy created unpleasant consequences does not mean it was a mistake. On the contrary, **sometimes doing the right thing hurts – especially if it is done to avoid even greater pain down the road.** It just seems that our representatives are incapable of asking for short-term sacrifice. There is no price they are not willing to force the rest of us to pay to assure their own reelection," writes Peter Schiff.

Spain is sliding into a full-blown economic depression with unemployment approaching levels not seen since the Second Republic of the 1930s and little chance of recovery until well into the next decade.[\[1\]](#)

"Investors are celebrating an incipient "recovery," but the interventions that were responsible for it are sowing the seeds of a more violent contraction down the road. The problem, quite simply, is debt. We've accumulated record amounts, yet many economists tell us we need more," writes Rolfe Winkler who continues saying, "Leading the charge is Paul Krugman. He exhorts us to borrow our way back to prosperity, but he doesn't acknowledge that his brand of Keynesian economics ignores the consequences of debt. If you look at a chart of America's total debt burden, he's leading us over a cliff."

If we refuse to allow the economy to experience a real recession, we will never have the benefit of a real recovery but our leaders are resisting such an experience with all their might. There is no question that the sense of panic has temporarily subsided in public but the underpinnings and reality is deteriorating as the recent jobs report in the US revealed to everyone. "Is there anyone in Washington

DC, besides Ron Paul, who is sincere in action, character, and utterance? Truth is no longer practiced in Washington DC. Political agendas are forced upon American citizens through the exercise of lies, deception, half-truths, and fear tactics,” writes James Quinn.

*Truth will ultimately prevail where
there is pains to bring it to light.*

George Washington

The truth is that over the last six months, notices of home foreclosures have been running about 350,000 a month, which is over 4 million a year. Bigger loan losses lie ahead. The actual total losses to come is anyone’s guess, but the \$11 trillion in outstanding home mortgages could easily produce over \$2 trillion in defaulted mortgages, and another \$600 billion of credit losses!

*“For my part, whatever anguish of spirit it may cost, I am willing
to know the whole truth; to know the worst and provide for it.”*

Patrick Henry

And that says nothing of the trillions of dollars in commercial real-estate losses **the present financial system is now weaker than at the end of 2008** so hardly in a condition to weather the even greater storms coming over the horizon. Millions of Americans have gone from feeling safe and secure to having nothing. Millions more are feeling a whole lot poorer relative to their past experiences of wealth. People are hunkering in not expanding out their chests and emptying out their wallets at the mall. What was life in the west will never be recovered. No recovery is even imaginable until all that is present and corrupt crumbles. There will be a tipping point in the near future when the public wakes up from this massive scheme and robbery happening on Wall Street and the government it has hijacked.

*Japan's exports tumbled 36 percent in August — with car shipments
falling by half — and imports also contracted sharply showing
the world's No. 2 economy remains mired in a deep tailspin.*

“Historically, a collapse in the value of a currency necessarily forces a major redistribution of wealth, and the segment of the population that is most devastated by this seems to always be the same. It’s the retirees, and the people close to retirement. When we look to Germany, when we look to Argentina, when we look to Russia – it is the pensioners who are impoverished more than any other group,” writes Daniel R. Amerman.

Alt-A universe covers over 2 million active mortgages.

And with 2 million mortgages nearly 30 percent are already at the 30 days late mark. 22 percent are already 90 days late.



"The biggest and most secretive gathering of ships in maritime history lies at anchor east of Singapore. Never before photographed, it is bigger than the U.S. and British navies combined but have no crew, no cargo and no destination..." It's a [ghost fleet](#) that grows the further international trade falls into the pits. These are expensive ghosts.

"The country is being buffeted by a violent tempest and driven towards a jagged reef that will rip a fatal fissure in the hull of our ship of state. As our ship flounders in violent seas driven by gale force winds, the weak pathetic excuses for leaders in our country, rather than lighten the load and reversing course, have chosen to increase our speed straight into the teeth of the cyclone, writes James Quinn.

New orders for long-lasting U.S. manufactured goods fell unexpectedly in August, dropping by their biggest margin in seven months.

Bundesbank chief Axel Weber sees no crunch now, yet fears a second pulse of the crisis this winter. "We are threatened by stress from our domestic credit industry through the rise in the insolvency of firms and households," he says.

Peter Schiff says, "The Chinese government will come to its senses and stop buying Treasuries. This will cause the U.S. dollar to collapse, but it will also allow Chinese citizens to fully enjoy the fruits of their labor. Once the Chinese begin consuming more of their own products, those products will no longer be available to Americans. Once they start spending more of their incomes on themselves, those funds will no longer be available for us to borrow. Unfortunately, **that is when our real economic crisis will begin.** The worst part is that the longer these imbalances are allowed to continue, the larger they grow

and the more painful the ultimate adjustment process becomes.”

In real life our species has such a modest ability to deal with distant outcomes or to defer gratification that a bad ending is probably inevitable. We need, it seems, the shock of a Pearl Harbor to really gear up and make sacrifices.

Jeremy Grantham

Before the dollar hits the wall or before the inflation that is now baked in the cake arises it's a good idea to start shifting your financial decisions (buy gold) and prepare oneself and one's family for hard times ahead. Stocking food and non pharmaceutical medicines and preparing one's heart and spirit for the challenges ahead are all good ideas as is getting to know your neighbors and other people better, people to cooperate with when life gets driven abruptly to a more local level of existence.

Western central banks will have to "monetize" deficits on a huge scale to stave off debt deflation. The longer they think otherwise, the worse it will be.

Ambrose Evans-Pritchard

“The dollar's collapse through the loss of its reserve status has already begun. But it is the political risk, this political will inside the US that ensures that this collapse will be a hyperinflation the likes of which the world has never seen. Never before has a global reserve currency imploded. The stage is now set, the audience seated, the lights dimmed, and a low, rumbling, tympanic drum roll can be heard rising from under the stage,” writes [FOFOA](#).

FOFOA continues saying, “In our current crisis, it is the dollar that is at risk. The collective has given implicit support to unlimited government printing in hopes that it will slow the fall from the collapse of credit derivatives. We now also have the central bank of central banks suggesting printing support to guarantee the sum total of bank credit derivatives numbering five to ten times larger than the entire value of all equity on the planet earth. Never before has a global reserve currency imploded. The stage is now set, the audience seated, the lights dimmed, and a low, rumbling, tympanic drum roll can be heard rising from under the stage.”[\[2\]](#)

In banking it has been said: “Loan someone a few thousand and you have a borrower. Loan someone millions or billions or trillions and you have a partner.” “Too big to fail” now also applies to the United States and this is what has saved America so far. Everyone will lose when the dollar goes into the graveyard of currencies so no one is willing to pay for a coffin yet but if you are ready to go out and buy

one be sure it is lined with gold.

There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency. The process engages all the hidden forces of economic law on the side of destruction, and does it in a manner which not one man in a million is able to diagnose.

Keynes

[1] <http://www.telegraph.co.uk/finance/economics/6228390/Spain-tips-into-depression.html>

[2] <http://fofoa.blogspot.com/2009/09/say-goodbye-to-wall-street.html>