The Emperor Has No Clothes; Nor apparently do his financial advisers

Almost fell off the rocking chair today learning the President of our once prosperous nation wants to bail out the world, since we caused the mess.

Take it over might be more like it. In yer dreams brown eyes.
How? With more IOUSAs while China and Russia demand gold instead of our electron IOU currency?

Generals fight the last wars.
So do some economists, apparently.

Witness the Chairman of the Federal Reserve Bank, in actuality a private 20:1 leveraged 6% dividend corporation with its fleet of jets, helicopters and private dining clubs, allegedly controlled by Rothschild and Rockefeller nominees, and the US Treasurer, Timothy Geithner, tax dodging protégé of Henry Kissinger, Robert Rubin and Larry Summers, current Chief Economic Advisor to the President.

Doppelganger economisseds may claim they are thoroughly schooled in the economics of the Great Depression. One even promised Milton Friedman on his 90th birthday he would not let another Great Depression happen. So far since the Great Panic of 2008 began, they are batting zero.

We note 1913 Fed and Income Taxes hardly failed to prevent or fix the Crash of 1929 and subsequent two decade depression.

In fact, institutions with unwise government command economies built on debt and deficits extended the Crash and Correction from the typical few years prior to the Fed, to a few decades of Great Depression. Ron Paul reminded them of this in Congress and the three Blind Bankers sneered.

1949 was the final bottom of the Great Depression in real people terms. It took 25 years for 1929 Dow holders to break even in inflated terms. There is a good reason our Constitution bases prosperity on liberty, gold and silver equity. It works.

One reason for current lack of success may be that FDR, who got mistaken credit for leading US out of Depression by taking us into World War II, didn?t come to power for four years after the 1929 crash, well after Hoover?s many similar progressive policies failed miserably and consigned him to cursed eponymous historical status. It?s been scarcely a year since the Panic of 2008 began.

Another factor may be today?s failed prescriptions are yet more of the same deficit usury drugs that got US into trouble: perverted NeoKeynesian notions of counterfeiting more fiat money and passing bigger bills for insider free lunch on to taxpayers and future generations, also called generational theft.

Keynes, sound mathematician and successful money manager, unlike current economic leaders, might be rolling over in his grave to see the things done today in the name of his countercyclical Biblical policy of saving during the good years and spending during the lean years. Where are the government savings?

With extreme greed, Big Bankers changed the rules of safety dating before the Glass Steagall Act of 1933. In stages, they got rid of Constitutional gold and silver currency standards dating from the Mint Act of 1792, so they could issue much more usury scrip and inflate their way out of reality. Yesterday they had debtor prisons. Today they use credit ratings.

They profited as moneychangers do from usury based on Federal Treasury Debts and government spending that went from under a trillion dollars with Reagan and Shultz to over eleven trillion dollars under Obama and Geithner. And now the bills come due on the day of reckoning.

One definition of insanity is doing the same thing over and over again, expecting different results.

Am I the only person in the world who thinks the revolving door between Goldman Sachs and the US Treasury is not healthy for us little people?

GS Chairs Robert Rubin and Hank the Hammer Paulsen got substantial personal tax benefits to run Treasury and ruin Citigroup or the US Economy.

Consider Obama adviser Larry Summers, Treasury Sec understudy to Rubin, and current Treasury Sec Timothy Geithner, Henry Kissinger protégé tax dodger who worked for the Council on Foreign Relations and International Monetary Fund, before President of the New York Fed when the Panic of 2008 began.

Between various Wall Street Masters of the Universe Secretaries of the Treasury and Presidential Economic Advisers, we went off the gold currency standard as the world?s largest creditor to become the largest debtor. Where?s the common sense? Where?s the gold?

Now an alphabet soup of bailout plans from TARP to TELF to HASP to PPPIP thus far failed to resurrect the American economy, let alone the world. Bernanke, Paulson and Geithner promised help for consumers with economic recovery in a year. We used to laugh at China and Russia?s five year plans.

This poor undereducated layman understands we don?t get something for nothing. Maybe it takes a PhD, Federal Reserve or Treasury position to believe in Free Lunch Deficits commanding the economy.

The rest of us pay our bills as they come due. Government bills have been coming due and going unpaid.

How did we get here behind the eight ball? We trusted elected representatives and their appointments who promised to preserve, protect and defend our Constitution. They did not.

Can we really trust the people who let AIG, Citigroup, Fannie Mae and Freddie Mac go down the trash chute and then demanded taxpayer bailouts?

In plain language, Wall Street Banker greed, using dangerous deficit derivatives dwarfing the world economy, broke the big banks.

These Bank leaders and their government lobbyists repealed the Glass Steagall Act of 1933, refused regulation of their off balance sheet derivatives, eliminated protective 10% Net Capital, Uptick and Naked Short Rules to create casino gambling with our future.

They used leverage and off balance sheet derivatives worth more than twenty times the world economy to seek more and more profits. Now they try to cover their mistakes eliminating mark to market accounting, which only delays the inevitable.

Just as trees do not grow to the sky, unbridled usury eventually exceeds the capacity of the economy to service it. According to the Comptroller of the Currency, the top six US banks hold 96% of the derivatives and 81% of the credit default risk. To hell with them.

We saw defaulting debt derivatives take out AIG, Bear Stearns, Fannie Mae, Freddie Mac, Lehman Brothers, Merrill Lynch, Wachovia, WaMu, some of these firms more than a century old. And now the top six surviving US banks say they are too big to fail.

Not.

Since informed private investors do not want their toxic assets, the President?s advisors came up with Five Year plans modeled on the Resolution Trust Corporation, plus Hoover and FDR government bailout Great Plans.

As mentioned, we are way too early on the default curve. They are putting taxpayers and the economy at even graver risk by removing credit and liquidity from consumers and putting their families on the hook for the majority of the risk. They say they worry about inflation when the risk is deflation.

An oft uncited fact of the RTC is that taxpayers eventually paid off 77% of the monopoly media Heralded Public-Private RTC Partnership after the likes of Neil Bush, the Clintons and the Cayman Island Crowd broke Silverado, Madison and other S&Ls during Bush Senior?s term. Then we were dealing with hundreds of billions, a much smaller portion of the economy than the tens of trillions or hundreds of trillions claimed to bail out America or the World now.

Geithner?s PPPIP relies on the FDIC to guarantee toxic asset acquisition loans to hide even more unpopular bailout borrowing. Do we really want a government agency already stretched thin guaranteeing our bank deposits to go out of business guaranteeing toxic banker waste?

Now that government decided to let automakers go out of business and break their labor healthcare and pension obligations, there is even more pressure on the Pension Benefit Guaranty Corporation and other government guaranteed agencies.

Where will the money come from other than more funny money and debt? Folks, it just ain?t gonna happen. TinkerBell and Peter Pan do not run this country. We do.

Before we citizens acquiesce to yet another fraudulent bailout plan for bad bankers wrapped up in bogus claims to protect the consumer, we need to know the truth.

Bailouts so far did not work because debts, derivatives and potential defaults are far greater than the public know or most politicians comprehend.

$100 Trillion in unfunded government mandate liabilities dwarf the American economy. $800 trillion in derivatives crush the world economy. Why let the people who did this to the economy hurt us more bailing themselves out at the public trough?

Another painful truth is Bankers still think they run this country, under the principle that the borrower is servant to the lender.

Yet when the bankers are broke, they come running to the politicians, taxpayers and savers to bail them out. Ain?t gonna happen folks. The politicians work for the taxpayers, not the bankers. They answer to US, not the bankers. They can try to kill Jackson, Lincoln, Wilson, Kennedy and others for daring oppose the bankers, but not all of us.

We feel free to let our elected representatives know what we think and feel: We are not going to bail out broken bankers and their prodigal sons.

We know Darwin and Schumpeter were right about survival of the fittest and creative destruction. Our economy and markets will survive and even thrive another day, bailouts and fear mongering or not. As usual, prudent savers will make the most on their money, and not by bailing out broken banks. Let them eat their fiat currency lunch.

Food, land, gold, silver and live stock savers preserved Egypt under Joseph, Continentals after the Revolutionary War, Greenbacks after the Civil War, flappers after World War I, babyboomers after World War II. They will do it again after bankers finally quit trying to paper over their mistakes, and politicians quit trying to borrow, bs, spend and tax our way to prosperity.

If we don?t believe this, then let?s reread the Wizard of Oz, Aesops Ants and the Grasshopper, or Hans Christian Andersen?s Emperor?s New Clothes. Now these are some character stories we can trust.