

# Activist Post

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## QE3 Blowing Up the Debt Bubble

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September 19, 2012

It begins . . . the latest downgrade of credit worthiness for the former titan reserve currency. As reality strikes, financial confidence goes negative. Forget the pump-and-dump equity markets, just how long will it be before the bondholders demand higher interest rates to cover their risk? Ben Shalom Bernanke answers this concern with intentions to keep rates near zero. Pure escapism out of the strange world of banksters' hubris - faces the rating agencies. US Credit Rating Cut by Egan-Jones ... Again

Ratings firm Egan-Jones cut its credit rating on the U.S. government to 'AA-' from 'AA,' citing its opinion that quantitative easing from the Federal Reserve would hurt the U.S. economy and the country's credit quality.

The Fed on Thursday said it would pump \$40 billion into the U.S. economy each month until it saw a sustained upturn in the weak jobs market.

Step back and view the big historic picture. The lesson from the Roman Empire repeats with a vengeance . . . in the era of digital bookkeeping.

Yet the "bread and circus", food stamps and sports arena society shares the same fate. Appropriately, the Cato Institute describes the pattern to destruction, in *How Excessive Government Killed Ancient Rome*.

The revenues of the state remained inadequate to maintain the national defense. This led to further tax increases, such as the increase in the sales tax from 1 percent to 4.5 percent in 444 A.D. (Bernardi 1970: 75). However, state revenues continued to shrink, as taxpayers invested increasing amounts of time, effort and money in tax evasion schemes. Thus even as tax rates rose, tax revenues fell, hastening the decline of the Roman state (Bernardi 1970: 81-3). In short, taxpayers evaded taxation by withdrawing from society altogether. Large, powerful landowners, able to avoid taxation through legal or illegal means, began to organize small communities

around them. Small landowners, crushed into bankruptcy by the heavy burden of taxation, threw themselves at the mercy of the large landowners, signing on as tenants or even as slaves.

The open-ended wizardry of originating imaginary money at the taxpayers' expense is an alchemy that the central bankers aspire with all the zeal of a bandit that wants to steal from the unborn.

Bernanke is desperate to prop up the financial derivative madness. Back in antiquity constraints of pilfering the treasury were not as refined as computer strokes on a spreadsheet. The impact of Coin mintage that collapsed the Roman Empire, looks mild compared to the forecast of pain to come in the abortive American Empire. While the pattern between both imperia uses contemporary techniques of their era, the outcome ensures the same destruction to their respective economies.

Overtime the metal content of silver coins decreased until it was only around 4% of the 'silver' coin. So while for hundreds of years inflation was non-existent around 30 yrs after the silver content was reduced inflation rose at an average of 9% a yr.

This unceasing and continuous explosion of the money supply and the monetization of the currency not only crosses the Rubicon, it ends in the assassination of the Republic. The rule of central bank Caesars begs for the collapse of the imperium. Bernanke's delusion that Keynesian spending will produce a "sustained upturn in the weak jobs market" is pure lunacy.

The target and beneficiary of this money flow only enriches the insiders, who strive to establish a technocratic feudal dynasty. The merchant economy is under intense pressure and faces demise from the opulent excess. The routine ransacking of the economy by the elites, in union with the oversight of their minion bureaucrats, torture their compatriot brethren.

The intent of the Negotium series "provides a sensible and informative guide on the complexities of business, economics, finance and global commerce". Any discussion of the numerous topics always presupposes a reasonably stable currency. Currency debasement is historically destructive, points out the similarities that destroyed Rome and the modern day events that are emasculating the citizens of this republic into wards of the state or slaves to the national debt.

At the end of the day currency debasement is simply another tax, albeit a tax which most people do not understand, and do not even know is being levied upon them. While the Roman empire debased the currency by simply lowering the percentage of gold or silver in the currency, the American empire does so either by printing new money without any accompanying increase in production or by engaging in fractional reserve banking, via which banks lend out money that they do not have, being 'insured' by the federal government.

Interestingly enough, the two governments seemed to use these practices for similar reasons. Caracalla needed to increase war spending, and thus debased the currency to do so. The United States has done exactly the same thing throughout its history and especially the last 100 years, and today is attempting to fund an empire that consists of soldiers in over 140 countries worldwide and dozens of nations that are essentially economic dependents.

Just how long the debt bubble can be expanded until it bursts, is proportionate to the servitude that the public is willing to endure. The day of financial reckoning approaches, while the percentage of taxation tribute increases. The average resident once had enough disposable earnings to live a decent life. Now sufficient after-tax income revenue begs poverty level existence.

QE3 would be better characterized as the final solution to crash and destroy the American economy. The barbarians entered the provinces to rape and pillage Rome. Today the "masters of the universe" Goths are plundering the remaining wealth of the nation with their arbitrage supercomputers. Ruining the value of the currency seems like a small price to pay, when you control or possess the bulk of the real assets.

The Attila the Hun tactics used by Bernanke's Federal Reserve Board of Governors is the equivalent and true "SCOURGE OF GOD". The debt bubble is the instrument of the greatest wealth transfer in all of history. Soon the old saying, "brother, can you spare a dime" will be on the lips of most; but you had better check the silver content.