



Who's Behind the Financial Crisis?

By Cliff Kincaid

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The New York Times is quoting a spokesman for George Soros as saying that the well-known hedge fund operator is guilty of no wrong-doing in connection with the financial upheaval currently affecting Greece and Europe as a whole. But Zubi Diamond, author of the powerful new book, *Wizards of Wall Street*, says the agenda of Soros and other short sellers is clear. Their purpose, he says, is "to loot America and any foreign country which invested in America. Greece was one of them. Iceland was ravaged and annihilated."

The term "short selling" in this context refers to investors, speculators and currency manipulators who bet on the decline or collapse of a stock or currency through complex financial instruments handled mostly through secret off-shore accounts. For the hedge fund short sellers to make money, prices have to go down.

Short-sellers, who are appearing at a March 11 event at the libertarian Cato Institute, insist that they "provide liquidity and transparency to our capital markets" and that their operations "expose corporate fraud and mismanagement."

But Diamond strongly disagrees. He says the Managed Funds Association, the lobbying arm of the hedge fund short sellers, is crafty and deceitful. "When they tell you that short selling contributes liquidity to the market, that is a lie," he says. "Short selling destroys capital and takes away liquidity from the market. When they tell you that they are taking steps to remove manipulation from the stock market, that is a lie. They are taking steps to introduce manipulation to the stock market, and prime the stock market for manipulation and looting. When they tell you that the uptick rule is outdated, because of decimalization, that is a lie. They lie to deceive, to bring forth a big pay day from short selling, hence the looting of America and America's wealthiest corporations and their shareholders, sanctioned by their Washington D.C. lap dogs."

"The most influential members of Managed Funds Association, the hedge fund short sellers, have an anti-capitalism agenda, an anti-industrialized nation agenda, and a far left liberal, Marxist radical agenda," Diamond says. "Hedge Fund short sellers are not capitalist. They are anti-capitalist and they are not investors; they are anti-investors." He says they "loot" companies and countries.

The Times noted that a dinner was held in New York last month where "representatives of some of these hedge funds discussed betting against the euro" in the wake of the Greek financial crisis. As a result, the paper said, at least four hedge funds had been asked by the Justice Department to turn over trading records and other documents. They were Greenlight Capital, SAC Capitol Advisors, Paulson & Company and Soros Fund Management.

Claiming that Soros is not involved in any wrong-doing, Michael Vachon, a spokesman for Soros Fund Management, told the Times that, "It has become commonplace to direct attention toward George Soros whenever currency markets are in the news."

Diamond, an African immigrant who came to America and became a successful businessman, concludes otherwise, saying that Soros and other short sellers who belong to the Managed Funds Association, the "voice of the global alternative investment community," are corrupting influences that undermine nations, their economies and currencies, and the global financial system as a whole.

Diamond, with 14 years of experience in the financial markets, calls his book a course in "Economic crisis 101" because of the need to inform ordinary Americans of what is happening right before their eyes. The book is easy to read, although it deals with complex financial regulations and operations, and is only 118 pages. The theme is that the economic crisis was deliberately engineered for profit and political gain and has already resulted in the "looting" of \$11 trillion from the U.S. economy.

AIM had warned about this potential problem in a January 16, 2008, column, "Soros Bets on U.S. Economic Collapse," in which we noted hedge fund ties to the Democratic Party and a report that hedge fund managers, including Soros, stood to make billions of dollars from a U.S. housing market collapse.

Regulation of the hedge fund industry and other recommendations are included in Diamond's book, which carries the subtitle of "The scam that elected Barack Obama." He accuses many of these same global players now under scrutiny for wreaking havoc in Europe of being behind the U.S. financial crisis that enabled Obama to win the presidency.

"George Soros put the support of the organization [the MFA] behind Obama," his book says. "Soros wanted somebody that hates the traditional America and its constitution, a left-wing radical like himself, so he chose Obama."

"Nothing will happen until the American people know what caused the economic crisis and the solution for fixing it," he tells AIM. "Nothing will happen until the American people know about the Managed Funds Association and their role in engineering the economic collapse." He calls the MFA "the cancer in our society that needs to be cut out, exterminated and abolished. America and capitalism will not survive unless the Managed Funds Association is eradicated, uprooted and destroyed."

The MFA, meanwhile, is undergoing what the Politico calls an "image makeover," as more scrutiny is being applied to the operations of its members. MFA President and CEO Richard Baker tells the publication that "...we have an enormous job ahead of us in providing understanding about the industry that is based in the actual market role we play, as opposed to the perceptions that have been allowed to build."

Diamond tells AIM that the crisis in Greece "is just one more theater of the repercussions of the scam to annihilate capitalism. They need to be regulated just like mutual funds. If you regulate the hedge fund short sellers, just like mutual funds, that will remove the incentive for their predatory behavior of targeting companies, countries and currencies."

Looking ahead, Diamond says, "When the European Union (EU) bails out Greece, that bail-out will increase the EU deficit and weaken their currency, hence the decline in EU currency.

That is the theory being floated by the manipulators. George Soros, the hedge fund short sellers and the speculators will trade with that assumption. They will run down the EU currency and that will be a manipulation by collusion."

Diamond notes that Soros is a member of the Managed Funds Association, and they are "making negative

comments about the Euro. They are targeting and preying on capitalist countries and currencies."

He goes on, "They feel invincible. They have a license to destroy any company or country or hold the company or country hostage while preying on the investors. They are having dinner meetings, openly discussing collusion to attack a particular asset class, equity, or a country's currency. If this is not organized crime, I do not know what is."

He warns that any asset class that is traded in the NYSE, CME, or EUREX exchanges is susceptible to manipulation by the members of Managed Funds Association and their strategic partners. "They have primed the market for manipulation," he says.

In the case of Greece, Diamond says that the country "gathered all her nest eggs and brought it to the wolves' den at Goldman Sachs," a member of Managed Funds Association, "but Goldman Sachs then shorted the market while their clients were on the other side of the trade."

Diamond says there would not have been a Greece debt crisis if the all the safeguard regulations had not been removed. He blames Christopher Cox, who served as chairman of the Securities and Exchange Commission (SEC), for laying the groundwork for this financial upheaval. "The removal of the uptick rule, and the circuit breakers and the introduction of mark to market accounting is what caused the economic collapse and the stock market crash," he says. "Greece lost investment capital in the 2008 Wall Street collapse, which gave their country a balance sheet problem on top of the debt they already have. Their deficit ballooned. You know the rest. The EU is accusing Greece of not disclosing all their debt and investment risk exposure."

Commenting on reports that federal authorities and the SEC will investigate Goldman Sachs for their involvement in the Greece debt crisis, Diamond says that "my prediction is that nothing will happen" because Goldman Sachs is a member of the powerful MFA.

"The Managed Fund Association is the government," Diamond charges. "They bought the policy makers and regulators, and then took over our government."

Note -- The opinions expressed in this column are those of the author and do not necessarily reflect the opinions, views, and/or philosophy of GOPUSA.