

The Biggest Bubble In History: Fraud

Forget the Housing, Bond or Derivatives Bubbles ... Fraud Is the Biggest Bubble of All Time

By [Washington's Blog](#)

Global Research, January 24, 2013

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Region: [USA](#)

Theme: [Global Economy](#)

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The housing bubble which burst in 2007 or so was the [biggest bubble of all time](#).

Many argue that the bubble in U.S. bonds has surpassed the housing bubble as [the largest ever](#).

Of course, given that the derivatives market is more than [a thousand trillion dollars](#), and that is backed by [thousands of times less](#) collateral, a good case can be made for arguing that *derivatives* are the biggest bubble.

But if you really think about it, the largest bubble in history is *fraud*, because it includes *all of the above and more*.

Specifically, the housing crisis was [caused by fraud](#). The government [encouraged fraud, and helped cover it up](#).

Huge swaths of the derivatives market are manipulated by fraud. See [this](#), [this](#), [this](#) and [this](#). But instead of cracking down on the fraud, the government is [backing it](#).

And the bubble in bonds was caused by super-low interest rates. See [this](#), [this](#) and [this](#).

Low interest rates - in turn - are caused by the government's zero interest rate policy and [quantitative easing](#).

And how did the government sell these programs? By saying that they were necessary to help the economy and create more jobs.

But in reality, zero interest rate policy is just [another stealth bailout for the big banks](#). And quantitative easing [only helps the super-elite ... and hurt the economy and the little guy](#) (Bernanke [knew back in 1988](#) that QE doesn't work for its advertised purposes.)

In other words, the government's low interest rate policies were based upon a [fundamental misrepresentation as to their purpose and probable effect](#).

Indeed, experts say that [all bubbles](#) are enabled by fraud.

But there are signs that the fraud bubble is collapsing.

Trust is falling to all-time lows as to many government and private institutions. Why? Because institutional corruption is so rampant that it is becoming obvious to everyone from [Joe Sixpack](#) to amateur and [sophisticated professional investors](#).

While liberals tend to distrust big corporations and conservatives tend to distrust the federal government, we all agree that the [malignant, symbiotic relationship between the two is the root problem](#). Indeed, when [government and corporatism merge](#), it is hard for *anyone* to trust what is going on.

When government officials are [as corrupt](#) as the [criminal enterprises](#) they are suppose to regulate, even the mainstream media [can't ignore it any longer](#).

And the people [lose all trust in the system](#).

No matter [how hard](#) the boys [work](#) to [cover up their ongoing misdeeds](#), the fraud bubble may finally be popping ...

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