The EU Debt Bubble: The Eurozone is Crumbling

By Bob Chapman
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There are those who make excuses for the Federal Reserve and for the European Central Bank as well. Both are controlled by the banking community and are only interested in enriching themselves. These central banks take their orders who own or control these central banks. In the case of the ECNB and other sovereign banks, they are responsible for the terrible state of finances in the euro zone. Yes, we know the banks, and sovereign bans made the loans or brought the bonds, but the ECB has a direct connection into these institutions. The ECB president Jean-Claude Trichet is supposed to be a very bright banker. If that is so, why did this happen on his watch? We will tell you why. It is because he serves the bankers and not the people. He is just another front man for the Illuminists, just as Mr. Bernanke is. Mr. Trichet has only 2-months to go and then he can rejoin his banker friends.

As a result of Europe's version of the financial wild west Greek credit default swaps are at a record 3,470 BPS as investors, citizens and others await default. Greek two-year yields rose 852 BPS and the Italian 10-year notes rose 12 BPS to 5.39%. The euro was off 3.9% this past week and probably is headed lower. These past three weeks Mr. Trichet engaged in a bond buying program of Italian and Spanish bonds, is a foolhardy undertaking. It resulted in the resignation of Mr. Stark, because he opposed the bond-buying program. Mr. Stark was the vice chairman of the German Bundesbank for four years. German banker Alex Weber and Bundesbank President Jens Weidmann also agree with Mr. Stark.

The 2008 credit crisis wreaked havoc on European, UK and US markets and as a result the latest episode, which has been playing out over the past two years, has really taken its toll on the value and stability of the euro. The euro zone is in a state of contagion with six of its sovereign members in serious financial trouble. The pull of saving the euro has been much stronger than a common sense approach to allow the insolvent to go bankrupt, something that was inevitable, and which we predicted years ago. This same pressure, or mind set, is what propelled the ECB to violate its own rules to arbitrarily buy the bonds of Italy and Spain in the open market. These acts are what finally pushed Germany citizens over the edge. It is a fundamental difference culturally, socially and financially between sovereign nations that have very little in common. We have lived among these cultures and speak their languages. We knew from the very beginning that the European approaches to amalgamation would never work. The European common market and then the European Union, an unnatural combination of people's anthropologically, which had little in common. The 3% public debt formula that came out of the Maastricht Treaty was unattainable for at least 1/3 of euro zone members; along with one-interest rate fits all was a loser since its inception. That is because each economy was and is at a different stage of financial and economic development. The EU was an experiment and a forerunner for world government. It is as simple as that. Yes, the euro zone is crumbling and the bankers who control all these politicians and bureaucrats are going to lose out and take their losses and in that process many will face failure and rightly so. The creators of the EU, euro zone and ECB have a failing monstrosity on their hands, an expanding debt crisis. What could the ECB and sovereign central banks have been thinking about to allow such extension of credit? It defied all the rules of prudent banking. There are many to blame here reaching all the way back into the 1960s. The dogged insistence of merging of nations under the pretext of preventing future wars, when in fact it was a blatant attempt to create a one-world government.

The debt bubble has enveloped Greece, Ireland and Portugal and most likely will suck in Belgium, Spain and Italy in the process. There is absolutely no way a financial crisis can be avoided and it's already been in this stage of failure for two years. No country can bailout these six without destroying themselves. Can 21 nations find $4 to $6 trillion to bail out the six? We do not think so, and we have said this from the beginning. Fragile isn't the word for it, neither is contagion. The operative phrase is object failure.

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