

# US Economy is Just One Giant Hedge Fund

By [Max Keiser](#)

Global Research, October 03, 2013

[RT Op-Edge](#)

Region: [USA](#)

Theme: [Global Economy](#)

*Max Keiser, the host of RT's 'Keiser Report,' is a former stockbroker, the inventor of the virtual specialist technology, virtual currencies, and prediction markets.*

[Get short URL](#)

American lawmakers have colluded with Wall Street executives to build an economy that no longer works in the best interest of, or even needs, the majority of the American public, according to RT financial host Max Keiser.

**RT:** *There's a lot of hype and some would say overreaction around all of this but the tell-tale sign is the markets. They haven't reacted negatively. Is there really a crisis here?*

**Max Keiser:** I think we should take the words of Warren Buffet to heart. He basically described the Federal Reserve Bank and the American economy as one giant hedge fund. And he is absolutely correct. The way that Wall Street, Washington, and these large funds approach America is as a trade that is backed by \$120,000 or \$130,000 of debt and that debt gets traded around every day. And the whole initiative here is to buy hedge funds and try to squeak out profits, and they don't really care who they hurt in the process. Remember America is run by what I call financial jihadists who are basically suicide bankers. Warren Buffett, of course, is one of these suicide bankers and America, from the outside of course, looks like they're trying to commit financial suicide. But that's what a financial jihadist does, or a suicide banker. They blow themselves up for their cause and in this case it's market fundamentalism, a belief in the profit - not the prophet.

[Download video](#) (36.64 MB)

**RT:** *But other tell-tale signs of the economy improving are there, Max. Are we to believe the economic indicators which suggest the US economy is on the up?*

**MK:** Well, you look at a deal recently between Carl Icahn and Apple computers. It's the story of two different economies because most Americans deal day-to-day, hand-to-mouth, paycheck-to-paycheck. Then you have the other economy which is the Wall Street economy, the financial jihadist economy. Carl Icahn can tweet about getting Apple to buy back \$150 billion of their own stock, which of course is financed with zero percent interest rates and if they make a mistake they get bailed out just like long-term capital management was bailed out. Remember that in the late 1990s, early 2000s, long-term capital management ran into trouble. Alan Greenspan - the Fed chairman at the time - bailed them out. He lowered interest rates to bail out a hedge fund. What will happen here - this is the outcome, there's two outcomes - either the Federal Reserve Bank will increase their monthly buyback of bonds from \$85 billion a month to \$120 or \$130 billion a month, or America defaults on its

sovereign debt like it did in 1971 when it closed the gold window. Those are the two outcomes. So what we see here is jockeying between these two powerful sources in Washington, Congress, and the Senate. By the way – they all own stocks. Insider trading is legal. They’re all trading this information, they’re on their little phones and they’re trading stocks up and down and making money at the expense of the American people because they are financial terrorists as well. Financial terrorists have captured the American economy. I mean that’s plain and simple. Warren Buffet hit the nail on the head – America is just one giant hedge fund.

**RT:** *But they will raise the debt ceiling won't they? Or will they not, because Obama is clearly worried about that? They're arguing about Obama's health care. What's going to happen with that crisis?*

**MK:** The smart money would be short stock market right now and then when they raise the debt ceiling and print \$120 billion to \$130 billion a month in brand new quantitative easing there'll be another huge rally. That's the insider's scoop; I'm telling you how to make money on this façade, this Kabuki theater that has become America. America is the most watched soap opera in the world right now; it's a huge hedge fund. You've got CNBC covering it like it's an episode from "Breaking Bad," the popular show about methamphetamine on cable TV. Ben Bernake and Barack Obama, you can almost picture them in the back room cooking up some meth and selling it on the street to finance their habit, which is defense spending, torture, extraordinary rendition, bombing people overseas, droning people that costs a lot of money. The only way they can finance that is by treating the entire economy like it's a hedge fund where they just extract wealth second by second, manipulating markets, trading inside information. JP Morgan, Lloyd Blankfein, HSBC, Barclays, inside trading, market manipulation; they've been caught at it time and time again. Laundering money from drug cartels in the face of HSBC over and over again. It's just drugs, insider trading, market manipulation, and Warren Buffett. That's all that's left in America.

**RT:** *You're great with the plot lines so how is this particular episode going to end? The episode of the federal government shutdown. Is it going to end soon? Could it drag on for three weeks like we've seen in the past?*

**MK:** A lot of people get hurt but the people in Washington consider the American public to be expendable. They don't need the American public. They don't need their taxes, they don't need them working – because when they need money they just print it. It's like Saudi Arabia in America. In Saudi Arabia when they need more money they just pump more oil. They don't need the population, that's why they live in destitute and why there's so much poverty in Saudi Arabia. It's the same thing in America – there's a huge amount of poverty because...when they need some cash, they just get Ben Bernake to print it. It's Saudi Arabia, it's called the new American dream. The Saudi Arabian dream is alive in America.

The original source of this article is [RT Op-Edge](#)  
Copyright © [Max Keiser](#), [RT Op-Edge](#), 2013

---

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: **Max Keiser**

**Disclaimer:** The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)  
[www.globalresearch.ca](http://www.globalresearch.ca) contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: [publications@globalresearch.ca](mailto:publications@globalresearch.ca)