

Bring in the Undertaker

The financial system is gone, and the choice between fascism and the American System must be made now.

It's all over, my friend." That line, from Nat King Cole's "The Party's Over," pretty much sums up the global financial situation today. They've burst your pretty balloon, the masquerade is over, and it is time to take off the makeup. Next stop for the financial system: the undertaker.

The U.S. economy has been operating below breakeven for some four decades, our industrial productivity systematically dismantled in favor of information, services, and speculation; our infrastructure neglected to the point where we are overwhelmed by problems that we could have avoided; and our people and institutions burdened by debts so great that they can never be repaid. We, the people and the nation, live on borrowed money, which we use to buy goods produced in slave-labor—or nearly so—conditions around the world. What we have told ourselves is prosperity, has been a blind, irresponsible fraud. Now the balloon has popped, and the party is over.

It would be nice to believe that the authorities and experts have things under control, but who can believe that anymore? Politicians? Forget it. The technocrats? Not a chance!

One of the recurring themes in the financial press these days, is confusion; things are not working the way they are supposed to. "What it all comes down to beneath the surface is ... the perception that this is spreading in ways that cannot be anticipated," one analyst told the *New York Times*. Said another: "The mood is dreadful. People are saying, 'Well, is

that all? If they were wrong about so much, is it possible they're still wrong?'" The flip side of that is, if they've been so wrong about everything, who in their right mind would believe anything they say now?

A few short months ago, most people had never heard about SIVs, CDOs, ABCPs. We had what was described as a "subprime crisis" caused by a few crooks, but not to worry, it is manageable, they said. Then the "subprime crisis" spread into mortgage-backed securities, and into the CDOs, and into the ABCP market, and into the SIVs, and pretty soon, no less an authority than Treasury Secretary Henry Paulson was pushing a dead-on-arrival plan to rescue our biggest banks from their own SIV exposure.

This is still just the tip of the iceberg. We've only just begun to see the banks' losses, and beyond them lie the losses of the hedge funds, the derivatives traders, the bond insurers, and the credit derivatives salesmen, all of them so incestuously interlocked that losses anywhere trigger losses everywhere. There are trillions of dollars of losses out there, looking for balance sheets to destroy as they cascade through the system.

The issue here isn't the financial system, because that system is now in the morgue, where the morticians can perform their autopsy and study the effects of the disease. This system is dead, and it isn't coming back to life.

There are two issues on the table at this point. The first is, what is the nature of the system which will rise in

its place? And the second is, what is wrong with our thinking that we let things get so far out of control?

We know what the international bankers are pushing: fascism, austerity, total control over raw materials, trade, our very lives. Should they prevail, the world will become a brutal place where shortages, austerity, and death become commonplace in ways we can hardly imagine. The financier oligarchy has been, and is, putting this system in place before our very eyes, a continuing coup.

It doesn't have to happen that way, but it will, unless we stop it. Which is where the flaws in our thinking come in. Every good con man knows that you can't cheat an honest man; the best targets are people who want something for nothing, who are willing to take advantage of someone else. It is that weakness which makes them susceptible to the con. The international bankers, and the financier oligarchy behind them, know this and rely on corruption to control the population.

Wall Street, in its own way, is similar to Las Vegas, where grand edifices are erected from the proceeds of separating people from their money under the lure of making the big score. We have become a nation of gamblers, not just observers, but participants in the looting of ourselves, our neighbors, and our nation. The con men have been working hard to destroy us, but it is our own flaws which have allowed them to succeed. We have met the enemy, and it is us.

Now we face a stark, defining choice: Either we correct those flaws within ourselves and return to the American System, or we will assuredly descend into fascism and a new dark age. The money is gone, for better and worse. We must now put up the firewalls, and protect people first.