

A Vacancy at the Top

by Tony Papert

Dec. 6—If the sky didn't fall on Dec. 1, then Ben Bernanke's meteorological forecasting skills may be quite as bad as his record of forecasts of the systemic economic breakdown crisis of 2007 to date. On Dec. 1, Bernanke's Federal Reserve was finally forced to release some of the records of its secret, taxpayer-financed bailout of Wall Street banks and wealthy individuals over that period,—yet where were the cataclysmic disasters which Bernanke had foretold over years of refusal to release any of that information?

Why did he stubbornly withhold these facts so long? Was it to prevent stigmatization of the wealthy firms and individuals he had rescued, as he claimed? Was it even to cover up the crass self-dealing shown when the Fed loaned \$3 billion to JPMorgan Chase and \$16 billion to General Electric, while their CEOs sat on the New York Fed Board in 2008?

Actually, the real surprise of Dec. 1 was that the secret bailout had not been aimed primarily at Wall Street at all, but at *foreign banks*. As the expert Frank Partnoy wrote in the *Financial Times* Dec. 3, “the Fed's new data show it was well aware of the crisis, and had the ability to lend tens of billions of dollars, but it opted to lend primarily to non-US banks.”

London's Barclays bank was the biggest single user of the Term Auction Facility (TAF), for instance, one of the Fed's bailout programs. The Bank of Scotland and RBS (part of the Inter-Alpha Group) of the U.K., Société Générale of France (also Inter-Alpha), Dresdner Bank and Bayerische Landesbank of Germany, and

Dexia of Belgium were among the top 10 cumulative users of TAF.

So this is what Bernanke has been covering up all these years! He was,—and assuredly still is,—secretly handing U.S. taxpayers' money over to foreign banks. And what is that but treason, as Lyndon LaRouche has said?

The occasion for the aggravated treason of Bernanke, his confederate Tim Geithner, and their associate Barack Obama, is that Lord Jacob Rothschild's Inter-Alpha Group, the hush-hush international banking consortium which has been the current operating headquarters of the British financial empire since its formation in 1971, is now flat-out, desperately bankrupt.

And for the empire and such loyal courtiers as those three, no price is too great to pay to try to keep Inter-Alpha in business,—or at least apparently so,—even for only another day or two, or even just a few hours.

It's No 'Irish' Crisis

The so-called Irish bailout of the European Central Bank, International Monetary Fund, and European Union is just more of the same. On behalf of the British financial empire, whose stooges they all are, the ECB, IMF, and EU have forced the discredited, hapless Irish government of Brian Cowen to sign a “Memorandum of Understanding” by which Ireland commits itself to conditions fully as bad as those forced on Germany at Versailles in 1918. Under that memorandum, 10% of Ireland's GDP will be given over to bondholders annu-



While the Irish government is bailing out the foreign creditors of Ireland's banks, the population is not about to surrender the nation's sovereignty, as the recent demonstrations show.



William Murphy

not about to surrender it again at the beginning of the 21st. Over 100,000 Irish men and women demonstrated in the streets of Dublin in freezing weather Nov. 27, equivalent to 7 million demonstrators in the United States. And polls trace the rapid and stormy rise of the Sinn Féin party there, hitherto a small minority, which was the only party to reject the package at once and in toto.

Euro Financiers Flounder

The finance ministers of the 16 Eurozone member countries are meeting today on the Irish “bail-out,” and subsequent “bailouts” of Portugal and Spain, to be followed by a meeting of all 27 finance ministers of the European Union tomorrow,—the same day that the Cowen government is to present the Empire’s unconditional demands for crushing austerity to the Irish parliament. But even if those bailouts were possible, would they be enough? EU President Herman von Rompuy summoned a conspiratorial meeting to Brussels yesterday, including IMF Director

ally by 2014, on top of 10% thrown down the same sewer by five similar such programs over the past two years. And another 10% of the average Irish family’s income will be taxed away for that purpose, on top of 10% per annum over the past two years.

And all for what? To indemnify the foreign creditors of Ireland’s banks, who gambled and lost fair and square on mortgage bubbles and other more lurid swindles, just as in the United States. And, first and foremost among them, the totally worthless Allied Irish Bank, the Inter-Alpha Group’s Irish member.

Some deluded British Royals and their banker associates may believe that this is going to happen, but the Irish are not the defeated Germans after World War I. Ireland began its fight against British imperialism before we Americans did, and in close association with Benjamin Franklin and his circles. But Ireland had to fight on for sovereignty into the 20th Century; they are

David Strauss-Kahn, ECB Governor Jean-Claude Trichet, EU Commissioner for Finances Olli Rehn, the Belgian Finance Minister (the current chairman of the EU finance ministers’ council), and Luxemburg Prime Minister Jean-Claude Juncker (chairman of the Eurozone finance ministers’ council) to issue a joint call for Europe to enter a Federal Reserve-style era of continual giant bailouts, with a doubling or more of the EU’s Financial Stability Fund.

Germany will never agree to that. As a result, we may see an implosion of the EU zone and a return to national currencies as early as this Christmas, away from John Maynard Keynes’ British imperial dream of the one common currency.

Even in the U.K., many have begun to sense that this rotting empire is nothing but a one-way ticket to Hell, and to think about a future of Britain as a nation among other nations. One among them, apparently, is journal-

ist Joseph Cotterill, who made great sport about the bankruptcy of the Inter-Alpha Group in the London *Financial Times*' Alphaville blog on Nov 29, titled "The Worst Banking Conspiracy Ever." It reads, in part:

Have you ever heard of Inter-Alpha? We hadn't until this weekend, although we tend not to frequent the conspiracy sites that lump it in alongside the world's Bilderbergs, Rothschilds, and the Stonecutters.

It is a group of banks that meet together to, erm, discuss stuff, but there's no conspiracy. The truth is that Inter-Alpha's list of members, are much, much more intriguing than that.

It's basically a strong SELL list of European banks that's been cleverly masquerading for years as an ideas and experience talking shop:

[From the Inter-Alpha site] "Membership of the group has now grown to eleven banks, representing fifteen European countries, namely:

- AIB Group, Eire
- Banco Espirito Santo SA, Portugal
- Santander, Spain
- Soc Gen, France
- ING Bank, the Netherlands
- Intesa Sanpaolo
- KBC Bank, Belgium
- Nordea, Denmark, Finland and Sweden
- National Bank of Greece, Greece
- Commerzbank
- The Royal Bank of Scotland Group, UK"

[Cotterill continues] See what we mean? What a coincidence of names. Put those in your pension portfolio and weep.

Inter-Alpha isn't a conspiracy, or a talking shop. Inter-Alpha is like a bizarre nexus of everything—and we mean everything—that went wrong in European banking 2005-10, from sub-prime to sovereigns.

Consider this annotated list of Inter-Alpha member achievements:

- Commerzbank—Subprime exposure, disastrous acquisition, 2008 blow-up, government capital injection, peripheral exposure
 - ING—Subprime exposure, 2008 blow-up, government capital injection, forced break-up, peripheral exposure
 - Allied Irish Banks—too painful to recount

- Banco Espirito Santo—peripheral exposure
- National Bank of Greece—peripheral exposure from Hell
 - KBC Bank—subprime exposure, 2008 blow-up, government capital injection(s)
 - Royal Bank of Scotland—subprime exposure, disastrous acquisition, 2008 blow-up, government capital injection
 - Société Générale—subprime exposure, weird derivatives stuff, weirder staff management
 - Santander—Spanish property exposure, peripheral exposure

Inter-Alpha Can't Win

After President Franklin Roosevelt's death in 1945, the British financiers moved to reconsolidate in a new form, the world financial empire over which they had ruled earlier, especially during 1901-38. Critical in this was the succession of London and Wall Street-dominated U.S. Presidents Truman, Nixon, Carter, the two Bushes, and now British puppet Barack Obama. When Richard Nixon finally destroyed Roosevelt's fixed-exchange-rate Bretton Woods world monetary system on Aug. 15, 1971, the Inter-Alpha Group was formed as an international cartel to dominate and run the new, floating-rate crap-game international system for the empire, as well as the projected one-world imperial currency, the present euro.

Now we have come full circle. In its inevitable effects on the world's physical economy, the post-1971 speculative system has now reduced the world economy's physical output well below the level required to maintain current population levels, or anything even approaching current levels.

The continuation of the British Inter-Alpha system today, or any world monetarist, i.e., imperialist system, will doom all humankind to a dark age worse than Europe's 14th Century. World population levels will fall catastrophically; whole language-cultures will disappear forever. Only a world "Glass-Steagall" reform, into a fixed-rate world system of credit, rather than monetary systems, could prevent that at this late date.

Whatever they may imagine, there is no way the Inter-Alpha Group can win; they can only lose. The only question is whether the rest of us go down to perdition with them.