

Global Financial Crisis Worsens In Spite Of *Lying* Claims By Toronto's Daily Financial Writers

Desperate U.S. Sells Off Infrastructure: Highways, Bridges, Airports

Wall Street to privatize US infrastructure assets Cash- sell or lease more highways, bridges, airports and after being frazzled by the credit crisis.
strapped U.S. state and city governments are likely to other assets to investors desperate for stable returns

25 National U.S. Chains Closing Outlets Or Bankrupting!

Henry Paulson Loses Control Over US Economy, Financial System
Stock-Markets / Credit Crisis
By: F_William_Engdahl
Best Financial Markets Analysis Article- When Henry Paulson agreed to leave his job as chairman of the powerful Wall Street investment bank, Goldman Sachs to go to Washington as Treasury Secretary in 2006 he demanded extraordinary powers as de facto economic czar. He got it. Paulson is also head of the President's Working Group on Financial Markets -- the secretary of the treasury and the chairmen of the Federal Reserve Board, the Securities and Exchange Commission and the Commodity Futures Trading Commission. The Working Group is the financial world's equivalent of the Pentagon war room. Paulson, not Fed chairman Bernanke, is the person running the Administration's crisis management. And his recent actions indicate he has lost control as the snowballing problems from the semi-government mortgage companies Freddie Mac and Fannie Mae to the collapse of the multi-trillion dollar market in Asset Backed Securities (ABS) to the real economy are compounding into the worst crisis since the 1930's Great Depression. 'The US banking system is sound...' In an eerie echo of President Herbert Hoo-

ver in 1930, during a Presidential campaign against Roosevelt, following the stock market crash and collapse of numerous smaller banks, Paulson recently appeared on national TV to declare "our banking system is a safe and sound one." He added that the list of "troubled" banks "is a very manageable situation." In fact what he did not say was that the US bank deposit insurance fund, the Federal Deposit Insurance Corporation (FDIC) has a list of problem banks that numbers 90. Not included on that list are banks such as Citigroup, until recently the largest bank in the world. The statement is hardly reassuring. The California savings bank, **IndyMac Bank which was declared insolvent a month ago was not on the FDIC list a week before it collapsed.** The reality is the crisis created by "securitizing" millions of home mortgages into new financial instruments and selling the packages to pension funds and investors is unfolding like a snowball rolling down the Swiss Alps. Indication of the lack of control is the statement just weeks ago by Paulson that "financial institutions must be allowed to fail." That was two weeks before Paulson went to Congress to ask for "Congressional authority to buy unlimited stakes in and lend

to Fannie Mae and Freddie Mac." As I noted in my recent piece, Financial Tsunami: The Next Big Wave is Breaking: Fannie Mae Freddie Mac and US Mortgage Debt, those two private companies insured some \$6 trillion worth of home mortgages, half the entire US mortgage debt. Paulson defended the request by calling Freddie Mac and Fannie Mae "the only functioning part of the home loan market." That comes back to the statement about a "sound banking system". Can we have a sound banking system where the only functioning part is literally insolvent—its debts greater than its assets? It is well known on Wall Street that some of the largest financial institutions have huge undeclared problems with Asset Backed Securities they have valued far above their worth to make their books look better than they are. In a sobering aside, readers should not expect any serious economic remedies for the crisis from a President Barack Obama. Obama's National Campaign Finance Chairman is Chicago real estate billionaire, Penny Pritzker, who is heir to among other things the Hyatt Hotels. It was Pritzker together with Merrill Lynch ten years ago who first developed the model for securitizing "sub-prime" real estate, the trigger for the current Financial Tsunami

crisis. Already Citigroup has been forced to go to Dubai hat in hand and ask for billions in cash. After it announced it would not need more capital. Now **Citigroup just announced plans to sell some \$500 billion more assets to raise funds.** **The real economy contracting rapidly** Behind the reassuring statements from Paulson and others that the "worst is over" the reality of the credit collapse since August 2007 is a deepening economic contraction which I have said several times in this space will surpass the Great Depression of the 1929-1938 period. A goof friend who is an unemployed homebuilder in a prosperous part of Arizona just sent me the following list of US department retail store closures. It is worth noting that over 70% of the US GDP is consumer spending and that the entire Federal Reserve strategy of Alan Greenspan after the March 2000 collapse of the stock market bubble, was to bring US interest rates to their lowest levels since the 1930's in order to stimulate consumer spending on credit, i.e. debt, to avoid "recession." Note the scale of the following store closings across America in recent weeks: **25 national chains are closing thousands of stores and/or bankrupting!**

Selected Disaster Headlines

UK loses £600bn (\$1.2 Trillion) in credit crunch
The credit crunch, which has dragged the **MASSIVE BANK FRAUDS CONTINUE!** UBS will buy back bonds for \$19.4b Investors misled, regulators say; HealyGlobe Staff / August 8, 2008 State and federal regulators have reached a

UK economy to the brink of recession, has wiped £600bn from the wealth of the UK - more than £1m a minute - since the crisis \$19.4 billion agreement with UBS Financial Services Inc. to settle charges that the firm misled investors into buying bonds that were far riskier than advertised, according to people briefed on the talks. New York Attorney General Andrew M. Cuomo said firms sold auction-rate securi-

began a year ago, accountants said today. A PricewaterhouseCoopers study showed that housing wealth has plummeted by £400bn while sharp falls in the share prices of banks and financial institutions have wiped out another £200bn. ties as conservative investments that people easily could sell. But once the market froze up and firms stopped supporting it, "exactly the opposite was true. It turned out to be a lockbox." 'This is not just a Wall Street issue'

With house prices suffering a record double-digit fall last month, households are tightening their purse-strings and cutting back on shopping. The deal would require the Swiss bank to buy back the investments, called auction-rate securities, which were widely sold on Wall Street as safe and cash-like until the \$330 billion market collapsed in February.

Hundreds of banks will fail, Roubini tells Barron's. NEW YORK, Aug 3 (Reuters) - The United States is in the second inning of a recession that will last for at least 18 months and help kill off hundreds of banks, **Trillions Lost in Recent Economic Failures** Fed claims economic problems are minor, expansion was overrated, we inherit the subprime debacle, leading financial institutions turn into insolvent zombies, labor stats highly questionable, the general public is deprived of the economic truth, we were told it wasn't so bad Our politicians fit right into our new

influential economist and New York University Professor Nouriel Roubini told Barron's in Sunday's edition. Taxpayers will pay a big price for helping bail out the rest of the financial services industry as well, Roubini said -- at least \$1 "smoke and mirrors" society, especially our presidents, who lead the pack with lies and false promises. Slick Willy told us first that he did not inhale, and finally that he did not have sex with that woman. Dubya once told us that Iraq had weapons of mass destruction, and now he tells us that our economy is strong. Perhaps these two pips have been lying so long and so often that they actually believe such things. If so, clearly they live in their own little dream world,

trillion and more likely \$2 trillion. The banks will become insolvent because of mounting losses as a result of the housing bust and because they have only written down their subprime loans so far, he said. Still in front of them are their consumer-

credit losses, for which they lack the reserves, Barron's reported. He also said there are hundreds of millions of dollars outstanding in home-equity loans that could be worth zero, too. the while our economy falls down around our ears. Things will moderate over time alright - as in decades. The latest from Buck-Busting Ben is that "economic activity expanded in the second quarter, partly reflecting growth in consumer spending and exports." Wow, isn't that just great? Why, that's even good enough to justify a 331+ point increase in the Dow. Too bad it isn't true, but why let the truth get in the way of the latest stock market party?

Be Healthy Or Rot!!

Researched by Victor The Health Guru

By Lyndsay Moss
Broccoli, the superfood already credited with the potential to fight cancer, cataracts and stomach ulcers, has been found to aid diabetics. Researchers believe a compound in the vegetable could reverse the negative effects of diabetes on the heart. While studies are at an early stage, scientists believe broccoli could be a significant weapon in the battle against heart disease. Diabetes raises the likelihood of developing cardiovascular disease five-fold. A team from the University of Warwick found that the compound sulforaphane, found in broccoli, can encourage the body to pro-

Broccoli cuts diabetic risk of heart disease

duce enzymes that protect the blood vessels. It also reduces levels of the molecules which cause significant cell damage. Previous research has shown that a diet rich in vegetables, particularly brassica vegetables like broccoli, is linked to a reduced risk of heart disease and stroke. In the current study, published in the journal Diabetes, Professor Paul Thornalley and colleagues tested the effects of sulforaphane in the lab on blood vessel cells damaged by high glucose levels - hyperglycaemia. They found that adding the compound reversed the increase in molecules in the body

called reactive oxygen species (ROS) by 73 per cent. Hyperglycaemia - a serious problem among diabetics - can cause ROS levels to increase threefold and such high levels can damage human cells. The researchers also found sulforaphane activated a protein in the body which protects cells and tissues from damage. Prof Thornalley said: "Our study suggests compounds such as sulforaphane may help counter processes linked to the development of vascular disease in diabetes."

"It will be important to test if a diet rich in brassica vegetables has health benefits for diabetic patients. We expect it will." The finding could be welcome news for the almost 200,000 people in Scotland with diabetes. Dr Iain Frame, director of research at Diabetes UK, pointed out that the current research had focused on cells grown in a lab, some way from real life. "However," he said, "it is encouraging to see that Prof Thornalley and his team have identified a potentially important substance that may protect and repair blood vessels from the damaging effects of diabetes." "It also may add some scientific weight to the argument that eating broccoli is good for you."

