

American Public Absorbs Loss From Treasury Debt Plunge

Three months of lower Treasury debt (TD) prices has wiped out about one \$trillion in the value of all Treasury Bonds, notes, and bills which represent about 5% of its total value. The American public is, unknowingly the biggest owner and loser. A further decline in price of 20-25% is not unreasonable to expect, so grossly and over inflated are these US debt securities .

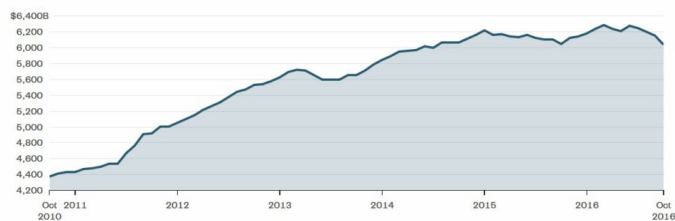
The past series of wars in the Middle East have been funded with electronic money, created through a ruse that could only be done in the electronic world of today. Basically, the money for war has been created in unimaginable quantity through the issue of Treasury debt.

The plunge in the dollar price of Treasury issued instruments has been witnessed and largely ignored by Wall Street. The US war machine is hooked on the \$trillions it has received from the Treasury. Continued sale of Treasury debt is dependent on a rising, not a falling market price. But falling they are! The Treasury and the Federal Reserve system (FED) will attempt to re-inflate Treasury debt prices, and this means low interest rates. But there is good reason to believe this market will no longer supply the Pentagon's demand for \$trillions for war.

Lisa Abramowicz, wrote a helpful feature story in establishment **Bloomberg News** on December 30, 2016, [Beware the Foreign Exodus From Treasuries](#), in which she stated: "The biggest foreign buyers of U.S. government bonds are quickly retreating after years of absorbing record amounts of the securities."

Heading Downhill

Major foreign holders of U.S. Treasuries have been reducing their inventories at an accelerating clip



Source: U.S. Treasury

Abramowicz specifically referred to China, Japan, and Brazil as "constant sellers." I add that Russia has been dumping US Treasuries for at least two years, as might be expected in view of our government's " economic sanction" on Russia, a country we owe money to! Does Donald Trump throw rocks through the widow of he bank where he owes his mortgages? Neither should our government!

The US war machine has employed the Electronic money press run by the Federal Reserve System (FED) to finance every conflict including the two world wars. Mass killing cannot be hidden forever, but the money cost of war has been shielded from us. Neither President-elect Trump, nor almost-President Hillary Clinton, nor departing President Obama has told us about America's financial risk in playing the new war game. In fact, they may not know! Each in his own way takes the erroneous position that the cost of future wars need not be discussed. But all these politicians seem to sense that the next war has become a necessity because our war based economic system will probably crack without war's stimulation. I say, *Is it time we accept that cost, whatever it may be? The truth is always best faced.*

The art of war changed when we Americans revolted (remember the Draft Card burnings) after 50,000 of my contemporaries, most of them "drafted", died in Vietnam. Their names now adorn a memorial wall. Never mind the million or more Asians who were starved and slaughtered! America revolted over our unnecessary human losses, not the dollar cost, which we only sensed but did not understand.

The Neo-Peace: For 20 years, until January 1991, we rearmed in the name of peace. Wall Street quietly funded rearmament that resulted in the non-nuclear, military, killing machine used today. The cost was paid by printing and selling Treasury debt. The Neo-Peace included about 1000 costly foreign military bases world-wide. In 1991 this new, unstoppable destruction machine, featuring depleted uranium projectiles, and enormous Bunker-Buster bombs, was unleashed upon the hapless and helpless people of Iraq. The decision to destroy our former ally, Saddam Hussein and his entire army, was justified to us Americans because of his invasion of Kuwait, a kingdom we had no reason to care about. Iraq was the test case for this unstoppable, new military for which money was no longer an object.

To accept the 1991 concept of war without cost, the American people had to be convinced Iraq was different from Vietnam. We

were given to believe: 1) the war would not hurt us at home; 2) the Iraqi people deserved it; 3) our sons and daughters would be safe waging it; and, most important in selling war, 4) only "volunteers" would be at risk. The "Draft" or conscription, which twice called upon this writer to uniform in the "Cold War," was gone.

This anti-Saddam (anti-Islam) propaganda objective was accomplished through a year-long campaign that most of us have forgotten. But I have not forgotten because I wrote about it then In January 1991.

The US Military exposed its new arsenal of pricey and deadly, non-nuclear weapons, and it utterly destroyed Iraq's military elite in 31 days on the deserts of Kuwait. It was the first step in our serial wars against weak foes in the Middle East, most to be funded by sale of Treasury debt,(TD) to us, the public.

During the 26 years that followed, our government has borrowed tens of trillions of dollars from our people, most of whom have no idea they are creditors, and that these loans can never be repaid, except by printing more money by selling more TD. Additionally, the New War Machine has borrowed as much as \$5 trillion from the fast growing foreign governments with whom we now trade. Our Federal debts outstanding has increased about 500% since the first bombing of Iraq, and some 20 times since the public forced the shut down of our Vietnam disaster! Don't take my word for it.

Much, but not all of this growth of debt, can be attributed to the cost of our serial wars across the Middle East. US hostile threats are now being directed toward Russia and even China. There is strong evidence that behind the scenes war-angel funders in the USA have even invented the new enemy, called ISIS, to be a sparring partner in the Middle East. It appears the plan is to joust with ISIS until an aggressive war with Russia or Iran can be concocted. This scheme needs to be exposed now; we have no draft cards to burn, so lets sell our TD!

But the staggering cost of any war is not the biggest problem in preventing more wars; the deception that has allowed the debt to explode, is the greater problem. The international banks that own and control the Federal Reserve banking system have hung the cost of war around our necks. The federal government now owes debts equal to 25% of all the private mortgage debts in the USA! Roughly half of all these instruments have been pawned off on us, the public, through our Social Security, IRAs, pensions, mutual funds, and other funds managed for us by someone on Wall Street.

The unique big event coming down may be first ever market crash of the US Treasury debt (TD). The slow slide that leads to the crash began two or more years ago when other governments, led by Russia, China, and Japan, began to unload their huge hoards of Treasury bonds bills and notes. It has not gone unnoticed.

This may be only the first leg down after a 30 year manipulated up market. During this three-month drop, about \$1 trillion dollars in value disappeared from holders of TD. This means the decline in market value in just 3 months wiped out about 2 1/2 years of interest income for anyone holding TD, even if in a 401(k) or a managed pension plan! That is a huge loss to investors who thought they were making the safest investment in the world. Imagine what this will do to the US Social Security fund, about \$6 trillion, all of it, yes 100%, is invested in Treasury debt. The same is true of Veterans pensions.

Others are debating how much debt is sustainable for a nation like ours, but please do not get involved or give credence to these academic and irrelevant false-flag debates. They are pure diversion.

The important issue is not the amount of debt our government has amassed, but the deception that has been used in selling it in our name and inveigling Wall Street to stuff low paying Treasury debt into our 401(k) and pension plans, to some day be repaid with worth-less inflated dollars! US Investment funds and pension plans own more than 1/4 of the \$20 Trillion TD. When investors who depend upon their holding came to recognize the level of fraud used to sell these bonds, bills, and notes, they would stampede to get out, as the Chinese government is doing, and a crash in the TD market would result. The staggering realization is that this scam is not a secret--institutional owners know. They simply bet the Federal Government is capable of keeping the TD Ponzi scheme floating. We know the Treasury and the FED will manipulate the market in the short run, but can they control the longer term price of \$20 trillion of paper, half of which is in the hands of potential sellers? We will see.

The big sellers in the 2016 were foreign governments but they still hold roughly 25% of all TD. But more yet is in the account of Mutual fund managers and trusts. What will happen if they become net sellers? Worse yet, \$4 trillion of the US TD is owned by the Federal Reserve System itself, bought to manipulated the market upward (rates downward) and has never been paid for. The FED purchases are a pretense, the act of a shill, one of whom is Janet Yellen. It is her job is to maintain confidence that the price of Treasury debt can go only one way, up. The FED goes the carnival shill one better, it does not give up any real assets to make its purchase, so its purchases seem to be unlimited. It is allowed to print the funds electronically by virtue of a charter granted to the FED by Congress in 1913.

The most gigantic Ponzi in the history of mankind is shaking in its boots, almost discovered. Several factors indicate discovery. First, private holders and foreign governments, can and will sell. They must protect their assets from market decline once they

realize the market can and will drop when informed holders exit! This exit occurs when interest rates rise, by definition of a bond. When Interest rate go up, bond value goes down. To put this into prospective, the FED has purchased with electronic money, and holds TD equal to 1/3 of all the mortgage debts on all home, apartments, farms in America. The FED admits these are paper transactions when it annually turns back to the Treasury its "interest earned" to the TD they have purchased with electronic dollars.

[The Wall Street Journal reveals this fact while covering for the FED](#), in an attempt to make is seem patriotic.

What might the FED, the complicit members of Congress, and the Executive Branch do to keep this scheme going? The one answer history has taught is to start a larger war that might take our minds off money and debts. This is indeed a big event that is coming down unless public revolt prevents it! Lets start it before it begins this time!

More detail: [US Treasury Bonds, The Godfather Of All Bubbles](#). Charles E Carlson April 27, 2015