

The 2008 Crisis Was Just a Preview of This Year's Collapse

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Default rates are rising in the automobile and shale oil in the United States. Exactly as at the end of 2006 with real estate.

As you know, we are in a "bubble of everything". Markets are rigged by unlimited and almost free credit provided by central banks. This has inflated the prices of stocks, bonds, real estate almost everywhere in the world.

Usually the bubbles are localized. Everyone has in memory the "bubble internet" of 2000 or that of the mortgagesubprime(1637), the bubbles of the railways (1847), the real estate bubble in Florida (1926) and finally the bull of Wall Street and 1929. Nothing new under the sun

That bubble says crash. In an open economy, the bursting of a bubble causes considerable collateral damage, as we saw in 2008. The next crash will have an unprecedented magnitude and will spray our monetary system.

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We live in an open economy but not in a free market. We live in a period when a minority forges the law and has access to unlimited and free credit. I call this minority "Parasitocracy" because it lives and prospers to our detriment.

The law is made by and for the Parasitocracy

Most laws and regulations are not made to protect private property, the individual, the freedom to trade, or to create competition. Instead, they are designed and designed to protect the interests of multinationals who lobby regulators to safeguard their interests.

To illustrate my remarks, which for example has an interest in the CE marking?



'The CE marking was created in the framework of European legislation. It demonstrates the conformity of a product with the Community requirements of the manufacturer of the product.

It must be affixed before a product is placed on the European market. "

An artisan wishing to sell a product "shall carry out or cause to be carried out checks and tests which ensure the conformity of the

product with the essential requirements defined in the directive (s) concerned".

Our artisan will then have to unravel a web of norms, directives, regulations, decisions of the European Parliament. Then he will have to pay test and control laboratories.

What has brought us this CE marking to us consumers? Before this marking, we bought our gloves and shoes made in Italy, domestic robots made in France or Germany, olive oil produced in Spain or Italy. In use, we detected the best quality / price ratio. As far as I know, no was more electrocuted or intoxicated than now.

CE marking protects large groups and constitutes a barrier to entry for many small artisan-producers.

This digression on standards was simply to make you feel that the "regulatory bodies" are not at our service. The same is true of monetary regulation.

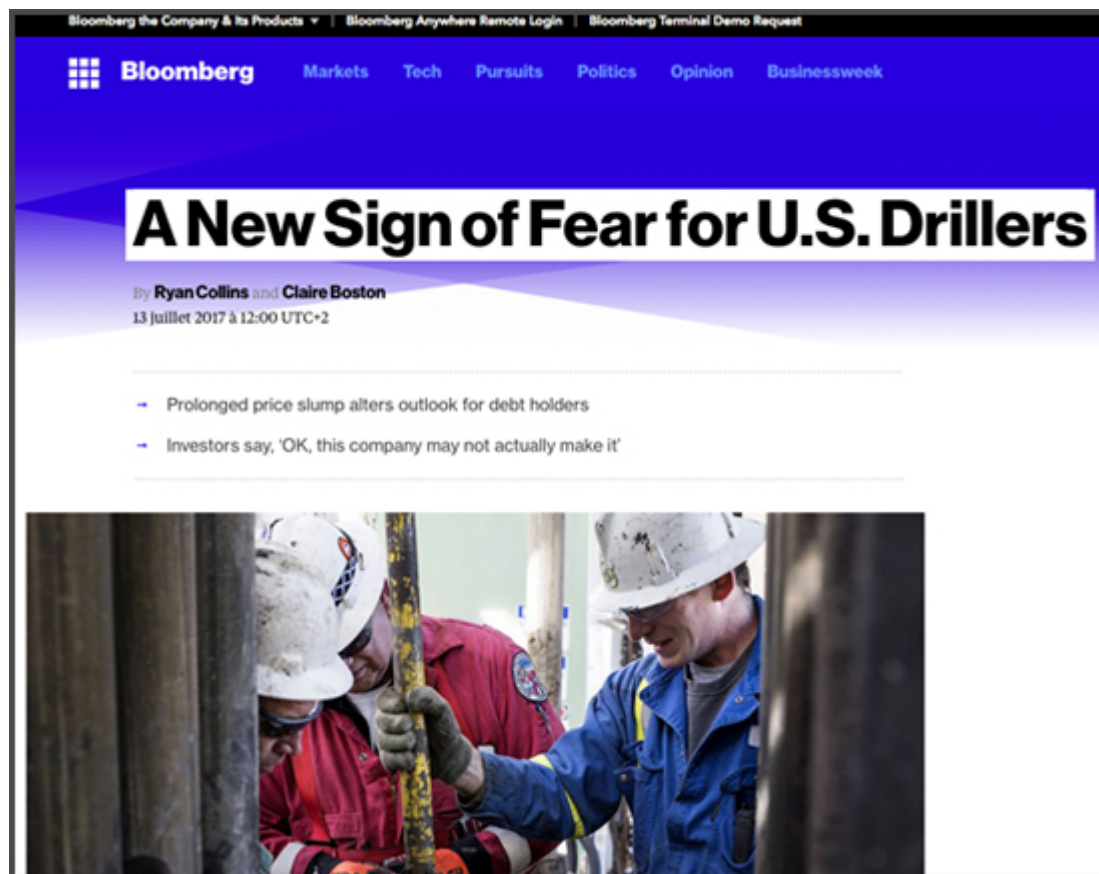
The currency is made by and for the Parasitocracy

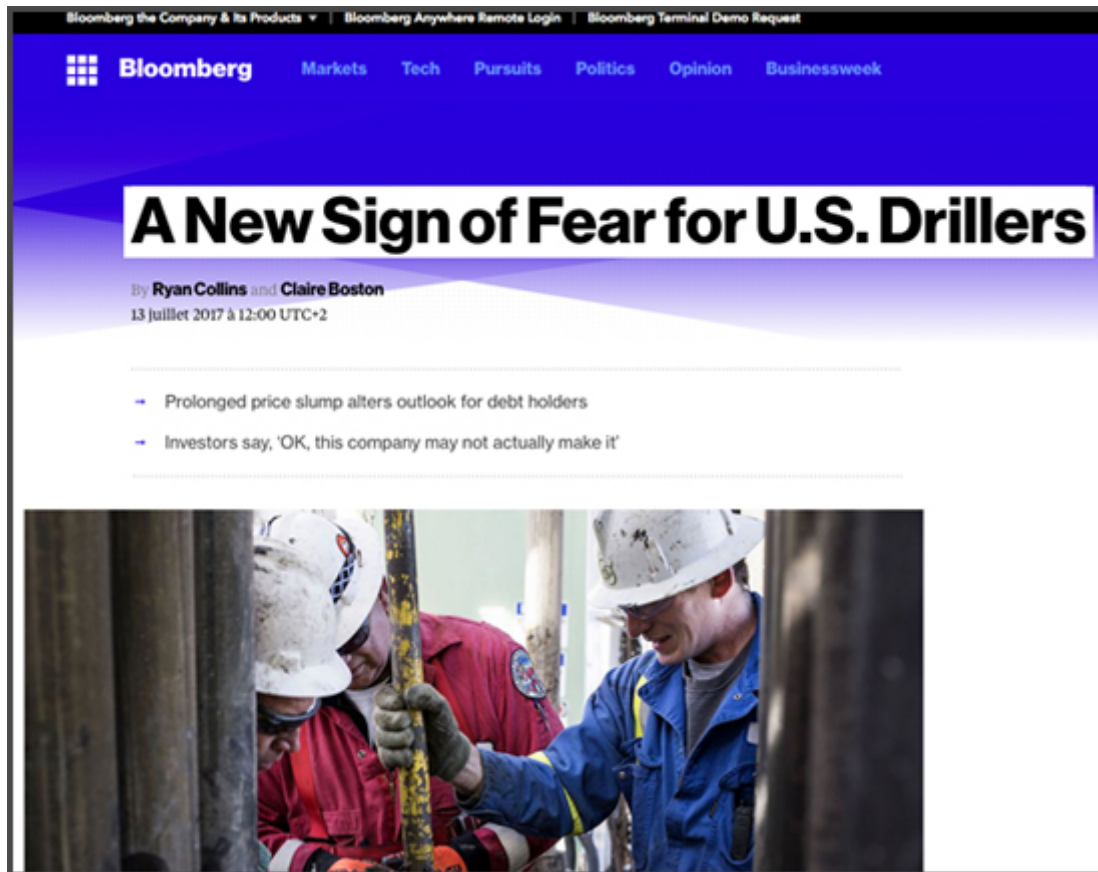
The monetary creation of the last 10 years has been done with the aim of protecting the Parasitocracy from bankruptcy. It penalizes savers who set aside to finance a project (real estate, retirement, investment in the work tool). But it avoids the downfall of the weak links of the economy, especially in the financial sector, it finances on credit public spending to buy votes of voters.

This "bubble of all" will, of course, crack like all bubbles. This time will not be different from the others, except obviously by the extent of the crash that will ensue.

Low borrowers depend on unlimited and free credit. As in 2003-2004, faced with the shy attempt by the Fed to raise interest rates, borrowers *subprime* are beginning to crack.

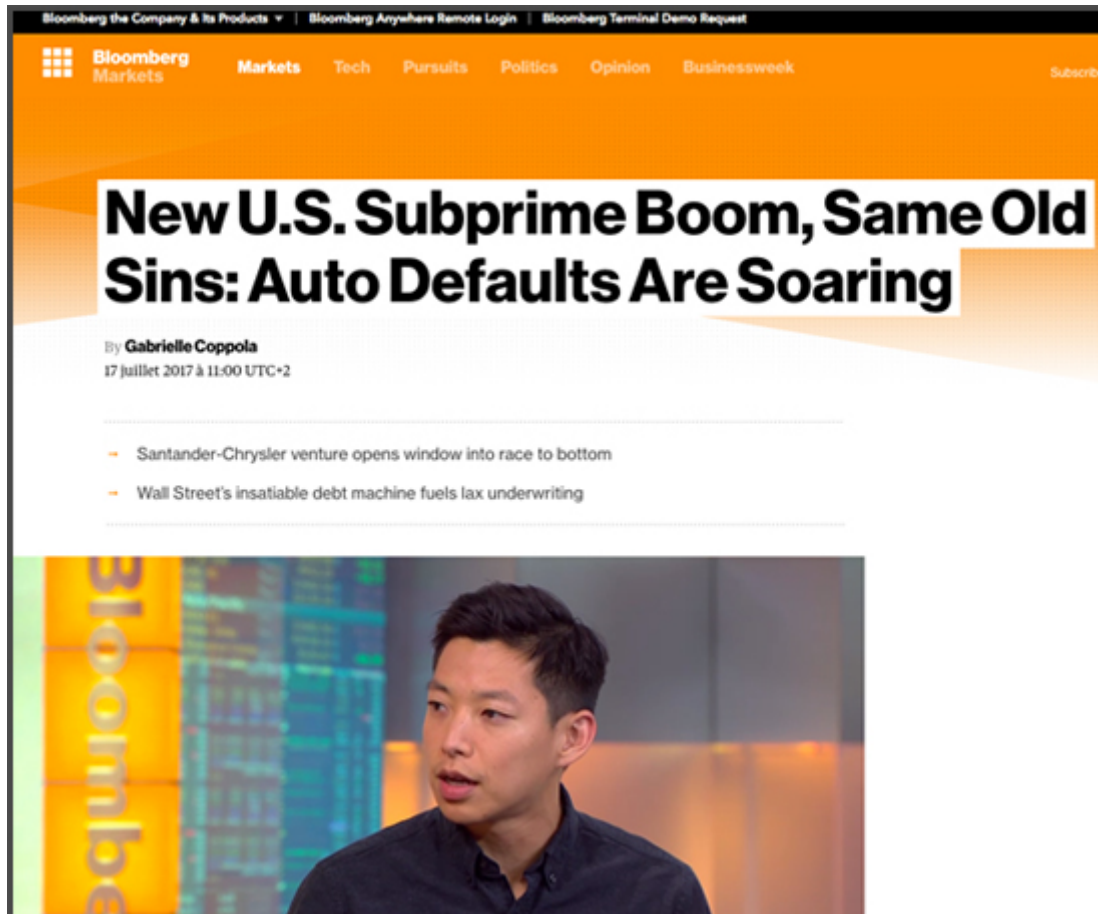
This time it is not real estate that cracks like in 2008. These are borrowers of oil and shale gas and automobile.





This *Bloomberg* article tells us that bondholders in this sector are afraid of never seeing their money again. We are talking about \$ 110 billion of debt maturing in 2021 that is classified as "speculative" or *junk*.

This *Bloomberg* article tells us that the default rate is rising inexorably on those auto loans that inflated sales from US manufacturers.





New U.S. Subprime Boom, Same Old Sins: Auto Defaults Are Soaring

By **Gabrielle Coppola**

17 juillet 2017 à 11:00 UTC+2

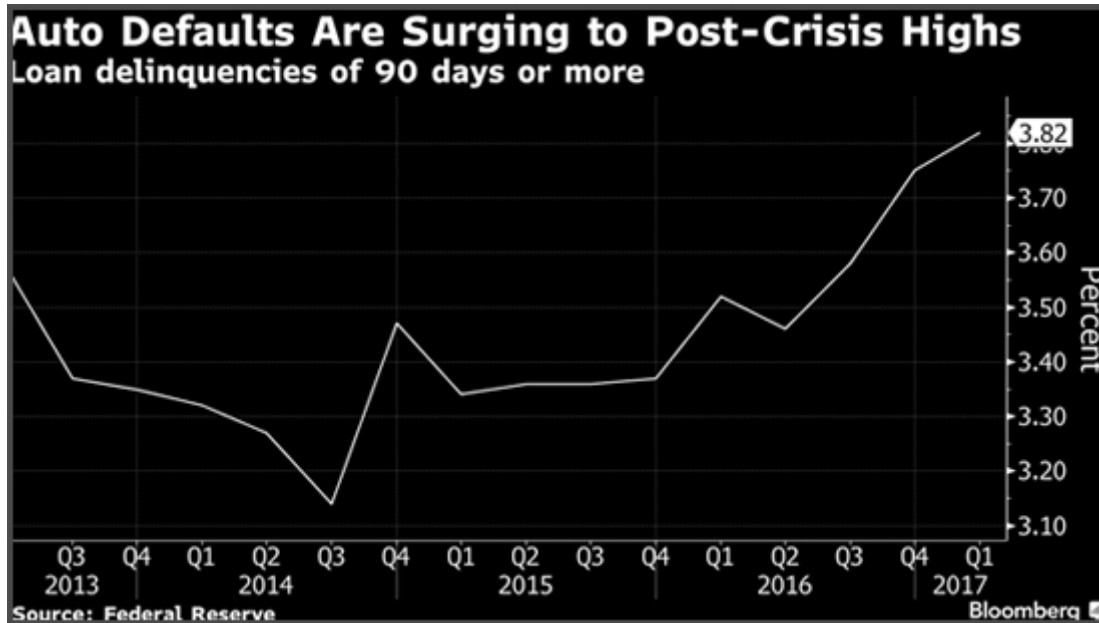
- Santander-Chrysler venture opens window into race to bottom
- Wall Street's insatiable debt machine fuels lax underwriting



Auto Defaults Are Surging to Post-Crisis Highs

Loan delinquencies of 90 days or more





Logically, cracking occurs where rates have been raised first in the United States and in the most competitive sectors (shale energy subject to the world oil price) or those already saved from bankruptcy Remember that this is the case of General Motors?).

But that is not why we are at the dawn of the great crash that will crunch us all.

By taking the parallel of real estatesubprime, The Fed raised its rates from 2004 to 2006, from 1% to 4.25%. Then, it had frozen them to lower them again in 2007 without however succeeding in checking the rise of defects.

The next crash will be infinitely more devastating as it should definitely discredit the central bankers and this crazy pretension to want to control the prices of credit. The world monetary system will emerge profoundly altered.[Editor's note: In Europe too, we have a huge debt problem and a corrupt banking system with non-performing loans.[Discover here](#)The six emergency measures to take now to protect your money.]