From <http://elainemeinelsupkis.typepad.com/money_matters/2008/09/ppt-rescues-are.html>

**PPT Rescues Are IDENTICAL to PPT Rescues In 1931**

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I find the TRUTH! As the government seeks to sneakily save Lehman Brothers during the usual sneaky weekend, I dig up a very old TIME magazine article from the fall, 1931, that CLEARLY shows that ALL the rescue operations we are seeing today are IDENTICAL to the ones Herbert Hoover tried that year! All of them. Isn't that amazing news? Should make headlines, eh? But the goddess of History is as terrifying as her evil sisters, Inflation and Depression. These three are sitting on top of their mountain, laughing at us.

[U.S. Government Assisting in Sale of Lehman Brothers](http://www.washingtonpost.com/wp-dyn/content/article/2008/09/11/AR2008091102580.html)

The Federal Reserve and Treasury Department are actively helping Lehman Brothers put itself up for sale, and officials are hoping a deal will be in place this weekend before the Asian markets open on Monday, according to sources familiar with the matter.

The government is looking for an agreement that would not involve public money. One scenario that is emerging includes multiple suitors acquiring different pieces of the venerable investment bank, which has suffered staggering losses from its bets on real estate and mortgages.

The situation was still fluid yesterday, and there was no guarantee what form an agreement would take or even that it would be in place by Monday, the sources said on condition of anonymity because they had not been authorized to speak.

The government will use our CREDIT, not our 'money'. WE DON'T HAVE ANY MONEY. We have massive debts! The people talking to the press know this, of course. The Washington Post reporter better know this but I am not betting on it. The American people must be kept in the dark concerning money. For the concept of money=debt has been stood on its head!

Yes, debt creates money. But it doesn't create wealth. When banks pay interest to depositors, this is put down in the ledger as 'DEBITS' and are bad! The IOUs the banks hold as lending is 'ASSETS.' And guess who holds a terrific amount of US debts? Foreign powers and pirates of the Caribbean! They have the assets and our government, deep in debt, is paying interest so these are debits! DUH. So the only way our government can 'save' anyone is to put them on the credit side of the US ledger which is just up to its eyeballs in debts. Our government was solvent from 1929-1966. Even when spending for WWII, it took on tremendous debts but these were NOT in the form of loans to foreign powers. It was nearly 100% American-owned. And US citizens cheerfully bought 'War Bonds' which were then paid back to Americans, making American bond holders happy.

And WWII was a magnificent success for the US on every level. It caused our industrial base to grow tremendously. Worker's real wages soared. The US was the creditor nation for the entire planet! Now, we are in the reverse.

Here is yesterday's story about the doom of Lehman:

[Fed Loans May Give Lehman Breathing Room Bear Lacked](http://www.bloomberg.com/apps/news?pid=20601087&sid=aJqjGhGaxDsM&refer=home)

(Bloomberg) -- Access to Federal Reserve loans means Lehman Brothers Holdings Inc., which has plunged this week on concern about its capital, may have breathing room that Bear Stearns Cos. lacked before its abrupt collapse.

The program instituted in the aftermath of the Bear Stearns debacle, the Primary Dealer Credit Facility, could be used for funding while officials, regulators and executives find alternative sources of cash, Fed watchers said.

``The PDCF could be used to keep Lehman operating until a broader solution was found,'' said Brian Sack, a former Fed research manager who's now senior economist at Macroeconomic Advisers LLC in Washington. ``The challenge is figuring out what the broader solution is.''

The concept of forcing businesses into bankruptcy due to them doing stupid things is always eliminated at the beginning of a downturn. Since all businesses tend to be like herd animals, humans, by the way are herd animals that hate each other and end up fighting within the herd, heh. Anyway, herd animals will do the same thing even if it is stupid. Lehman had to play the exact same stupid games all the other jerks were playing on Wall Street or they would lose customers! When a firm tells savers, 'We will make your money grow like magic beans!' people listen. Even if this sort of growth is usually bubble growth, people want bubbles.

Make no mistake: bubbles are extremely, totally and utterly popular when they are growing. When they burst, people weep and wail and want to be saved by Mommy and Daddy. So we get this sort of wave effect. Things are 'normal' for a while which is boring. The money magicians can't get rich, fast. Then, all the lessons learned from the previous bubble are conveniently forgotten. A new scheme is cooked up to create an old bubble [all bubbles are based on giving out easy credit and then dumping this on some object which then grows in value!]. The same old bubble based on a new object of desire then begins to shoot up in value. This stimulates more and more actions that encourage this growth and voila! We get a mania/bubble event yet again. The standard timeframe for all this is about three generations.

The horror of today is, thanks to governments, we are seeing faster and faster bubble events! Barely has one been hosed off the deck, another one crashes onto the deck! This is, obviously, impossible to sustain. The howls of desire for more credit, more lending at the beginning of the mega-bubble bust this time around, was deafening.

And tells us that we are NOT ready for this to end. Lehman Brothers wants more credit! To get this, they will tap into the Public Purse, aka, the US government Treasuries and the Federal Reserve. We will be told, 'Lehman is too big to fail.' Well, I say, NOTHING is 'too big to fail'. Whole empires fail! Spectacularly! This is a topic the Goddess of History is absolutely certain about. Saving Lehman Brothers by killing our empire is a stupid deal. But these same goofs who screwed up yet again, own our government via bribes and schemes. So they will be saved and the US will be lost. Sic Transit Gloria.

Now, on to the real shocking news today: every scheme cooked up by Paulson and Bernanke is EXACTLY like the Hoover schemes! This news should be front page news across the land! Bernanke is supposedly an expert in the history of the Great Depression. HAHAHA. Seems that he was a very good student. Or rather, a seriously stupid one. Learned nothing from previous mistakes.

[TIME Magazine, Oct. 26, 1931---- Rescue Squad:](http://elainemeinelsupkis.typepad.com/money_matters/2008/09/ppt-rescues-are.html)

National Credit Corp., cornerstone of President Hoover's Super Plan, began to function last week. Its twelve directors met for organization in the Federal Reserve Bank building in New York, elected officers, laid plans for smooth mechanical operation.
\*snip\*
New York Trust Company's Mortimer Norton Buckner was elected president of National Credit Corp., Daniel Gould Wing of Boston and Walter Winfred Smith of St. Louis vice presidents. Nelson S. Dearmont of New York became secretary & treasurer, the only officer not on the board.\* After their meeting the directors issued a long statement, promised the corporation would be ready to loan money within the week. Made public also was the news that within the past month New York banks had loaned $100,000,000 to neighboring centres to prevent further difficulties. These loans will be considered part of their subscription to National Credit Corp. debentures.

National Credit Corp.'s directors enthused over a Treasury ruling made by Secretary Mellon last week. ***This decision permits banks to secure U. S. Government deposits by putting up Credit Corp. debentures instead of U. S. bonds and banks acceptances previously required. This will enable banks who need additional funds to keep their Government deposits but will release their bonds and acceptances which may then be taken to the Reserve, used as collateral for loans.*** It was the first important ramification of the President's Super Plan. It was more definitely inflation (creation of new credit) than anything yet done.

The President's Super Plan is being repeated. Call this 'Son of President's Super Plan'! Or maybe, 'Lex Luther's Revenge'. Superman tried to save the National Credit Corporation and the New York Trust. HAHAHA. All the bankers needed was MORE MONEY! And they got it! Wow! Did this money stop the massive global train wreck caused by Germany refusing to pay England and France's reparations? Did this restart the interest payments due to the US for the money lent for WWI's odious and useless slaughter of millions?

NO!!!! It could not fix the mess because the mess wasn't due to a stock bubble or a property bubble. It was due to major empires going BANKRUPT!!!! There are a number of very wonderful histories written right on the heels of this collapse like [The Bubble That Broke The World by Garrett.](http://www.mises.org/store/Product.aspx?ProductId=437)

This book blows away the conventional interpretations of the crash of 1929, not only in its contents but that this book exists at all. It was written in 1931. He ascribes the crash to the pile of up debt, which in turn was made possible by the Fed printing machine. This created distortions in the production structure that cried out for correction. So what is the answer? Let the correction happen and learn from our mistakes.

Such is the thesis of the great Garet Garrett. But take note: ***this book was a big seller in 1931.*** In other words, two years before FDR arrived with his destructive New Deal, ascribing the depression to capitalism and speculation, Garrett had already explained what was really behind the correction.

I highly recommend this book. We think our ancestors were stupid. They were not stupid. I know my grandfathers were certainly not stupid. My former father-in-law who was an adult in the Great Depression, he was no dummy, either. He was a genius, actually. They all were geniuses, literally. My grandfather was a famous astronomer back then, after all! Knew Einstein as a friend!

Well, they and everyone was sucked down into the vortex of the collapse of the British, French and German empires. WWII was unavoidable since all three empires as well as the Russian and Japanese empires were still strong enough to start wars of desperation. Knowing that stupid economic policies, especially hyper-spending on the military by dying empires, can cause global wars, we created the UN and set up the World Bank and the IMF and the BIS. The BIS actually was founded at the beginning of the Great Depression in order to insure the reparation loans would be somehow repaid. They were: in BLOOD. The BIS continued after WWII in order to regulate international lending.

IT WAS A TOTAL FAILURE. Why?

Because the US wanted infinite lending so we could spend a huge part of our tax base on military junk and military games like the goofy and useless Vietnam War or the wretched War on Terror and of course, the most expensive war of all, the epic Cold War. Which Palin wants to restart. Yesterday, this ditzy neo-Hitler said the US should have gone to war with Mother Russia over the issue of Georgia!

GADS. Russia has nuclear missiles! Talk about insane. Yet US voters will vote for her because she is promising Santa Claus while delivering us to the Apocalypse!

And the news that the rescue of Lehman, Bear Stearns as well as the giant rescue Freddie Mac and Fannie Mae is exactly the same schemes used in 1931 should scare the pants off of everyone. Today, all the pundits are talking about how this international trade and banking collapse is approaching bottom. IT IS OBVIOUSLY NOT. We are tracing the exact same road we followed in 1929. This means, we are not even half way done with things.

1933 was a totally ferocious year. This is when the gold standard collapsed, all of America's banks were shut down simultaneously and Roosevelt confiscated PRIVATE gold. He took it! Got that? Governments always steal in the end. They have to when the topic is, 'Who shall live? Those little people or us?'

We know the answer already. And as I showed in a previous story going back to 1933, even when many a gold holder talked openly about using guns, they didn't use guns. They, being savers, were not revolutionaries. Revolutions always broil out of the underbelly: the working stiffs who suddenly turn on their masters. And right now, the working stiffs want welfare and the socialist state. Even as they profess to hate socialists. This is why the US is increasingly aping Stalinist Russia. Gads. History laughs to death except she is an eternal goddess.