

## Ostrichus Americanus (GMO)

Would you choose to encumber your own family and future generations to personally pay for the "stimulus" boondoggle? If so, you would thereby fund continued government waste, fraudulent accounting, pork spending, crony bailouts and other central planning misadventures..., pretty much indefinitely. The financial and economic chaos you've seen lately is exactly what you will continue to get with this funny money crowd. The game has not changed.

Most people wouldn't volunteer to cough up decades of personal wealth and commitment to this project. That's why it's not done on a volunteer basis. If you're locked in the fiat dollar sphere you will pay and you will pay dearly. Tennesseans aren't the only ones from the "volunteered state". The feds don't have this money just lying around waiting to be put to good use. They have saved zippo. In fact they've been deeply in the hole for an entire generation and get hopelessly more so all the time. They have yet to stop digging.

There is lots of enthusiasm about the new Obama Administration. It's had not to get excited about seeing the doors closed to the last eight years. Make that sixteen to twenty years and counting. Unfortunately, our current economic and financial problems aren't going away just because an impressive ceremony was recently held in DC. It's much bigger than that. Obama is a politician not a magician. He's surrounded by financial wizards but we've already seen the results of their unique talents.

Those that believe 2008 was a horrible year but there will be smooth sailing from now on are a special breed:

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Truth be told ... normal ostriches don't really stick their heads in the sand. This American genetically modified version definitely does however. I'm told other orifices are also commonly utilized. Ouch!

The American meltdown is not the end result of capitalism. These ongoing catastrophes are not free market and honest money failures. We haven't had

those essential foundations for longer than I care to express. You're viewing central planning and "command economies" coming apart as they always have. Ask the Soviets if economic foundations are important. Empires and "superpowers" aren't always brought down by war.

Credit derived bubbles are failed conceptions. An economy that depends on consumers borrowing their way to wealth is no stable economy. The main reason that the banks have received transfusions first and foremost is because they are the primary administrators of this absurd credit dependent economy. Bubbles-R-Us franchises must be salvaged first and foremost. They are the instruments of power as well as the recipients of government largess. The major banks remain on the ropes at home as well as abroad. Nationalization is a distinct possibility.

President Obama casually mentioned in his inauguration address that we should get used to trillion dollar deficits. That means the government is going to have to borrow one to two trillion each year to keep the ship afloat. Here are the marks for this daunting task:

1. Bankrupt, financially strapped and fearful US citizens
2. Bankrupt, financially strapped and fearful foreigners
3. Foreign central banks with economic problems in their own nations
4. The Fed

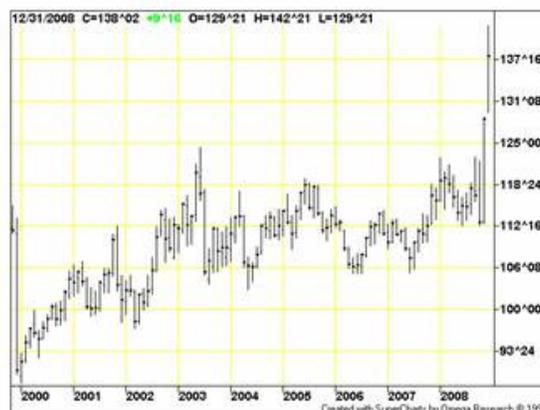
Please remember the Fed is the lender of last resort to US central planners. They will buy (monetize) as much Treasury needs as necessary. It is now necessary. Every present dollar holder pays the bill through loss of purchasing power or future taxes when the Fed monetizes. Future generations are encumbered. We are past the point these amounts can ever be repaid and the key word default enters the conversation. Get used to it.

Those cheering these ongoing desperate printing and spending extravaganzas have their heads in the sand.

Here's a quick peek at financial ground zero:

### 30 Year US Treasury Bonds (US, CBOT)

Monthly Price Chart



Yep, the long (30 year) Treasury is the fulcrum across which the US must operate. Bond prices go higher as interest rates fall. The party has a chance of continuing if the world continues to buy in to our borrow, spend and consume habits. Otherwise ... it's game over. We are at their mercy. *Watch the Treasuries. They are ground zero. When interest rates are forced significantly higher to entice buyers the Treasury market will tank.*

The chart clearly shows an unsustainable parabolic spike in recent weeks and months in a flight to supposed "safety". The Treasury market was hit last week harder than it's been hit since 1987. Bill Buckler of the highly regarded Privateer reports that there is not sufficient global savings to buy more than 30 percent of the proposed extreme spending programs. Hello! The Treasury market is vastly larger than the stock market and is way too big for effective Federal Reserve control. Not that they won't try. Watch the Fed balance sheet expansion to get an idea of how desperate the times are. It is expanding at an unprecedented rate.

Yes, the Buck is also in the crosshairs. The Treasury and dollar pillars are coming down from home grown greed, lust for power and sheer arrogance. Very few understand that it is central planning that has also done in the United States and most of the rest of the world. More economic commands won't fix the historic problems. Free market measures and honest money have yet to enter the picture. They will. Stay tuned, this global freak show is just getting started.

How can you protect yourself from what is coming? Understanding the problem is the first step. Improving Ostrichus Americanus' ability to see would also be most helpful. Assist your friends and family members with an extraction maneuver ... a major dent could be put in the unemployment figures with this assigned task.

It's not yet too late to pick up some real money in the form of precious metals in your personal possession. Precious metal stocks will be the beneficiaries of Treasury and Dollar carnage. There are also methods of shorting the Treasury and Dollar markets. You do not want to be lacked into the dollar sphere as this disaster continues to unfold.

Watch the Treasuries for key signs of systemic implosion. Make sure viewing more than just sand.

Invest Resourcefully,

**Rusty McDougal**

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