International Intelligence

ISDA Swaps Group Admits Greece Is in Default

March 10—The International Swaps and Derivatives Association (ISDA) reluctantly announced yesterday that the Greek default was indeed a default.

That may not sound like such a big deal, but the ISDA—which sets what few rules there are for the floating crap game known as "derivatives," and is made up of 15 global banks and investment funds—found itself in a rather ticklish situation. First, they had to make sure that, if they did announce a default, the payouts on $3.2 billion in Greek Credit Default Swaps that would be activated, wouldn't sink one of their brethren, then lead to a chain-reaction that would bring the whole system down. Second, they had to ensure that their CDSs were left intact as instruments of speculative looting for one more day.

The *Financial Times* reported that the ISDA decision had resolved "worries that a failure to trigger [the payouts] could have undermined an important hedging instrument for holding government bonds." An ING bank senior strategist cited by Bloomberg said the decision will "restore confidence" in the market. Bloomberg notes that CDSs are used "to speculate on creditworthiness."

500,000 Sign Against European Bank Bailouts

March 9—The Civil Coalition for Germany (Zivile Koalition für Deutschland) announced that it has gathered a half-million signatures from German citizens, sent via email to members of the Bundestag, against the planned European Stability Mechanism (ESM), the permanent bank bailout machine. It has a video out, on what measures the ESM—which it calls the organization for debt and inflation—involves.

This group is carrying out the largest nationally organized activity in Germany against the bailout, other than the campaign of the LaRouche movement for a national referendum on the European Union and the euro.

Obama Kills Petition For Glass-Steagall

March 8—After more than 23,000 Americans signed a petition on the White House website, calling for reinstating the Glass-Steagall standard of separation between commercial and investment banking, White House Deputy Director of the National Economic Council Brian Deese sent out a letter to all the signers, purportedly explaining its opposition. White House rules require that once a petition gets a certain number of signatures, it must be answered.

At the same time, White House *expunged* the Glass-Steagall petition from the list of active ones. In other words, "We say no—so forget it."

The White House argument against Glass-Steagall is full of the known lies. We quote the relevant parts, for the record:

"In the wake of the worst financial crisis since the Great Depression, the President took on fierce lobbying and put in place some of the most sweeping financial reforms in history. These reforms were comprehensive and aimed at solving problems in our system exposed by the financial crisis. The President is fighting daily against special interests who want to roll back, delay, defund, and dismantle these reforms.

"Wall Street Reform did many things, including protecting and empowering consumers, and bringing transparency and oversight to previously unregulated and opaque markets and institutions. The Administration chose not to simply re-establish the Glass-Steagall separation between commercial banks and investment banks and opted instead for more comprehensive reforms for several reasons:

"Simply going back to Glass-Steagall would not have solved the failures of our modern financial system or prevented the financial crisis that led to the worst financial crisis in our lifetimes: It is important to remember that Glass-Steagall would not have prevented the most dramatic failures in 2008. Glass-Steagall would not have avoided the problematic activities of the institutions that defined this financial crisis—Fannie and Freddie, Bear Stearns, Lehman Brothers, AIG, and Countrywide."

Food-Deficit Countries Hit By Fall in Grain Crops

March 8—The UN Food and Agriculture Organization (FAO) today released a quarterly report which amounts to a hunger-as-usual update, with no suggestions of emergency measures or policy shifts which would overturn the globalist powers behind the breakdown process. This is the assigned role of the FAO at present.

The FAO *Crop Prospects and Food Situation, March 2012,* includes these updates:

• The grains-imports bill for the poorest nations is the highest ever for this category, which includes 34 nations that the FAO terms Low-Income Food-Deficit Countries (LIFDC).

• The 2012 world wheat crop is projected to decline 1.4% from last year, coming in at about 690 million tons, 10 million less than 2011. Rice, fortunately, has not had the same extreme decline. However, corn supplies are drastically low.

• Morocco, grain-import dependent, may suffer a 50% loss this year in its grain output, because of bad weather, its state agriculture institute said on March 7.

• In the West African Sahel, the dry 2011 conditions ruined grain crops and pastures, so that there is now malnutrition all across Burkina Faso, Chad, Mali, Mauritania, and Niger.

• Mexico's crop prospects are low for the 2012 secondary corn crop, because of reduced plantings in the severe dry weather. The area planted to corn for the Fall-Winter season—accounting for 30% of aggregate yearly output—is down by at least 15%.