

The Banking Crisis

Continues from page 3

Ireland is a prime example. The banks went bust, government stepped in and transferred the debt to the Irish people.

The banks buy government bonds (i.e. government debt) with their re-capitalized printed money. Sovereign debt balloons, banks continue their wobbly way and no money filters into the market because the government gets it all back. Interest rates are artificially suppressed and savers and pensioners suffer.

So why are the banks constantly broke? The problem is the practice of 'fractional reserve banking', which was a criminal offence 150 years ago. Here's how it works:

You deposit £1 00 into your account. There is a 10% reserve requirement so the bank can lend £900. It has created money out of thin air! Your bank lends to another bank and very soon imaginary money swamps the economy and you get a bubble. The bubble bursts, as it surely must, and the banks are insolvent. The government prints yet more money and the cycle continues.

The Treasury dictate the administration of the economy via the Bank of England which claims neutrality but its directors are the appointment of the government of the day. The financial crisis is, essentially, a giant Ponzi scheme with central bankers and politicians at the top. Let's not forget the regulators, also appointed by Number 10, are simply foxes in charge of the chicken coup! Roll on the revolution!

Partially funded by the European Parliament - The European Parliament assumes no responsibility for statements or opinions expressed in this publication and its subsequent use. Sole responsibility lies on the authors of the publication.



European Alliance for Freedom
www.eurallfree.org

**EAF Congress 2012:
A Eurorealist Vision**

Friday 28th September 2012
The Adams Beach Hotel
Nissi Avenue, 5340 Ayia Napa, Cyprus

Congress Participants include distinct members of the European Parliament together with important regional and national representatives from fourteen different European nations. Cyprus has taken over the Presidency of the European Union in July and as such the Alliance has chosen this strategic location for the 2012 congress. Several important topics will be discussed during the meetings, including issues raised by the on-going debate of Turkey's accession to the European Union and its subsequent effects on the Union's syntony as well as the impending Euro crisis.



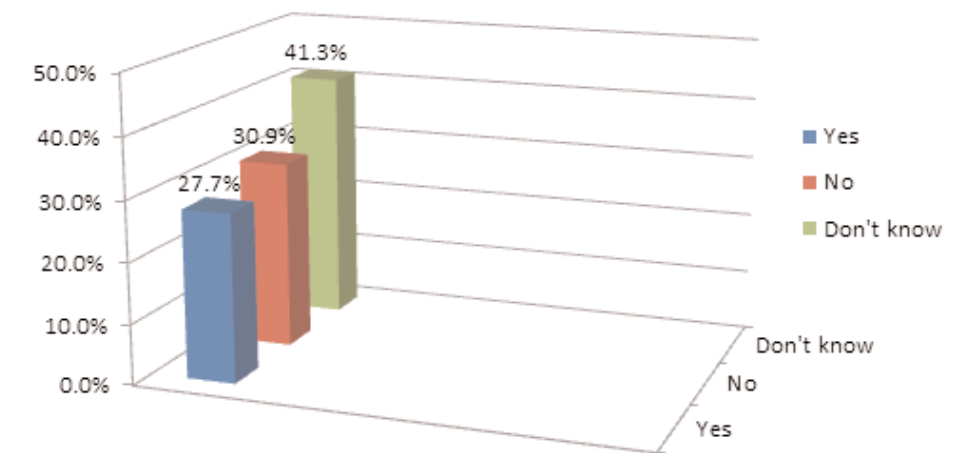
Profiling Malta Survey (part 1)

The European Alliance for Freedom profiled Malta during the second quarter of this year through a telephone survey where citizens were asked questions related to the European Union. The survey was conducted by Profiling Malta.

Turkey and the EU

When the interviewees were asked about whether Turkey should join the European Union it was clear that the people were either split on this issue with a slight higher percentage against Turkey joining the Union or they did not know what to answer as can be seen in the graph below. Women tended to agree with this enlargement issue more than men did, however, in both cases especially in the lower educated sector there was a large number of citizens who were not certain and so did not give a preference, whereas student participants gave the highest positive response. In a separate survey conducted by the Euro-

Question: Do you agree that Turkey should join the European Union?



pean Alliance for Freedom in six other Member States namely Austria, Germany, Belgium, Sweden, UK and France a similar question was asked to the participants of that particular survey. Interviewees from Austria and France recorded the highest percentages of strongly disagreeing with Turkey joining the Union while Belgium especially the Flemish community recorded the highest agreement with this enlargement issue.

The interviewees were then asked whether they would vote for a party whose agenda in-

cludes total disagreement with further immigration. The result was that a majority of the participants in this survey said that they would in fact vote for such a party as one may see in the graph below. The greatest majority was recorded by participants between the ages of 26 and 35 with 58% of such participants claiming that they would vote for such a party while the lowest sector that would vote for such a party was recorded amongst the unemployed sector.

Continues on page 2

Profiling Malta Survey (part 1)

Continues from front

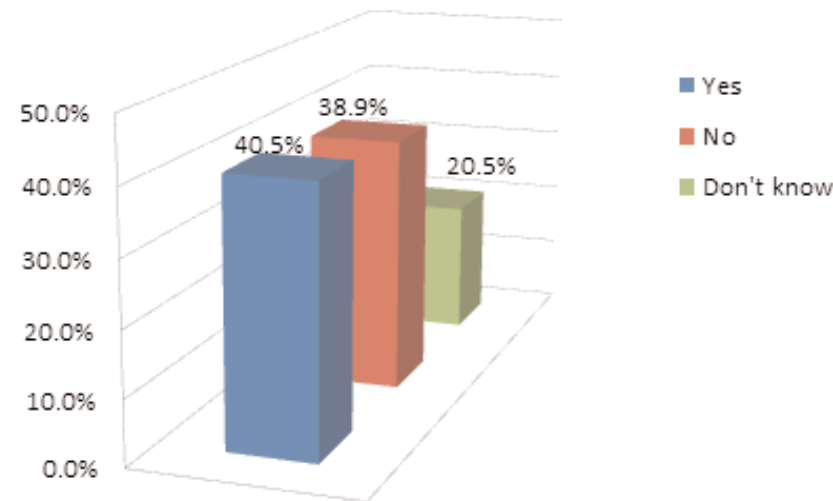
These results are similar when compared to another survey conducted by the European Alliance for Freedom in Belgium, where the majority of the interviewees answered that in the future immigration should be reduced, while in Austria in a separate survey again conducted by the European Alliance for Freedom the majority of the participants stated that the immigrants themselves should carry the financial burden of the integration costs themselves.

Europhiles or Euro-critics Members in the EU

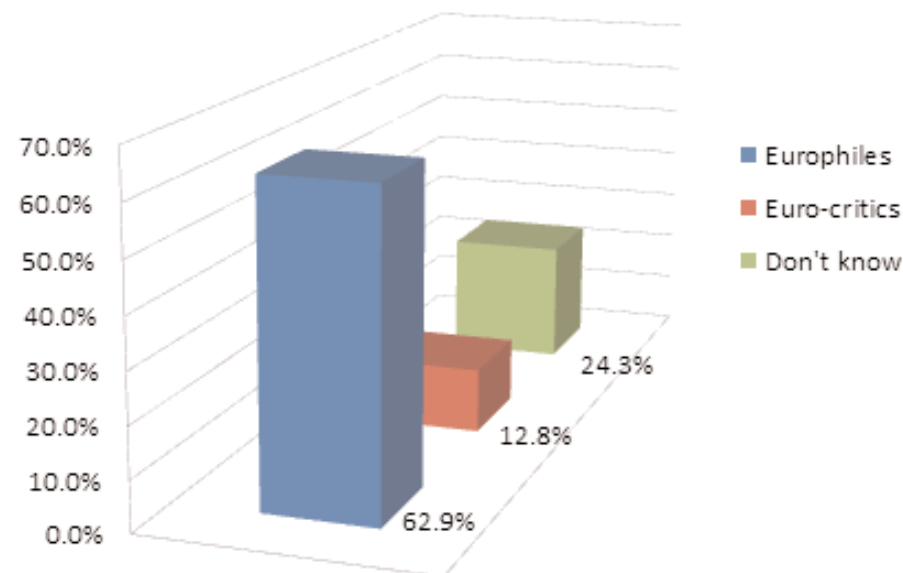
European parliament to which the answer was an overwhelming negative as only 12.8% of the respondents said that they believed that euro-critic members work best within this institution of which the highest percentage was recorded within students especially those with a higher education, whereas 62.9% stated that in their opinion those members who are in favour of the European Union work best in the European Parliament, however 24.3% of the participants did not know who is working best as seen in the graph on the right

Part 2 of the Survey will be featured next month..

Would you vote for that party whose agenda includes total disagreement with further immigration?



In your opinion, who do you think works best in the European parliament - Europhile or Euro-critic Members of the European Parliament?



Economy: The Banking Crisis



Godfrey Bloom

The banking crisis is a bit like the Schleswig-Holstein question. It was famously said that only 3 people understood it: A Heidelberg professor, who went mad thinking about it; one person who is dead; and the other, who forgot all about it.

I watch TV presenters, ignorant politicians and uneducated journalists make banal observations about the crisis, demonstrating beyond all doubt their ignorance of the subject. So, here then is the intelligent, interested layman's guide: Modern governments stay in power by bribing the electorate with their own money but tax revenue can never meet the requirements of the welfare state or, for that matter, the public sector.

So, how on earth can the government meet this enormous burden? They try by borrowing, in the form of government gilts. The result is that borrowing has risen annually, even in the last twelve months of 'austerity'!

Such is the ability of politicians to spend other people's money, that even the heaviest tax burden in the industrialized world (and out of control government debt) cannot satisfy our insatiable appetite. To cope the government creates money electronically. £350 billion in the last two years. It's called 'quantitative easing'.

What do they do with this money? They give it to the banks, it is known as re-capitalizing. Why do banks need re-capitalizing? Well, they lent money to people who could not afford to repay.

Should not the banks go out of business then? Well, yes, but the bankers have persuaded politicians that if they fail, there would be Armageddon and a collapse in world trade. Politicians believe this nonsense and underwrite banks with tax payers' money.

Continues on Back page