German, Italian Banks Tumble: Is Collapse Close Behind?

"Deutsche Bank: World's most dangerous bank?" That's the headline of an article yesterday by BBC business editor Simon Jack.

"Deutsche Bank shares hit a new record low today. Its value has halved since the beginning of the year," notes Mr. Jack. "So is it now the most dangerous bank in the world? According to the International Monetary Fund — yes."

"Last week, the IMF said that, of the banks big enough to bring the financial system crashing down, Deutsche Bank was the riskiest," The BBC editor goes on to note. "Not only that, Deutsche Bank's US unit was one of only two of 33 big banks to fail tests of financial strength set by the US central bank earlier this year."

Similar stories abound in the financial press. "Deutsche Bank to Initiate the Next Financial Crisis? Stock Could Be Headed to Zero," warns Chris Vermeulen at TheStreet.com. "If you thought Lehman Brothers was bad, you should watch Deutsche Bank. There are similarities that will scare you," Vermeulen says in his subtitle.

Since the Brexit vote in Britain on June 23, we have been seeing and hearing many dire warnings that the global economic system is facing another "Lehman Brothers moment," referring to the September 2008 filing for bankruptcy by Lehman Brothers bank, the event that is credited with revealing the extent of the subprime mortgage exposure and initiating the global financial crisis.

"Remember Lehman Brothers and the chaos that it created when it failed?" asks Vermeulen. "If you think that the World's Central Banks are now wiser and consequently will not allow another similar event to occur, think again," he says. "We will not only see a repeat of this occurrence, but it could be exponentially larger than Lehman's was."

The fact that Deutsche Bank is at the center of the current meltdown will come as no surprise to those who follow ZeroHedge.com, where Tyler Durden has been exposing the Frankfurt-based German financial giant's derivatives scams for years. (See, for instance, "The Elephant In The Room: Deutsche Bank's $75 Trillion In Derivatives Is 20 Times Greater Than German GDP" from April 2014, and "At $72.8 Trillion, Presenting The Bank With The Biggest Derivative Exposure In The World" from April 2013.)

Deutsche Bank, of course, is not the only "Too-Big-To-Fail" (TBTF) bank involved in this global fraud scheme; it is merely leading the pack. Vying with Deutsche Bank for attention now are the Italian banks, led by Banco Monte dei Paschi di Siena (BMPS), the legendary "oldest bank in the world," which traces its lineage back to 1472.

Myles Udland at *Business Insider* notes that the banking bust was already in train long before the Brexit vote, even though the results of the referendum are being blamed for the sudden volatility. He writes:

> Of course, issues surrounding the Italian banking system are not strictly new, and in the past year shares of UniCredit — Italy's only bank considered globally significant — and Banco Monte dei Paschi di Siena, the oldest bank in the world, are down over 60%.

Udland continues:

> Reports surfaced in April that the government could step in to shore up the banking system; days later the government got executives, insurers, and investors to put 5 billion euros into a rescue fund for Italy's weakest banks. On Tuesday morning, a report from Bloomberg said Italy was looking to inject up to 3 billion euros into Monte dei Paschi; this would be the bank's third bailout since the financial crisis.

The Italian banks may lead the way for the next round of bank bailouts planned by the world's central bankers to transfer trillions of dollars from taxpayers to the TBTF insider banksters. And not only bailouts, but also bail-ins — the process for plundering savers that was tragically showcased in the 2013 robbery of bank depositors and savers in Cyprus.

We are, obviously, being prepared for a rerun of the bailout/bail-in scenarios. In an interview yesterday with Bloomberg Television, banking insider Lorenzo Bini Smaghi warned that Italy's banking crisis could spread throughout Europe and rules to restrict taxpayer bailouts — adopted in response to public outrage over previous bailouts — should be reassessed to prevent contagion.

"The whole banking market is under pressure," said Smaghi, formerly an executive board member of the European Central Bank (ECB) and now chairman of Societe General, SA, the French banking behemoth. "We adopted rules on public money; these rules must be assessed in a market that has a potential crisis to decide whether some suspension needs to be applied," he asserted.

Bloomberg summarized Smaghi's recommendation:

> Bini Smaghi said on Bloomberg TV that Europe's banking market faces the risk of a system-wide crisis unless governments accept the idea of taxpayer money as the ultimate recourse. Any intervention should be as swift as possible, he said.
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> Both Italy and Germany have too many banks that are not profitable and more consolidation is needed, he said. Italy must do more to deal with non-performing loans, and Prime Minister Matteo Renzi will have to take politically unpopular steps, including encouraging mergers that will lead to job cuts, Bini Smaghi said.
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> "What's needed is a European solution," he said. "So far, we've had national solutions. We need a clear backstop."

Lorenzo Bini Smaghi's appeal for "a European solution" is a transparent call to transfer even more power, control, and money to the central bankers (and their Insider investment banker cronies). As such, it is a continuation of the process he helped initiate (while at the ECB), in the wake of the 2008-2009 crisis.

Speaking to the Aspen Institute in 2009, as an ECB Executive Board member, Smaghi delivered an address entitled, "The world after the crisis: Designing the future. A monetary order for the XXI century."

Smaghi's speech is one of many appeals by "world order" globalists aimed at smoothing the way for the financial elites to usurp total political control, as well as economic control, of the entire planet. A central part of that scheme is the "supersizing" of the IMF into a global Federal Reserve System. (See

"IMF: The New Global Fed" and "The G20 Push to 'Supersize' the IMF".)

According to Smaghi:

> In sum, a new world monetary order — that is, a framework for payments between residents of different countries which ensures smooth trading in goods, services and financial assets — requires a mechanism to keep imbalances in check. Key elements of such a mechanism include a prominent role for the IMF in two essential areas: strong and effective surveillance in crisis prevention, and responsible lending, with appropriate limits and conditionality, to countries in need. This was the consensus prevailing until just before this crisis. There is a risk that the short-term objectives pursued to resolve the current crisis will change this consensus. A new monetary order must first and foremost aim to prevent crises, not to postpone them.

The "new world monetary order" championed by Smaghi is, naturally, closely aligned with the same vision espoused by Mario Draghi, the Goldman Sachs exec and Bilderberg veteran who is now president of the ECB. "We have to think not just about whether our domestic monetary policies are appropriate, but whether they are properly aligned across jurisdictions," Draghi said at the ECB's annual policy forum in Sintra, Portugal, three days after the Brexit voters in the U.K. rejected his idea of international jurisdiction and alignment. "In a globalized world, the global policy mix matters," he insisted. But independent-minded U.K. voters had decided otherwise.

As we have reported here, in detail, many times over the years, the push for European "integration" — the so-called EU "Project" — has always been aimed at (gradually, surreptitiously, and dishonestly) transforming the independent, sovereign nations of the continent into a "United States of Europe" — while proclaiming fidelity to national independence.

Draghi, Smaghi, et al: Blame Brexit for Banking Crisis

Mark Gilbert at *Bloomberg News* provides one voice in a chorus of many Big Media commentators falsely blaming the Brexit referendum for the current global financial woes. In his column entitled "Brexit Is a Lehman Moment for European Banks," Gilbert argues that "A looser architecture for letting governments bail out their banks is needed." Current rules, he says, are too restrictive. "So the authorities need to backtrack," Gilbert insists. "To save face, Brexit can be classified as a force majeure event, echoing the legal clauses in many contracts that allow transactions to be suspended or standards ignored in the event of a game-changing catastrophe."

But is Brexit really the cause of the mushrooming economic crisis, or is it merely the excuse, the pretext, now being used by financial Insiders to divert attention from their own malfeasance and to grab even more money and power — and to force more political-economic "integration" — as we pointed out recently?

We're not alone; a wide assortment of economic analysts reject the Brexit-as-Lehman Bros. argument, including:

W. Ben Hunt of Salient Partners;

Gaurav Sharma at *International Business Times*;

Neil Irwin of "The Upshot" blog at the *New York Times*;

Spencer Jakab at the *Wall Street Journal*;

William Watts at Market Watch;

Matthew Johnston at Investopedia; and many more.

But, putting into practice the advice of Clinton/Obama political operative Rahm Emanuel to “never let a serious crisis go to waste,” the globalist elites are stoking the fears of a “systemic” financial collapse to justify actions that would concentrate more political and economic power into their hands.

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