BEGGAR-THY -NEIGHBOR

Currency Wars - Capital Controls - Protectionism

Through the Process of Abstraction the 2011 Thesis outlines that the Global Macro is presently on a well defined path to a global Fiat Currency Failure and emergence of a New World Order. 2011 will be highlighted by social unrest in a period of heightened conflict and tension. As economic growth declines and chronic unemployment becomes even more broad based on the world stage, Beggar-thy-Neighbor policies of Currency Debasement and Protectionism will accelerate. Resource scarcity will begin to be felt in 2011 as will inflation pressures from the US policy of Quantitative Easing.

Gordon T Long
6/30/2011

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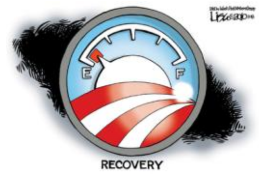
BEGGAR-THY -NEIGHBOR



Currency Wars - Capital Controls - Protectionism

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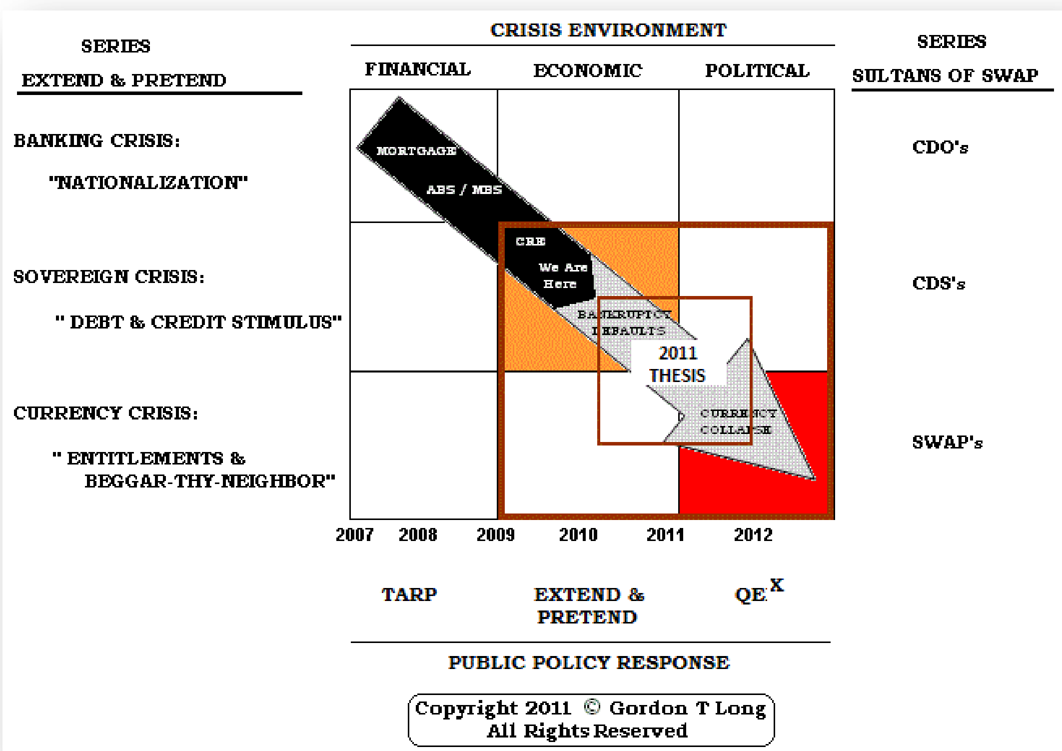

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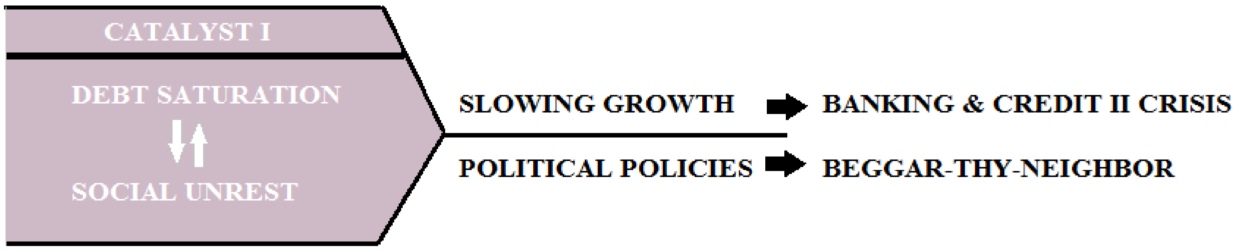
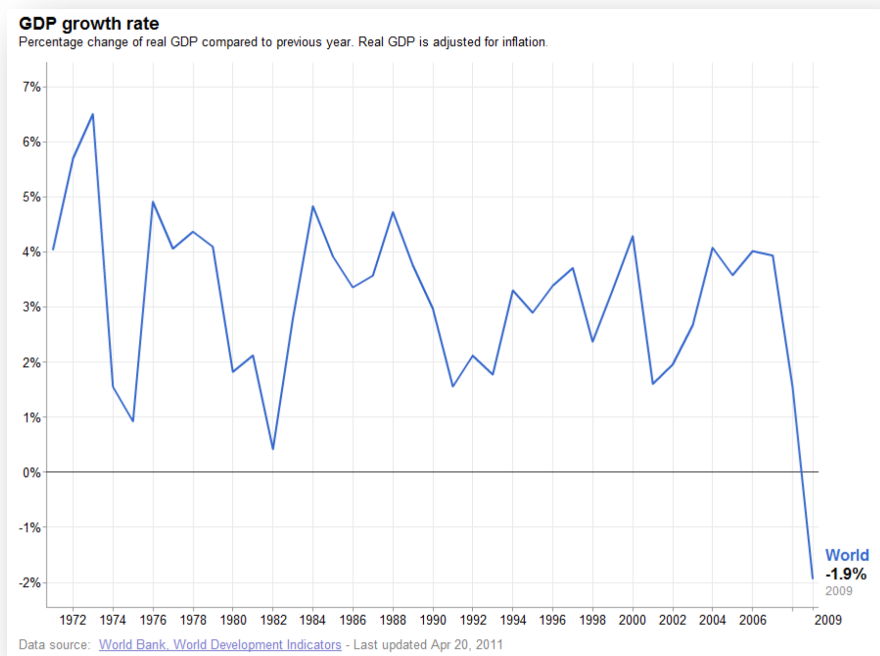
SYNTHESIS – *Major Themes for 2011*

CATALYST I



There comes a level where the productive growth of society can no longer support the burden of debt if debt & credit expansion are not carefully metered through prudent Monetary and Banking Regulation Policy.

This point was argued in a previous section entitled "Debt Saturation & Default" starting on page 156, where the following chart depicted that GDP is no longer growing in real terms on a Global basis.



The result is serious pressure on banking and the forced adoption of political policies to counteract the corresponding social unrest. It is perfectly predictable and should come as no surprise to those who study history and the capitalist system.

BANKING & CREDIT CRISIS II

The shock to the banking system of slowing real economic growth will be minimally seven fold:

1. Non Performing Business Loans grow as a result of previous mal-investment financing that was based on optimistic and unsustainable growth and profit expectations.
2. Non Performing Government Loans grow as a result of shrinking tax incomes by governments at the sovereign, state, city and local levels.
3. Non Performing Personal and Consumer Loans grow as a result of layoffs, chronic unemployment, inflation and cost of living pressures.
4. Non Performing Loan risk grows due to collapsing collateral values associated with loans. Loan risk means higher costs to the banks, thereby creating margin pressures on earnings.
5. Collapsing Asset values directly impact the investments the banks hold. Reduced values directly impact Capital adequacy ratios the banks must maintain.
6. The reduced wealth associated with a slowing or contracting economy reduces the deposit levels of banks. Reduced deposits forces the reduction of outstanding loans, restrictions on new loans and directly impacts the banks' earnings.
7. Flawed off balance sheet leverage structures such as Structured Investment Vehicles (SIVs), which are growth dependent, are brought to light with required corresponding write-downs.

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The "Extend & Pretend" and "Kick the Can Down the Road" political policies of the developed economies have been aimed at buying the banks time to shore up their capital positions and hopefully allow the economy to rebound to minimize the loan loss write downs that must inevitably be taken.

This has not happened and will not happen. Debt must be written down FIRST before developed economies can rebound. To hope that economies will rebound first is flawed Keynesian thinking and will doom politicians to the failed policies of further 'stimulus' spending and the consequential debt increases.

The US Federal Reserve Monetary Policy of QEII was specifically targeted at increasing asset values to alleviate capital ratio issues within the banking industry. It has worked to the degree that we now have artificially inflated asset markets. This cannot be sustained and WILL adjust to historical norms despite government intervention.

When this inevitability occurs it will be swift and dramatic.

This event will take the US, European and Asian banks with it into what I will call a Bank & Credit Crisis II.

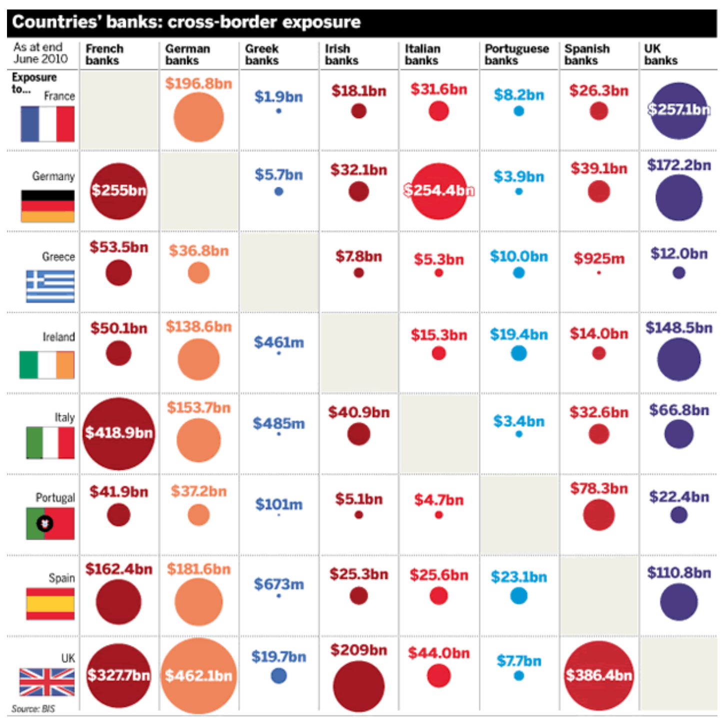
All the global banks face the same fundamental set of problems identified above. There are however some dominant overlays that are more regional in nature.

THE CASE OF US BANKS

First, US Banks still have not addressed the massive residential and commercial real estate values presently on the books at elevated prices. This is an approximate $3T problem. Secondly, the US banks are presently surviving on their proprietary trading desk gains. This cannot be sustained. Thirdly, US banks are heavily dependent on derivatives and specifically the $620T SWAPS market. Any major moves in interest rates or the US dollar could leave them insolvent.

THE CASE OF EUROPEAN BANKS

The European banks and financial institutions were the destination of the toxic debt created in the lead up to the financial crisis. This toxic debt is still on EU books and nothing has been done to address it. Secondly, EU banks have much higher leverage than even Lehman Bros had prior to its collapse. Nothing has been done to address this. Thirdly, off balance sheet SIV debt is much higher in Europe. Fourth, sovereign debt defaults, as illustrated by the PIIGS, is an unresolved pending bomb. Fifth, the interdependence of EU, Central and Eastern European banking is such that counter party risk will quickly result in contagion across all Europe.



THE CASE OF ASIAN BANKS

The Asian banks get little attention but there are serious problems yet to surface. In China, for example, there is $1.9T in shadow banking debt associated with China's version of SIVs called Local Government Financing Vehicles (LGFVs) that are rapidly experiencing non performance, the same as occurred with subprime loans in the US. Additionally, Fitch reports that 16 Chinese banks have between $3.5T and $4T or 25% of total assets in 'entrusted loans', credit commitments, guarantees, letters of credit and acceptances. The game of using 'contingent liability' accounting to hide massive amounts of debt off the balance sheet has been embraced in China on possibly even a grander scale than in the developed countries. Any significant slowdown in the Chinese economy will lead to a financial crisis similar to what the US experienced in 2008 and possibly even more severe.

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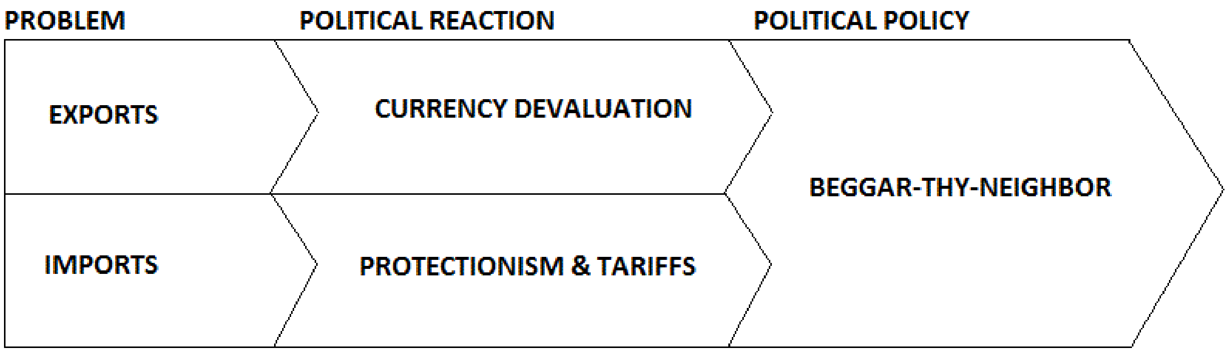
BEGGAR-THY NEIGHBOR & CURRENCY WARS

When economies slow and banks face elevated credit risks the first casualty is public policy. Politicians will always avoid unwelcome news as long as possible. Politics is the art of consensus and the easiest consensus to achieve (and in some cases the only consensus possible) is to kick the can down the road hoping to either leave it to others or hoping it resolves itself. Structural problems are not resolved this way and what we face is long term structural problems that will take bold leadership, fresh thinking and grand initiatives to address it. This will not be forthcoming in the polar partisan divide of the blood sport that is Washington.

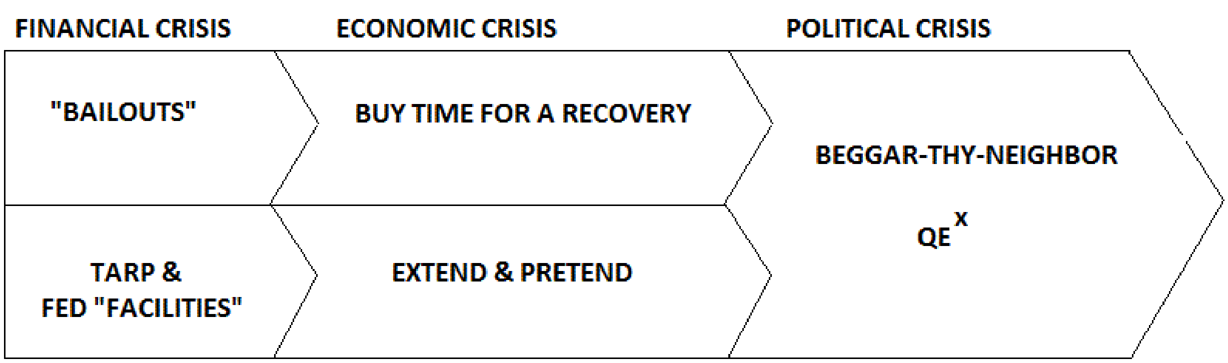
Perceived prosperity as a result of unsustainable debt accumulation has 'papered' over real economic problems, structural issues, growing inequalities and imbalances. These unaddressed problems suddenly all surface and leave the politicos in an untenable position. As Warren Buffett was often quoted as saying: "when the water goes out, you find out who was swimming naked".

What typically occurs to avoid the tough decisions and mounting political pressures, is the traditional public policy reaction of Beggar-thy-Neighbor. This is presently quite evident to all but the casual observer.



Beggar-Thy-Neighbor: A protectionist policy involving the devaluation of one's currency and the construction of tariffs barriers on other countries. The goal of a beggar-thy-neighbor policy is to increase demand for a country's exports (by devaluing the currency and making a country's goods less expensive in other countries) while also reducing demand for the countries imports (by making them more expensive through the tariff barriers). A form of this policy, notably the tariff barrier, was implemented at the beginning of the Great Depression with almost no success. A beggar-thy-neighbor policy in the United States caused other countries to follow suit, resulting in a massive decrease in international trade. This made the Depression worse. See also: Smoot-Hawley Act.

Historically, when a country's financial well being was in jeopardy it lead to wars. As the era of Mercantile trade emerged, with trade being conducted in gold and currency, it resulted in a devaluation of a country's currency and a resulting reduction in the citizenry's standard of living. Today with regional free trade pacts, common currencies such as the Euro and World Trade Organization (WTO) rules, it is more difficult to implement tariffs and protectionist measures, which were the hallmark of Beggar-thy-Neighbor policies. Even competitive currency devaluation is more difficult.



If anything, our government politics are always up to the challenge of new and creative ways to avoid the wrath of the citizenry if they were to reduce entitlement programs, raise taxes or allow the fallout of the capitalist system,

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forcing the natural and required adjustments needed for a healthy and sustainable economy. It is also not in politicians' nature to reduce the size of the government or the programs to their campaign supporting constituents.

The result is new methods of implementing Beggar-thy-Neighbor Policies and what was often referred to as Currency wars. Quantitative Easing is such an example of new creativity.

Make no mistake about this, Quantitative Easing is a weapon of Currency Wars as much as the bombs of WWII were. By printing money the USA, as the issuer of the world's reserve currency, has effectively exported inflation to its trading partners throughout the world. The inability of export countries to successfully sterilize US dollars without inflating their currencies, while still attempting to hold inflation in line, has proven extremely difficult.

The reason I use the analogy of bombs with regard to QEII is because of the devastating impact this US monetary policy approach has had on countries and people around the world.

According to the Asian Development Bank, Asia is a region of approximately 3.4B people and has seen food price increases of more than 10% annually. With food accounting for 60% of disposable income, this has had a crushing impact. With elevated Food, Energy and personal needs costs increasing, it has created serious social unrest, as most recently seen in North Africa and the Middle East.

Egypt, as an example, subsidized food costs to the extent that more than 26% of the country' budget was used in this regard. When food prices increased, countries such as Egypt no longer had the economic means to sustain the buffer between rising import costs and what the population's disposable income could afford. The result was and always will be the immediate and often violent social unrest. Quantitative Easing II is one of the key hidden drivers of many of the world's present social unrest demonstrations.

The use of Quantitative Easing II has seriously jeopardized the US dollar remaining the world's reserve currency.

The loss or even dilution of this status for the US dollar would have profound implications for Americans and the American economy. The fact that trade for oil is only executed in US dollars and that dominant levels of international trade are transacted only in US dollars, have allowed the US to print vast amounts of US dollars.

These dollars would return to the US if a change were to occur in the US dollar Reserve status. As a result domestic US inflation would spike to such levels as to completely cripple and potentially destroy the US economy and its ability to compete.

It is not an exaggeration to suggest this concern is at the top of the list for the CIA and National Security Agency regarding US national security.

These are the forms that modern day Currency Wars are being fought and are a direct result of expedient Beggar-thy-Neighbor political policies.

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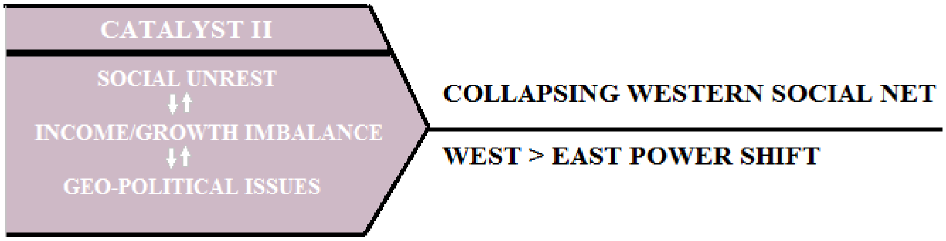
CATALYST II



COLLAPSING WESTERN SOCIAL NET

As we have discussed previously, when the rate of economic growth slows all manner of financial repercussions occur. One is the cost of legacy entitlement costs that when left unchecked, insidiously consume the economic vitality and eventually the viability of once sound economies.

For decades it has been easy for the politicians of western economies to promise rich social programs as electoral candy when the bill was in the distant future. Economies were optimistically and unfortunately, unrealistically seen to have the growth potential to eventually absorb the promises of the political pandering. However, when economic rates of growth slow, these social entitlements come under the glare of budget realities.

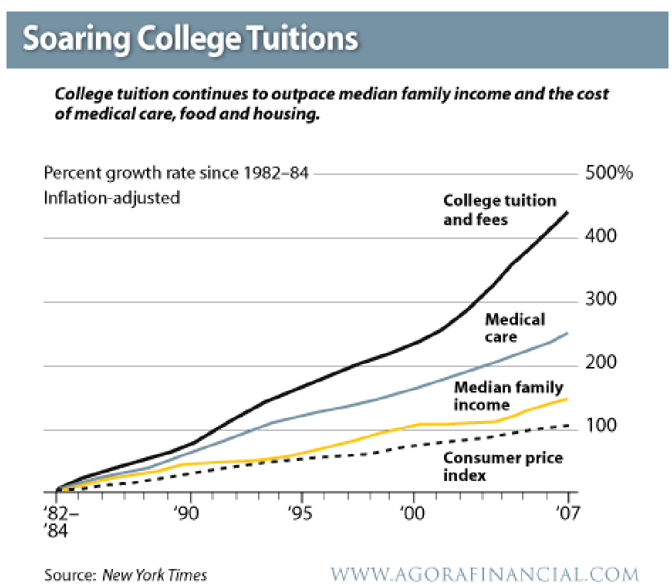
Such is the problem in the developed economies as the legacy costs of these now non-discretionary budget items consume budgets and limit fiscal policy alternatives.

Social entitlement expectations impose tremendous productivity burdens on corporations forced to compete in ever more competitive global markets. The result has been the forced policies of 'outsourcing', 'downsizing' and 'off-shoring' that were common themes throughout much of the 1990's and early 2000's.

Labor Arbitrage was a consequential outcome as a strategic tool for most global players. Corporations were forced to gain competitive advantage by seeking out cheaper labor pools.

For companies to even maintain their domestic competitiveness they have been forced to strip benefit costs in developed economies from 'defined benefit' programs to 'contributory benefit' programs, as witnessed by the migration over the last 15 years. The direct savings required by an individual to offset the previous retirement benefit packages is frankly beyond the means of most individuals. This reality is now placing most workers in developed economies in a seriously weakened financial position. It is only now beginning to force them to save at rates they have not previously experienced. This savings level is potentially crippling to a 70% consumption driven economy.

As consumption rates slow, the reduced growth rate of tax receipts places burdens on government subsidies in areas such as education.



Forced money printing through expansionary monetary policy additionally creates rising inflationary pressures and in turn reduces disposable incomes, which places pressures on the affordability of education.

Soaring educational costs are now effecting student decisions in the US to pursue higher levels of education, at exactly the time when higher levels of education are required to maintain global competitive advantage.

It is potentially a cascading death spiral as the western developed economies lose to the emerging eastern economies.

'AUSTERITY' PROGRAMS IN THE EUROZONE

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It is now painfully obvious that the debt levels throughout the developed economies have become crippling. The shift to forced 'austerity' programs throughout Europe is now of crisis levels. All austerity programs involve a reduction in the social safety net of tax payers.

It is not going to happen easily as evidenced by the broad based public demonstrations across Europe and forced changes in political leadership in Portugal, Spain and Ireland.

ENTITLEMENTS - USA

The US has all the problems of Europe but unfortunately to even a larger degree.

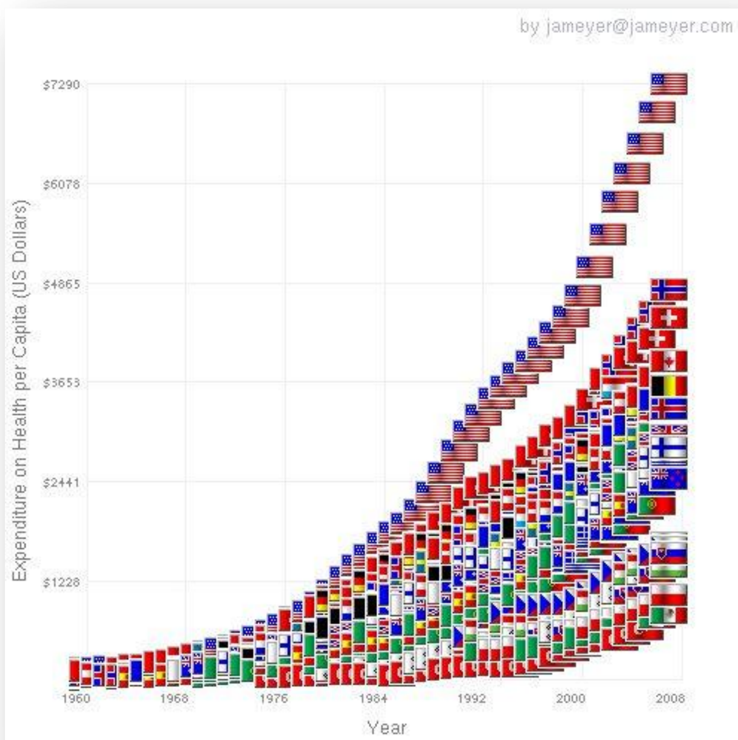
As large as the entitlement program problems are in Europe they are at least presently funded to a large degree.

The US programs such as Social Security, Medicare and Medicaid are unfunded. The money contributed by tax payers towards these programs has been spent. It does not exist other than in the form of IOU's from the federal government, who does not have the tax receipts to pay them.

The unfunded liabilities of US federal entitlement programs is officially at least $62T and by many estimates may be closer to $202T. US State unfunded liabilities are close to $3T.

These numbers are so large, as it is a given that they cannot be financed.

The realities are that, as the 'baby boomers now retire this problem is going to become of crisis proportions in the USA. It will force dramatic adjustments in expectations and spending for generations to come.



What must be fully appreciated is that when people no longer feel they have the safety and protection of a social safety net they will instinctively attempt to create some manner of one for themselves.

Call it a reverse wealth effect.

People will begin to save for a 'rainy day' and their security, which they no longer see the government or employer to provide.

This will bring consumption economies to their knees!

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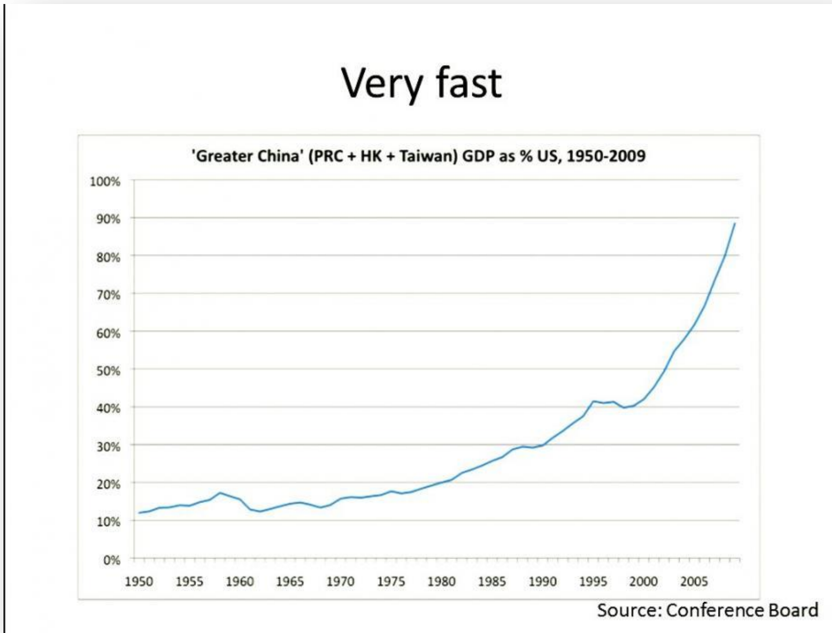
WEST -> EAST POWER SHIFT



There are two fundamentally different economic philosophies at play in the politics of public policy.

The first is the Chinese model or the German, or the Swiss, or the South Korean, or the Singaporean model. Of course, these countries all differ in various ways in their economic policies. But what they share is a focus on saving, investment, and production rather than consumption.

They also don't believe in laissez faire. Rather they embrace economic strategy. Indeed, they see economic strategy as akin to national security strategy because they accept the words of former Japanese Finance Minister Korekiyo Takahashi that "an economic defeat is much more difficult to reverse than a military defeat." They care about the structure of their economies and what they make, and engage in careful analysis of industries to determine what set of regulatory, tax, investment, and R&D policies and practices will encourage the optimal production and services base.

These countries believe in open trade but not in free trade in the unilateral sense in which Americans define it.

They pursue aggressive export led economic growth strategies that often involve aggressive investment subsidies and currency undervaluation policies on behalf of export industries. As a matter of policy, they strive to achieve continuing trade surpluses. In short, this paradigm is the opposite of the American model.

This performance comes at the end of over a half century of running the U.S. economy in line with might be called the Consumption Laissez-Faire Doctrine. Under this philosophy, consumption was considered the primary driver of economic growth and subsidized, while saving and investment were taxed and constrained.

The market was thought to be self optimizing and self adjusting with no need for regulation and oversight. Indeed, any kind of government intervention in the market was harshly condemned as a matter of bureaucrats "picking winners and losers" and as tantamount to socialism. What the economy produced was considered unimportant. The quip, "potato chips, computer chips, what's the difference they're all chips" which a number of economists have denied making, nevertheless accurately captures the spirit of the laissez faire doctrine. In the international arena, free trade and globalization were embraced and were thought to always be win-win propositions even when they were often unilateral. A major element of globalization, namely cross border flows of capital and technology are still not properly understood under free trade theory and are not properly regulated.

That paradigm is not working now, if it ever did.

ASIAN MERCANTILE STRATEGY

The Asian Mercantile Strategy started with the emergence of Japan in the early 1980s, expanded with the Asian Tigers in the 90s and then strategically dominated with China in the first decade of this century.

Initially, Japan's products were poor quality and limited to cheap consumer products. Japan as a nation had neither the raw materials, capital markets, nor domestic consumption market to compete with the giant size of the USA.

To compensate for its disadvantages, Japan strategically targeted its manufacturing resources for the US market. By doing this, the resource poor island nation took the first step in becoming an export economy - an economy centered on growth through exports versus an economy like the US, where an excessive 70% of GDP is dependent on domestic consumption.

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The strategy began to work as Japan took full advantage of its labor differential that was critical in the low end consumer product segment, which it initially targeted. Gradually, as capital availability expanded, Japan broadened its manufacturing scope, moving into higher levels of consumption products requiring higher levels of quality and achieving brand recognition.

Success soon became a problem as the Yen began to strengthen. To combat this the Japanese implemented the second critical component of what became the Asian Mercantile Strategy template. It began to manipulate its currency by aggressively intervening in the forex market to keep the yen weak.

Further success forced Japan to move to a more aggressive forex strategy to maintain a currency advantage. It was strategically decided that Japan's large and growing foreign reserves were to be re-invested back into the US. By buying US Agency and US Treasury debt instruments it kept the dollar strong relative to the Yen. The more successful Japan became, the more critical this strategy became. In the 80s Japan dominated global expansion as it brought US automotive and consumer electronics' manufacturing to its knees.

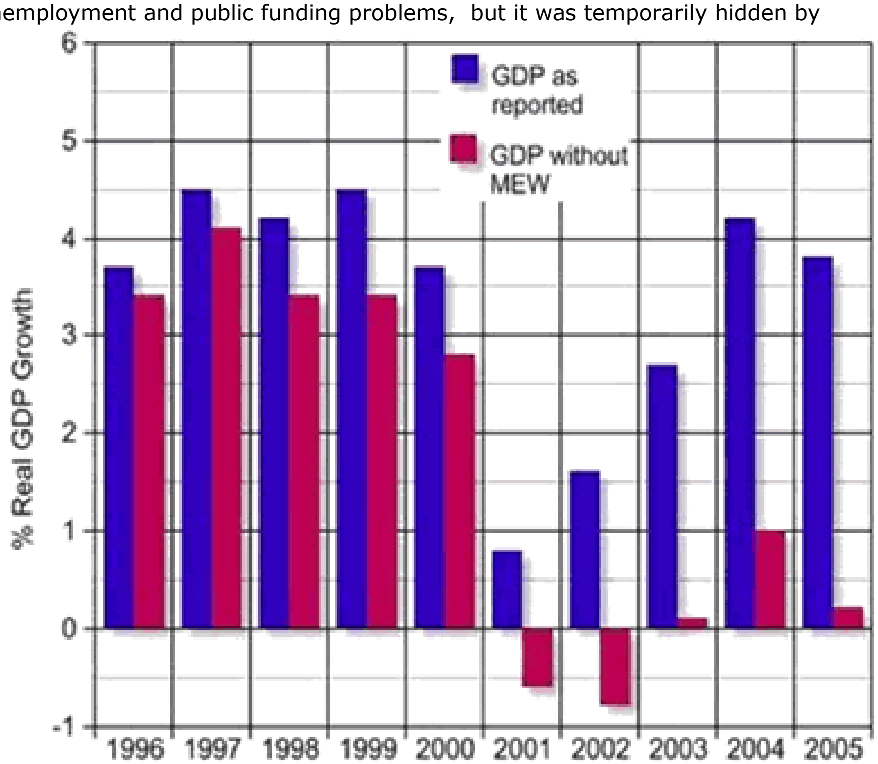
By the early 90s the Japanese labor advantage was quickly being lost to the Asian Tigers because the Yen versus the Asian Tiger currencies was too strong. The Asian Tigers were following the Japanese model. The Asian Crisis in 1997 re-enforced to all Asian players the importance of holding large US dollar denominated reserves. This further accelerated and reinforced the strategy of purchasing US Treasury and Agency debt.

With China's acceptance into the World Trade Organization (WTO), China emerged on the scene in full force. Armed with the lessons of the last twenty years, China took the Asian Mercantile Strategy to another level in its ongoing evolution.

The results were one of the largest and fastest transfers of industrial power ever to occur in history. In ten years, China assumed the role of the world's undisputed industrial powerhouse in the world.

The virtuous cycle further accelerated as Asia became more dominant because its reserves, reinvested back in the US, began to have a larger and larger impact. The more Asia bought US Treasury and Agency debt, the lower US interest rates were forced, allowing Americans to finance more and more consumption. The more Asia bought US securities, the stronger the US dollar was against Asian currencies, and therefore the cheaper Asian products were relative to US manufactured products. It was a self reinforcing Virtuous Cycle.

The result was a staggering 46,000 factories transferred from the US to Asia over the same 10 year period. The transfer set the stage for chronic unemployment and public funding problems, but it was temporarily hidden by equally massive increases in debt spending.



The low interest rate driven housing bubble, being of historic proportions, made Americans feel richer than they were. They took on excess debt in various forms such as Home Equity Loans (HELOCs) at unprecedented levels. The acceleration of debt materially impacted both the GDP and employment of the nation through Real Estate, Construction and Mortgage Finance job growth, further hiding underlying problems.

Above I discussed two fundamentally different economic philosophies at play in the politics of public policy. One is based on savings, investment and production, the other on consumption. It is my view that the Asian

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economies are focused on the former, the developed economies are focused on the latter.

In the section on the collapsing western social net, I outlined that developed economies are going to be forced to address their legacy costs associated with entitlements, which the emerging Asian economies do not have. Without Asia implementing western entitlement programs, it could be expected that Asians will maintain their savings rate, though possibly at a slightly smaller level. It could be expected that western economies will attempt to increase their savings rate to a noticeably higher level. Whether the developed economies are able in fact to this is very questionable.

The continued savings in Asia will foster investment. Any increase in the savings rate in western economies will directly impact consumption and hence economic growth.

This is going to be a powerful dynamic that is going to accelerate a West to East shift.

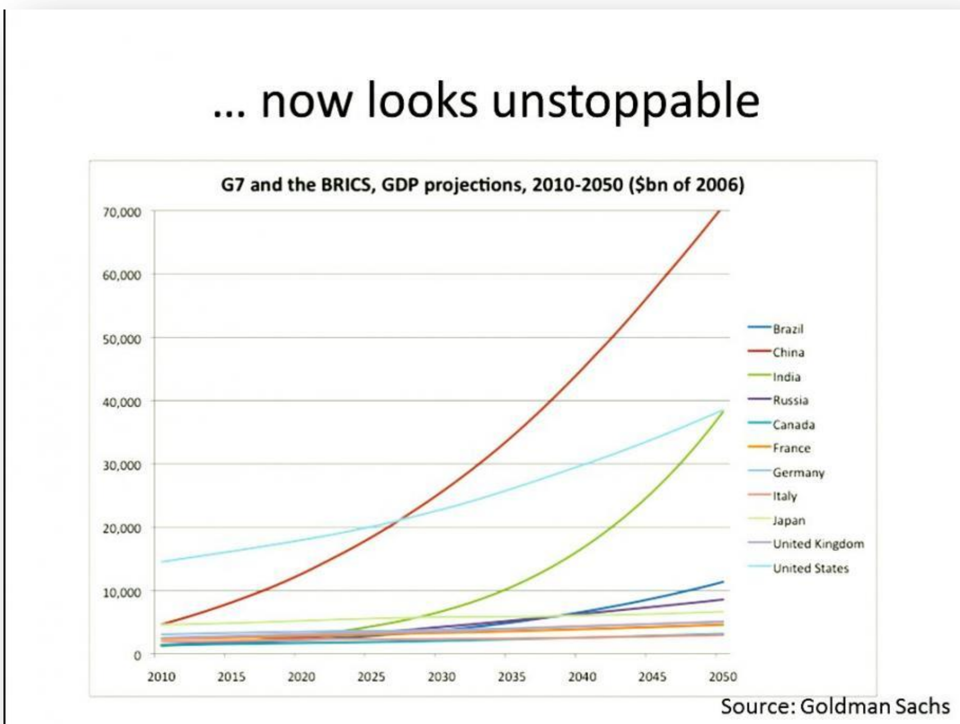
MIDDLE CLASS ASPIRATIONS & SELF IMPROVEMENT

Asian economies have traditionally been export economies. In the future they can be expected to foster higher levels of domestic growth and import to export ratios. This public policy direction will lead to a growing and expanding middle class.

Like the US in the early part of the 20th century, the emergence of a middle class can be expected to have a dramatic impact on the growth and wealth of Asian economies.

Meanwhile, it can be expected that developed economies will experience a steady and relentless decrease in the middle class' standard of living.

Similar to the UK in the early part of the 20th century when economic power and growth shifted to the US, we can expect a paradyn shift to Asia from the western developed economies.



[Check out Niall Ferguson's presentation on the decline of the West]

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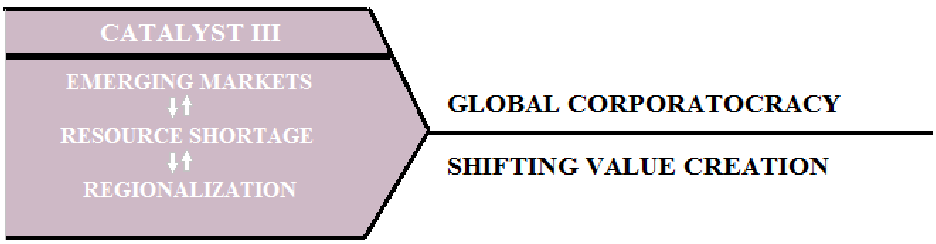
CATALYST III



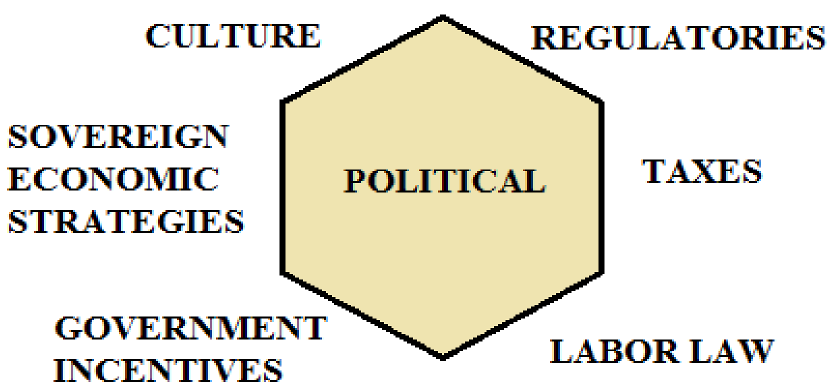
GLOBAL CORPORATOCRAY

Less than 40 years ago an International Corporation would likely have significantly more than half of its revenue from the US. Today, a Global Corporation would have less than a shrinking 40% of its revenue from the US. The Globalization of markets and establishment of recognized global Brands has been significant. Global market shares are being fought for ruthlessly with size of market share being a dominant contributor to profit margins.

Corporations entering the global landscape have had to learn and adapt to a plethora of unique environments. Operational areas such as International Law & Governance, sovereign laws & regulation, laddered taxation, global brand management, lobbying for government commitments, guarantees and subsidies, along with a raft of other new complexities need to be learned and mastered.

In a major way the corporations of old have had to change and become much more political in nature to compete.

A corporation's ability to influence government policies has necessitated becoming a core competence. The ability to influence legislation and regulations which impact profits, competitive positioning and market share across a broad swath of countries distinguishes the losers from the winners. Winning major government contracts, securing subsidies or tax breaks, having regulatory hurdles removed or altered is the business of the modern corporations.



I no longer call them global corporations, but rather the Corporatocracy, to reflect the significant political nature of their business.

One must now be clearly aware that the days of saying "what is good for General Motors is good for America" is no longer true. They have no allegiance to any country irrelevant of the nationality of its CEO.

Corporations may be domiciled in a certain country, but this means little. Taxes are often larger in other countries than the one in which it is domiciled. Employee concentrations are now spread around the world and continuously changing depending on competitive needs. Boards of Directors are usually reflective of shareholders who are often large funds distributed around the globe. Stocks are listed and traded on multiple global exchanges in multiple currencies. Off balance sheet accounting and extensive use of Special Purpose Entities (SPE) make understanding of the financial operations of these corporations extremely complex and totally opaque. The amount of leverage employed is off the scale compared to historical standards and completely hidden due to the broad use of

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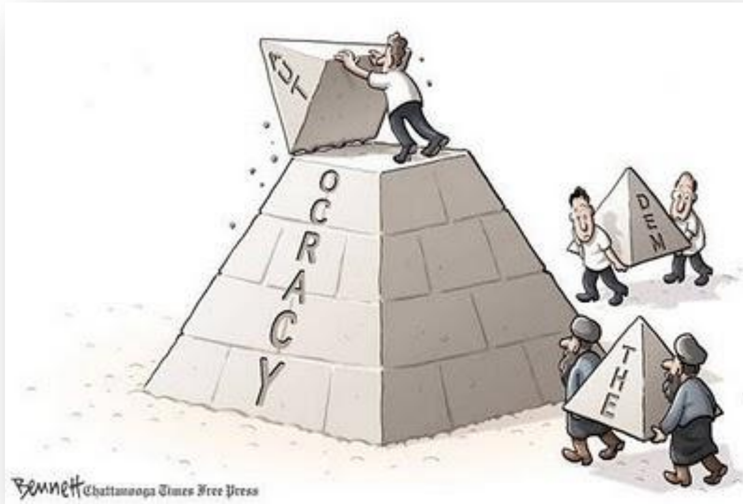


derivative and forward structures. Interest rate and currency matters are handled trough unregulated and murky application of SWAP agreements to avoid taxation and regulatory hurdles.

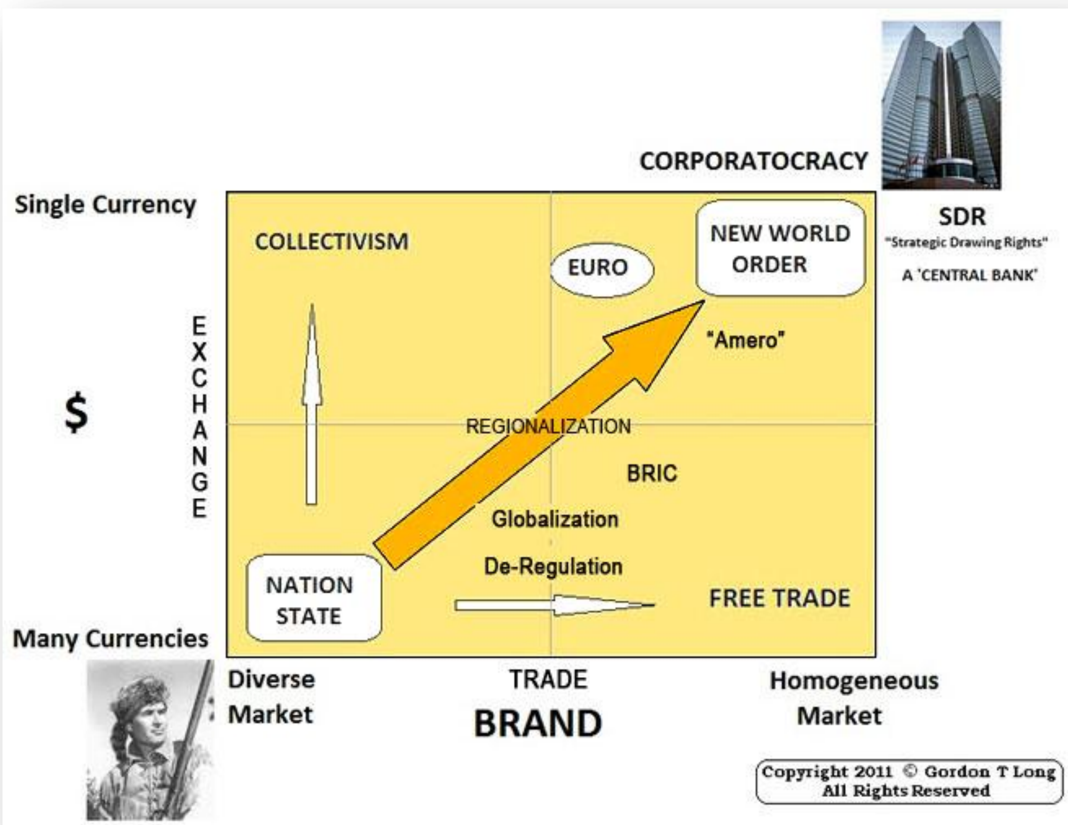
The list goes on and is rapidly increasing in further levels of complexity. Nearly a decade ago during the Enron revelations the public was shocked to learn that Enron was small potatoes compared to giants like GE who even then were reputed to have over 2500 offshore SPEs.

The political power that major brands now wield over politicians is staggering. With employment and growth, the holy grail for politicians to be measured against, it forces them to knee at the altar of the corporations who decide on where jobs will be created or sustained.

The symbiotic relationship that has now evolved through the mechanism of lobbying has moved much closer to Mussolini's vision of corporations and government being closely linked. Mussolini's label for this is not something that today we would use in polite conversation, but now is simply something we refer to as Crony Capitalism.

SHIFTING VALUE CREATION

The value that a corporation creates by producing a product or service is continuously changing. If the product can be manufactured somewhere else and delivered at a cheaper price and comparable quality, then the value of that



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product has been reduced. Corporations are forced to continuously adapt and change to stay competitive.

The textile industry was centered in England during the early stages of the industrial revolution. It shifted to New England in the US in the early stages of the US industrialization. It has subsequently migrated to Asia and China in its early stages of industrialization. It is now migrating to India, Vietnam and other low cost countries which are now industrializing. This is the value ladder.

On the bottom of the ladder you have low skill, high labor content, large volume, low margin products. At the top of the ladder you have high skill, low labor content, smaller volume, higher margin products. Countries typically move upward on the ladder. The higher up the ladder they move, the more advanced the skills, education and sophistication required. Costs go up as do the associated profit margins. It is a natural evolution of society and the value creation process.

The technology evolution has had a profound impact on the value creation process.

In the 1960s when computers were first fully adopted by corporations, it was about Data Processing. In the 1970s as they encompassed data, text, image and other forms of information processing, it became about Information Processing. In the 1980s as communications and networking advanced, it became about Managing Information with sophisticated Data Bases and distributed processing. In the 1990s it became about using the information to gain knowledge and insights. The adoption of the internet and world wide web accelerated this and changed the nature of work and production through supply chain management.

Today we are moving to another level where knowledge is being used for Innovation. The ability to rapidly innovate is now the new competitive frontier for the Corporatocracy. Words such as 'new', 'rapid', 'networked', 'supply chain', marketing' and 'distribution' are the operative words . Product Life Cycles are extremely short with time to market, with cycle time and architectural platforms being the new frameworks for competitive advantage.

To create value in this environment, regulatory hurdles must be expeditiously scaled or conversely constructed. The political machinery of the Corporatocracy must clear the way.

The image and brand of the Corporatocracy has become a shrine. Company logos are plastered on everything and some, like Harley-Davidson, have risen to such a level of worship that they are often found tattooed on riders' arms.

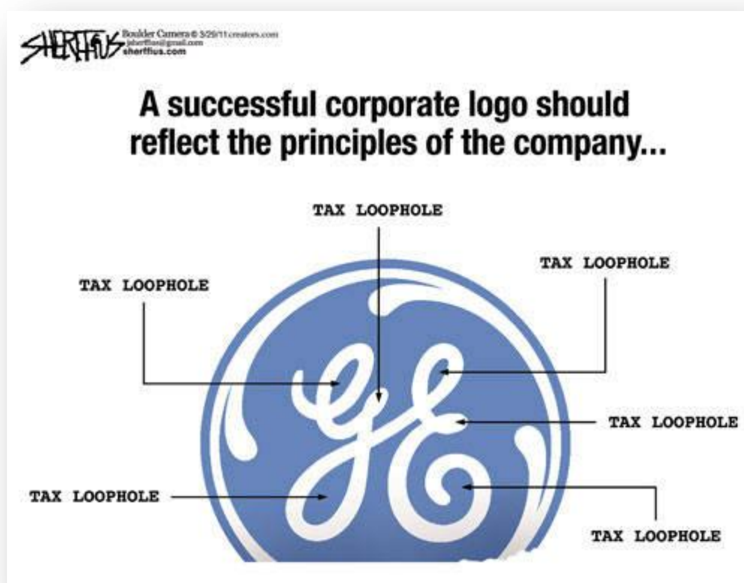
Corporate CEO salaries defy logic but are seldom challenged. Antitrust and monopoly legislation seem to be a thing of the past, as today we worry more today about being "too big to fail' and therefore the public is forced to bailout misguided corporations lest they destroy global economies.

Malfeasants regularly uncovered in court are addressed with fines that often are so insignificant relative to the business gains already occurred in that it further encourages CEOs to test or break laws as a matter of good business decision planning.

it is reported that there are over 50,000 lawyers on the 'beltway' in Washington DC primarily engaged in lobbying on behalf of companies and trade associations of companies.

With campaign contributions primarily coming from the coffers of corporations, lobbyists filling the lobby of our politicians daily and regulators continuously fighting an army of well financed and trained legal houses employed by the corporations, is it any wonder that the value proposition of how corporations make money and add value to our society is changing in ways we no longer understand nor can control?

Corporations today are closer in makeup to hedge funds, operating with the leverage of an investment bank and living in the murky cracks of international law.



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