

Emergency Flash email

Dubai (aka *Debt-Bai*) real estate wipeout kicks off Stage 2 of the global depression

December 2, 2009

Nick note: *You will find lots of pictures in this report. They show you the influence peddling, incredible waste and opulence created in Dubai. It is the world's greatest bubble economy - it was built with your money - and it has now wiped out. And it will continue to wipe out don't be fooled.*

Dear subscriber,

In my travels around the world, I've noticed something that seems to universally hold true. You may have noticed it too.

When there is row after row of construction cranes reaching into the sky, as far as the eye can see, you know it's a bubble and is doomed. It must be some kind of pagan symbol, that angers the gods and brings on a great curse. Ultimately those places wipe out.

I saw it in New York in the 1960s. Houston in the 70s. Japan and



Los Angeles in the 80s, and Russia in the 90s. More recently in most of the U.S., England, Ireland and Spain.

Now -- just when most people thought the economic crisis was over and we are in a "green shoots recovery" -- it's happening all over again. This time, on a scale never seen before.

Dubai, home of the world's most expensive real estate...tallest building...\$1.5 billion Formula 1 race track...the would-be jewel and symbol of opulent wastefulness of the Middle East...is dead broke and not paying on its aw-sum debts. This time like other bubbles bursting it's taking the world financial system with it.

With virtually no accounting disclosure, Dubai was given endless derivatives loans to spend through its Sovereign Wealth Funds. It used the leverage from those derivatives to buy major assets the world over -- to create centers of decadence and waste around the globe. Incredible bubbles, with one central them... money losing.

Dubai World is one of Dubai government's investment arms. Through subsidiaries, it is engaged in five business segments: 1) transport and logistics, 2) dry-docks and maritime, 3) urban development, 4) investment and financial services, and 5) energy and natural resources. Click on the links I have included below if you would like more information on the subsidies. Its an amazing story.

Dubai Ports is the logistics and transport arm of Dubai World; it is the holding company for [DP World](#) and [Economic Zones World](#).

[DP World](#) operates and manages container terminals. It handles 46.8 million twenty-foot equivalent units (TEU) worldwide, as of 2008.

[Economic Zones World](#) operates and develops free trade zones. It trades on the NASDAQ ticker symbol DUBAI. they Operate ports in over 21 countries including the US and Great Britain.

[Drydocks World](#) provides repair, maintenance and shipbuilding services in the UAE, Singapore, Indonesia, Sweden and Japan.

[Dubai Maritime City](#) provides infrastructure, services and regulation for the maritime industry in Dubai.

Dubai World divides its real estate business into three independent entities. [Nakheel](#), [Limitless](#) and Leisurecorp. [Nakheel](#) develops real estate mixed-used and community developments in Dubai. [Limitless](#) undertakes projects in Dubai, Malaysia, Indonesia, Russia and other countries. Leisurecorp develops tourist venues like golf courses in Dubai and in the United States.

[Istithmar World](#) is the financial and investment arm of Dubai World

and the holding company of three subsidiaries: Istithmar World Capital which provides private equity investments; Istithmar World Ventures, a venture capital company in the areas of technology, media and telecom, life sciences, education and agribusiness and Istithmar World Aviations invests in the aviation sector.

Dubai Multi Commodities Centre is directly owned by Dubai World, as a free trade zone center for gold and precious metals, pearls and colored stones, steel and base metals, diamonds and other commodities exchange.

Dubai World established Dubai Natural Resources World as a holding company for Dubai Energy World, Dubai Mining World and Dubai Agriculture World. The companies invest in mining, oil and gas, alternative energy, agriculture, water, carbon trading.

Wall Street wants you to believe the collapse of these companies is some small isolated event in a remote corner of the globe. As I will show you in this report, that is 100% FALSE.

Dubai is a central player in the world economy. It is the mother of all sovereign wealth funds. (Sovereign wealth funds are run and backed by sovereign national governments.)

Dubai's failure has kicked off the next phase of the global depression. Projects the world over have racked up incredible debt. They are going belly up. This will end in disaster, especially for people who dodged the first bullet a year ago.



Here's another characteristic that spells disaster for the big booms. Someone always builds a world-famous skyscraper. They barely finish it. From day one it is a money hole. For the next 50 years it loses money.

The Empire State Building is one example. It was started in 1929 and finished in the 1937 Great Depression. It never made money. Chicago's Sears Tower is another. And of course the World Trade Center, which the New York, New Jersey Port Authority owned managed and leased out. Even before the 911 tragedy, the WTC was constantly in the red.

On the left is the tallest building in the world. The Dubai Tower. It is not finished yet. They have not paid the U.S. engineering and architectural firms for over 3 years.



Two other ingredients spell disaster. One, movie stars and celebrities start going to these places en masse. Remember the jet setters in Houston during its boom.

In Dubai, we have had the likes of Michael "lethal injection" Jackson. Tiger "my wife (didn't) beat me" Woods. The golden couple of Hollywood, Brad Pitt and Angelina Jolie. David Beckham and his famed anorectic Spice Girl wife. We even have one of the world's most expensive golf courses -- designed by Tiger Woods -- not finished and indefinitely postponed. See the golf disaster below.

The final kiss of death is when they run endless commercials in the popular media. The networks do their breathless "news shows" about the great economic miracle. Maria Bartiromo and Christiane Amanpour give haha "impartial" interviews with the fat cats. They swoon all over them, handing out the accolades and who knows what else in darkened hotel rooms.



The free press does not exist in the Middle East. But news channels like CNN tripped all over themselves to open bureaus in Dubai because they are HUGHE advertisers. The Dubai government strictly screens all their stories. It puts incredible restrictions on what they can report. Reporters risk jail for telling the

sordid truth. Yet the media outlets like CNBC all flock there en masse.

Why give credibility to this Arab hell hole? It is against everything the free press stands for. Simple its the money Dubai is a major advertiser. To become part of the publicity spin for the UAE means mega bucks.

My friends, while I've seen the boom cycle many times, Dubai takes the cake. Nothing else comes close, in excess, waste, awful business decisions, or trillions lost and exploitation of the workers. It is the grand slam, all-time promotional, star-lit skyscraper, construction-crane, over-hyped bubble house of cards.

It is also far more serious than that. Dubai was supposed to showcase the rise of Islam into the modern world. Instead, it got so



One of Dubai's many multi-billion-dollar flop resorts

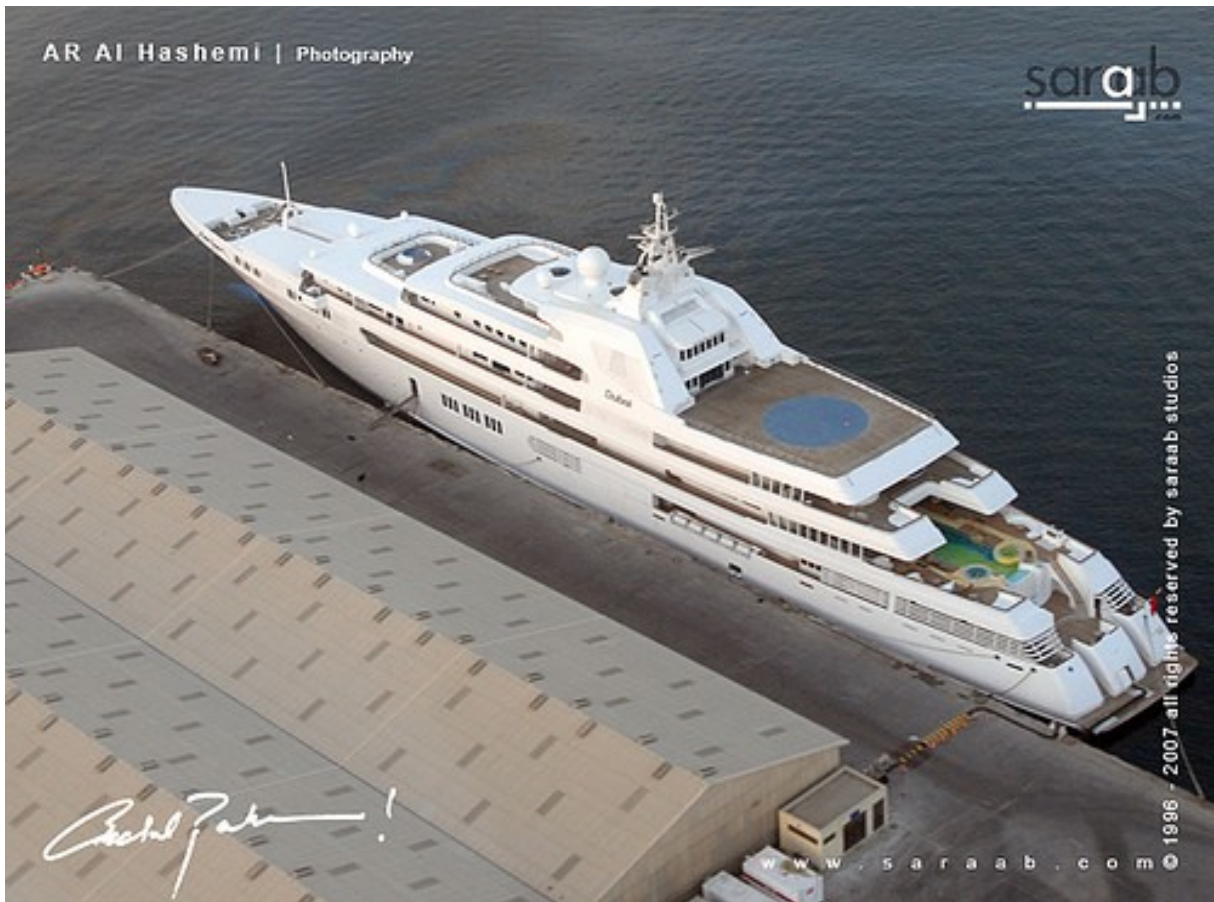
over-leveraged, it has undermined what's left of the global economy.

The past several years, Dubai reached its arms into every key aspect of the world financial and business system. No one threw more money at major international banks or investment companies. No one bought more key retailers. No one put more capital into shipping companies, cruise ships, major ports or manufacturing facilities.

For example, Dubai owns P&O Ports. The largest operator of container ports world wide. You may remember that hotly contested project a

few years back. They wanted to take over America's P&O operation. It put several of America's biggest ports under the control of our Arab "friends" in the Middle East.

Dubai bought more commercial airliners than everyone else combined. In fact, Dubai contracted to buy the majority of production from both Boeing and Airbus for the next ten years. These are the two biggest airplane makers in the world. No wonder the Dubai air show was a must for everyone in the industry.



World's biggest and most expensive yacht - owned by Dubai sheik

Dubai bought major properties from the U.S. to Europe to Asia. It is a major owner of the money-losing MGA Mirage in Las Vegas. The Mandarin Oriental, a Westin hotel in NYC. The Fountainbleau resort in Miami Beach. It controls the upscale retailer Barney's New York.

The kingdom's investments -- from Bombei, Beijing, Moscow and London, to New York, Las Vegas, Paris, and Los Angeles -- all have a common hallmark. Big luxurious, over-the-moon projects. All deeply in debt, that never had a chance of making money. Like the Las Vegas Mirage pictured below.



Dubai's crown jewel -- the image it chose to show the world -- is Dubai itself. They tried to build the most opulent, expensive playground on earth for the super-wealthy. One problem it's a major money loser.

Dubai has nothing but space and desert. I was shocked when they spent tens of billions of dollars, on the world's biggest dredging operation. Just so they could create islands shaped like palm trees -- and then build mansions and luxury hotels on these islands. Talk about insanity. Now you can have your pick of them for 20 cents on the dollar. They built the world first 100 billion dollar deserted islands.



Palm Tree Islands dredged in the sand with multi million dollar mansions selling for 10 cents on the dollar

Dubai is not a major business center. It looks like Manhattan but the occupancy rate of the offices you see below is less than 10%.



Yet it built the world's tallest skyscraper. The final kiss of death. Five weeks from now, the world's tallest (but still

unfinished) building may open. You can go to the observation deck -- if they get the elevators working -- and look down on half-finished buildings that litter the entire landscape. Over 400 projects, worth over \$300 billion. All shut down. Another first, They built the worlds fist trillion dollar ghost town. All financed on derivatives.

Another view of the world's tallest skyscraper



Want to know how they paid for these vast money losing excesses? I will give you the answer in four words. **They didn't...you did.** Wall Street gave Dubai a blank derivatives check. Your money backed it

all. And as you can see they cashed in that check big time.

This is where your pension money has gone. It's where your money market accounts are being squandered away. Where your banks and investment firms have thrown trillions of your dollars. They used highly-leveraged derivatives, to finance insanity unprecedented.



More derivatives “investment”: Dubai's indoor JOKE ski slope

Dubai the world's biggest real estate bubble -- 100% financed by derivatives -- has popped. Property values have fallen 60% in Dubai so far. Which is good news. It means they only have 55% more to fall. Don't be fooled they will never pay their debts.

A year ago, the banking wipeout struck the western world en masse. Two things were supposed to save the global economy. One, a billion Chinese slaves, who would turn into massive consumers. That never happened. Two, the sovereign Arab investment funds would use their vast oil wealth, to bail out the banks.

Remember the buying? It seemed like they were taking over Wall Street. They bought into AIG. BA. Citi. Lehman Brothers. Goldman Sachs. Even GM. They bought the stocks of these companies, at or near their all-time highs.

I remember the interviews with the sheiks. They were hailed as the new business and investing geniuses. America's white knights. They

explained how they would make massive investments and save the western world. I wanted to puke all over myself.

They are probably experts in camels. They may know lots about beating their wives (plural); and stoning or cutting off the body parts of people who violate Islam's Sharia law. But their economic system is left over from the middle ages. They have little to no investing or business experience. And free enterprise does not exist.

Yet all of a sudden, we were told they are business/financial experts. Great entrepreneurs and builders and investors out of the heart of Islam. What they are is the oppressors of the masses, like Feudal lords from the dark ages. Torture chambers, dungeons and all.

They were only too keen to speak of their new found love for democracy and free markets. I laughed my ass off. Reality was 180 degrees the opposite. For example, it is against the law in Dubai to report on any money-losing project. You can't even question the solvency of any of Dubai's institutions, much less analyze their books. Competitions does not exist. While they don't pay their debts or even their workers for that matter they readily jail and torture any one who owes them money and does not pay. The implicit guarantee of oil money to pay their debts unwritten is and was a joke.

Wall Street knew all this. It should have raced away from Dubai and the Arab sovereign wealth funds at light speed. But it was in love with their supposedly endless oil wealth. It gave Wall Street untold trillions in derivatives to create and sell on their behalf all for big fat juicy fees. SOUND familiar.

All was not paradise there. I remember when Dubai workers went on strike because they didn't get paid. They were jailed, tortured, and then deported. Most common labours when their contracts expire go home penniless. By the time they pay job placement "fees" rent, food and clothing they end up owing their employers money. They are kept and treated like modern day slaves.





Unpaid workers in Dubai on strike they were jailed, tortured and deported

Dubai's princes could not cover many of their bills. In that Islamic hell hole, if you can't pay your debts, you go to jail. Unless you are a member of the royal family. Then you can keep buying new Ferraris every month. (Not surprisingly, Dubai became home to the world's largest Ferrari dealership.)

To make a long story short, this Mohammed wet dream has finally come unglued. Over the long Thanksgiving weekend, they announced they are dead broke. They can't pay on the money they owe.

(They also waited for the Eid al-Fitr to make their announcement. That is the 3 day religious holiday in Dubai and the muslim world where they stone the "devil".)

Bottom line, the Arabs done did it again. In the 70s, they drove oil from \$5 to 25 a barrel, and spent themselves broke. And screwed to the wall everyone stupid enough to do business with them,

This time they drove oil from \$10 a barrel to \$80 (and temporarily \$150). Again they have again pissed away their trillions in profits. As a foot note oil will go to under \$10.00 a barrel and the vast majority of Arab oil will stay in the ground because their will be no buyers for their oil. Remember you heard it here first.

How could they not screw everyone in sight? They grow up in a world out of the feudal dark ages. The elite few live lives of unimaginable wealth. The masses starve. How can they co-exist with a modern entrepreneurial system? It's not possible. They can

literally in their kingdoms do anything they want to their subjects. Including killing them for dark ages torture chamber evil fun.

Dubai government just refused to honour its loan guarantees

No one leveraged more money in the derivatives market than Dubai's sheiks and middle east wealth funds. They did this through the Sovereign Wealth funds of the middle east. Incredibly, they did not have to disclose ANY financial information to get these derivatives.

No balance sheets. No income statements. Nothing on the maze of cross-holding entities.

Instead, the world was told not to worry. All this debt was "guaranteed" by the governments of the oil rich gulf states and its endless oil revenue. Problem is you can wipe your ass with the guarantee and the endless oil revenues are coming to a end. The middle east is no longer the worlds largest oil producer Russia is. And the biggest supplier of oil to the US is no longer the Saudis but Canada. And the largest proven oil field in the world is no longer the middle east Arabs but Iraq. And with little fan fare Iraqi oil exports grow each and every month. Less then 10 years from now they will be the world largest oil producer far surpassing the Saudis and Russias combined.

Any way another bubble popped, over the past Thanksgiving weekend, the banking and financial world was shocked. Dubai's government announced it is NOT responsible for Dubai World's debt! And the rest of the Emerts said they would not make good. So much for highley leveraged sovereign funds implied guarantees.

If that were not enough to cause a banker to lose his Thanksgiving feast, the news got even worse. The other emirates announced they will not bail out the vast losses either.

Western banks gave trillions to Dubai. Now the bankers know the "guarantees" were lies. They will be left holding the bag for these trillion-dollar boondoggles. Not just in Dubai, either. Because Dubai has underwritten similar bubbles the world over.

Read the following statement from Dubai's government. It lets our banker buddies know who the real turkey was on Thanksgiving day:

The Dubai government said it is not responsible for the debts of Dubai World, dealing a blow to creditors' assumptions that the Arab emirate would guarantee the conglomerate's liabilities.

"Creditors need to take part of the responsibility for their decision

to lend to the companies," said Abdulrahman al-Saleh, director general of Dubai's Department of Finance. He went on to say just in case there was anyone left who did not figure it out **"They think Dubai World is part of the government, which is not correct."**

CNN may not tell you what's going on, they would go to jail if they even wanted to. Don't worry, I will. Dubai is broke and so is their sovereign wealth funds. They owe trillions the world over. They will never pay it back, even if they could or intended to. And they can't and wouldn't. This is another nail in the coffin of the global financial system.

The so-called oil "wealth" fooled Wall Street and the bankers. Don't let it fool you. As I've told you before, most of it is worth nothing. The vast majority of Middle East oil will never get pumped. It will stay in the ground, worth as much as the sand around it.

Oil will fall to \$5 a barrel in this depression. The world will turn to better, more efficient, more abundant, cheaper and cleaner sources of energy: natural gas (which is clean burning and abundant in most every country of the world)...nuclear (where major advances have eliminated the safety issues)... oil tar, oil shale and oil sands. Not to mention solar and wind energy, which as adjuncts can supply partial energy needs in many parts of the world.



Empty office buildings and hotels in Dubai notice the vast number of uncompleted projects. They will never be finished!

The Dubai crisis is worse, though. Suppose the Dubai sheiks and princes could pay back their trillions in derivatives debt which they can't. They would not do so anyway. Because they are not playing by the rules. They do not solve their problems the capitalist way.

In the capitalist way, you sell assets when you go broke. You liquidate properties. One way or another, you pay your debts.

Dubai isn't doing that. Instead, they are forcing the world to give them a debt standstill. Here's how this works.

Dubai is saying "screw you" to the capitalist system. Screw debt liquidation. Screw the rule of law. We aren't paying you.

We aren't giving you the assets we pledged on these loans. We will keep our world's biggest yachts. We will use the old "I'm the king, and screw you" way. We ain't paying you and their ain't shit you can do about it. It will be couched ion teh kindest terms and their will be endless promises of payback, but it will NEVER happen.

Dubai's ruler Sheikh Mohammed bin Rashid al-Maktoum, who is also the United Arab Emirates'

vice president, prime minister and defence minister, said the global reaction had shown "a lack of understanding."

"We have the determination and will power to face all challenges, including the ill-intentioned media challenges," Sheikh Mohammed said, according to a statement from his office. Released Tuesday.

This is not according to our lordship a credit problem. The fact they can't and won't pay their vast debt is not the problem. Its not the fact they have taken on to much debt, yes even trillionaires can borrow more then they can pay back. His ROYAL Highness Sheikh Mohammed says it because of "ill intentioned media (from the infidels)challenges. What can Wall Street and our banking buddies do? Answer Nothing! Not a damn thing! As they are about to learn, you cannot take assets from a sovereign entity. It is like diplomatic immunity for wealth funds. You will only get paid if they can pay you which they can't they borrowed far more then even their oil production can cover. And you can only reposses the underlying assets if the ISLAMIC kingdom lets you. And what do you thing the chances of that happening are you Zionist-Christian pig. Try ZERO and NONE. And they both left town.

The last few months, contractors and creditors asked Dubai to sell some holdings and pay the bills it owed them. Dubai refused. So the creditors were not able to pay their own debts. They were then threatened with jail if they did not pay even though they had not been paid. So many left town with the clothes on their back, leaving behind homes, cars and businesses. Thats how things work in Mohammad land.

Do you see how this works? The Dubai princes don't have to pay you. But if you don't pay your debts, you go to jail.

I know many people who were forced to leave with the clothes on their backs. They packed a suitcase, and flew back to the civilized world, dead-broke and wiped-out in Dubai.

**Banks still count their
trillions in Dubai loans at full value!**

Here's the most interesting part. Banks loaned Dubai and its sovereign wealth funds trillions of dollars. Again, with not even a financial statement, never mind an audit. That money is gone forever.

Yet the banks still count this debt on their books at full value! They say it is still backed by real collateral they can collect!

What total b.s. In reality these loans might be worth 25 cents on the dollar. At most. Another Obama-type fantasy of what the world

is really like, has now been shattered.

I am here to officially notify you. The next phase of the bubble real estate wipeout has started. It will bring down the rest of the world financial system.

Dubai admits \$150 billion have wiped out. That grossly understates the real figure. On top of which, they heavily leveraged that money. Remember sovereign wealth funds play by another set of rules altogether. The hallmark is the complete and total lack of disclosure. And remember their creditors can't sue them. Try suing a government in a democracy and see how far you get. Now imagine trying to sue a Medieval king. What you will get is your head dropped into a basket.

So trillions of dollars in derivatives are in peril and have no chance of being paid back. In major banks, businesses and projects around the world the cat is out of the bag. This is a global crisis, not limited to the pleasure palaces of Dubai. And it will bring down the world financial system. The biggest bubble in the world has burst and the myth of Arab Sovereign wealth funds have been exposed for the over leveraged deep in debt entities they really are.

I reported to you that a massive flight to quality took place the past few months. Not to gold, which is the joke of the decade. But to the U.S. dollar. To U.S. government debt.

The past few weeks, that flight to quality picked up even more steam. Investors and central banks bought so many U.S. government securities -- so many 3-month and 6-month T-bills -- the yield went negative.

Recent U.S. Treasury auctions have been four times oversubscribed. That means demand for T-bills was four times greater than supply. A new record high. And that was despite huge record breaking offerings from the U.S. government. i.e. supply was huge, but was still swamped by demand.

Now you see why. The smart money knew Dubai was coming unglued. They knew Dubai's wipeout pushes the rest of the world financial system off the edge of a cliff. So they got their own money into the world's one and only safe haven. The place I've begged you to put your own money. U.S. dollars and U.S. government securities.

The Wall Street experts keep telling us the U.S. government is monetizing debt. Supposedly it will have to print money to cover these massive losses.

Total bull. The U.S. government is successfully selling the most debt in world history. At the lowest interest rates ever. These

rates keep dropping lower and lower. Still demand for the T-bills, T-notes and T-bonds grows and grows.

Wall Street tells us the dollar is crashing. More bull. The dollar is merely settling down from the flight to quality that took place a year ago, when the banking crisis hit.

This Dubai crisis just gave gold a great test when the crises first came to the light of day gold got hit hard. Now the investment bankers regrouped, but fear not gold, oil and the stock market have a date with destiny. Was the Fed really monetizing debt? Was the world abandoning dollars, for the supposed safe-haven sanctuary of gold? Once again, we learn the answer to all this spin is "bull shit." Guess who with the help of their Wall Street investment banks is at the heart of the most recent stock market, gold and oil bubble? You got it our Highness the Sheiks of the Sovereign Oil cartel wealth funds.

When news of the the Dubai wipeout hit, gold got banged. Stock markets around the world fell hard: they crashed in the Middle East. The dollar jumped. Those on the inside bought U.S. government securities with both hands. Which means they bought dollars with both hands as well.

No one is abandoning the dollar. Just the opposite. When the shit hits the fan, they flock to it. Soon the next wave of this wipe out will hit. Right now they are spinning the fact they have defaulted on their debt as Dubai's ruler Sheikh Mohammed bin Rashid al-Maktoum, said is the result of "ill-intentioned media challenges," Sheikh Mohammed said, according to a statement from his office.

Now you know why they censor the media in those Islamic hell holes they created. Under the penalty of death no one can question the credit worthiness of their dead broke deeply in debt institutions that are wiping out before your very eyes.

This is the most bizarre time to be alive. All these banks, brokers, investment bankers, politicians and major corporations blow b.s. like snow in a blizzard. They want you to believe the biggest lies of all: that they are making money, and that we are in recovery.

They do this by a) not paying their debts, and b) pretending that trillions in derivatives losses are actually profits!

As I've told you over and over again, they can't do this forever. No matter what Wall Street and the gold bugs want you to believe. Because eventually you can't pay the workers or even the electric bills. That's the stage Dubai has reached.

It's official. Part 2, the next phase of the debt wipeout has begun.

It will be bigger than part 1. Dubai, the poster child for sleaze, has kicked off this next round. They literally can't pay their electric bills. They can't meet their payrolls. Lights out. All construction has stopped, because there ain't got no money.

I'm preparing for you another Special Report tape on this. I should have it posted on the Insiders Website in 24 hours.

I'm also preparing a special report on gold. You will see that -- in the middle of this huge drive to manipulate gold -- demand for the yellow metal has not risen. In fact, it is plunging. Goldmines that normally sell their production forward in anticipation of higher prices in the future. Guess what they have pulled all their hedges. Meaning the producers think the price is so high they are selling all they can as fast as they can into the market. And you should to! Gold sales are down 30% year over year, falling even further. I've never heard so much b.s. about a market that, in 18 months, only managed to go up 10%.

This latest bubble wipeout ends the fantasy of Islamic finance. Don't get taken in by the spin. HSBC Amanah is the Islamic arm of the Britain's HSBC Bank. Amanah has outstanding Islamic finance debt of over \$1 trillion. That doesn't count the leverage.

GE, Boeing and AirBus are owed huge sums of money by Dubai. That's for the hundreds of planes they sold them on quick, easy credit. These plains will nevr be delivered and the ones they got will never be paid for. This only underlines what we've been screaming about. The stock market has put the most bizarre valuations ever, on companies the world over. These companies are dead broke and mired in a global depression. They will soon crash. Just like Dubai has.

On October 9 of this year, I watched the Formula 1 race in Dubai.



They had just finished building the world's biggest, most elaborate race track. It cost \$1.5 billion. The track is a death trap. First of all the track gets to hot in the desert sun and is a disaster for the tires on the cars that can't take that kind of heat. Also sand blowing from the desert is a problem.



World's biggest Ferrari dealer -- and most expensive race track -- in Dubai

The opulence was astonishing. The track snaked under one of the world's most luxurious hotels, past the mega-yachts in the harbour. I've never seen such wanton greed and waste. To get out of the pit area race cars have to drive up a VERY narrow tunnel. If the car in front of your crashes everyone in caught in the tunnel dies. They won't have a chance as the fireball consumes everyone.

They have built a modern day Babylon in Dubai.

I saw the UAE Ruler, his Highness Mohammed bin Rashid, watching the race from his private viewing box picture on the right. At the very same time he had stopped paying his workers, contractors and investors on the massive debt he owes. His mega-yacht (an ocean liner) was docked at the far end of the race course, for all to see.



I also saw the sheiks of the royal families of the middle east, in full war dress. Saluting their opulence, patting themselves on the back for their business brilliance. This at the very time they were plannign their latest debt default.

All this opulence paid for with Wall Street derivatives. That is what your money -- America's money -- has gone to.

In many parts of the world, legitimate, real businesses have real products. They are efficient and make profit. Yet they go begging for money.

While these gold-leafed fantasies in the sand -- that never had a chance of making profits and leaked money like a sieve -- were given trillions of dollars. Without so much as a financial statement.

The cameras at the Formula 1 race in Dubai panned the largest Ferrari dealership in the world. One of my favorite sayings came to mind. "He who the gods are about to destroy, they first make crazy." My friends, we are seeing lavish opulent go crazy. On an unprecedented scale.

I'm going to repeat to you. Gold north of \$1200 an ounce, the stock market banging around 10,400, and oil that is now south of \$80 a barrel, are the greatest bubbles the world has seen. Created by the bubble blowers from the New York investment banks and their co-conspirators from the dead-broke Middle Eastern sovereign wealth funds. (Stone cold broke when you count the liabilities as well as the assets.) thats somehting new for Wall Street accounting.

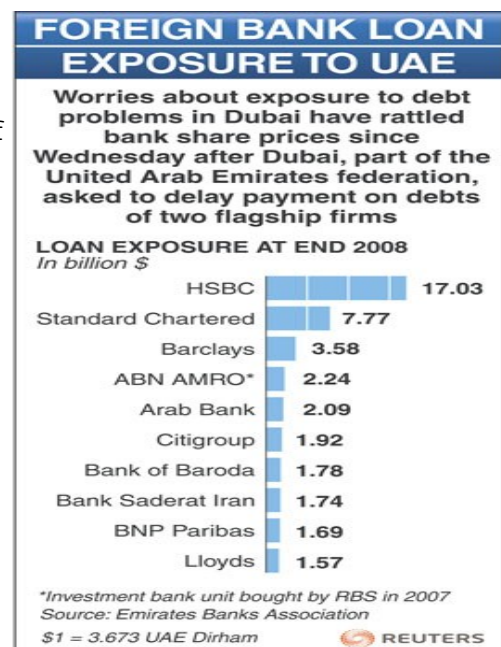
They will come unglued shortly. Despite all the b.s. they are blowing, like a sand storm in the desert. I believe this insanity represents the greatest money-making opportunity of our time.

It's critical you understand: we're not in a recovery. We are in an ongoing depression. The Dubai debacle is simply more proof of the spreading debt wipeout and bubbles bursting funded for by the still ongoing derivatives insanity..

Nick Guarino

Dw. X (Dishwasher Extraordinaire)

PS: Look at who world leaders are swapping spit with Mohammad. This is known as influence peddling. Mohammed bin Rashid is ruler of Dubai, and a key architect of Dubai's investing "strategy." One of the most wasteful men on the planet. He has exported his model of wanton wastefulness and opulent consumption the world over. All on debt.





Gordon Brown, prime minister of England, is seen in this picture sucking up to Rashid. That may be because some of Britain's largest banks -- HSBC, Barclay's, Lloyds and Royal Bank of Scotland to name a few -- arranged much of Dubai's biggest derivatives loans. They are owed trillions, that will never be paid.

Now those banks are going bust. Royal Bank of Scotland (RBS) was nationalized by the British government, and just received another 75 billion pound bailout. On Tuesday, just 48 hours before Dubai announced its wipeout, Barclay's Bank had a 25 billion pound rights offering. That's where they forced their shareholders to give them more money. (Or see their shares diluted).

Lloyds received another 20 billion pounds from government, to stay afloat. At that exact time, Prime Minister Brown announced, "British banks are well capitalized."

Remember, Dubai issues no official numbers of its debt or its holdings. I can tell you most of the outstanding debt, is due to be paid back in the next three years. Now they have reneged on it. By rights, the payback must be accelerated. They are in default! Every institution that holds it must declare it as non-performing on its books. That is a death warrant for the global economy.











