



A New World Order is coming by 2010 - 2011

As the world teeters on the brink of financial disaster, many leaders are now calling for a new world order. I don't think this new world order will emerge until we experience a much greater collapse of debt. But this is happening as I write and is likely to create the demand for global institutions to monitor and coordinate the international monetary system. The following world leaders and past leaders are now calling for a new world order under various names and concepts: Gordon Brown, United Kingdom; Kevin Rudd, Australia; Angela Merkel, Germany; Henry Kissinger, United States; George Bush, United States; Vladimir Putin, Russia; Wen Jiabao, China; and the list is growing daily.

What is happening right now is historic and unprecedented in world history. Capitalism (as it has evolved) is being exposed as a seriously flawed system. See www.ft.com/capitalismblog for more details on what many concerned thinkers are expressing. Many still view Capitalism as a system that can be resurrected with key changes. But many others view Capitalism as over and some type of Socialism as the new global system. See www.wsws.org for details on what many view as the emerging system for this planet. There are conferences planned for Michigan, New York, and Los Angeles in the coming months which will espouse the emergence of this type of system. As our current economic problems grow and magnify in the coming months and years, we can expect that the clamor for change will grow exponentially.

What is happening right now appears to be irreversible. Countries (nations) have accumulated debt and obligations which can not be paid back. The big news now is Eastern Europe. Russia, Poland, Ukraine, Hungary, Romania, Bulgaria, and Slovakia are all in serious trouble. Their banks have accumulated assets which are rapidly deflating...resulting in a trend towards insolvency by 2010-2011 or even earlier. The Baltic states of Latvia and Estonia are in serious trouble as their assets deflate. And the Western European banks which have lent money to Eastern European entities will also be in serious trouble by 2010-2011, if current trends continue. Sweden and Denmark could also have serious banking issues in the near future and the United Kingdom is trying to re-inflate their economy with money created out of nothing (the consciousness of their Central bankers). Iceland is bankrupt now and Ireland and Austria may soon be in the same boat. The trend in motion suggests that deflation and debt collapse will continue for most countries and nations for 2009-2011.

The real issue for all these sovereign banks and countries is asset deflation and excessive debt. And as each bank and country gets exposed as being in trouble, confidence diminishes and investor fear grows. The key concept in all of economics is the concept of 'value'. What is 'value'? Value is a concept derived from our consciousness...therefore,

subjective at the core. Asset 'values' can increase or decrease with the emotions of consumers and investors. There is no tangible or intrinsic asset 'values' in today's global economic system. All is subjective and illusionary. Why? Part of the reason is our 'money'. We derive 'value' in terms of fiat 'money'. And our 'money' today is imaginary (\$1.00 and multiples thereof). We call our current 'money' system a fiat system. In reality it is an imaginary fiat symbol system (\$, Y, F, C\$, A\$, E, Z\$, SEK, etc.) derived from the consciousness of our Central bankers who create these symbols. These symbols are then distributed electronically via a computer network at the speed of light. As we derive 'values' of our assets with these imaginary symbols, we give an asset (say a house) the illusion of an objective value. I did this as a real estate appraiser for most of my professional career. But, in reality, the house is real and physical and the 'value' I derived was objectified with imaginary money symbols. As we bid the prices of an asset up with our imaginary money, we created an increase in asset value. As we lose confidence over time, and as credit is restricted...we all watch as the imaginary 'value' of our asset (say a house) declines over time. All is relative and subjective today in the valuation of assets.

What we are experiencing today is asset deflation over time. We are also experiencing a complete loss in confidence in our debt based financial system. This change in our collective emotions manifests itself as deflation in asset 'values' over time. And this deflation creates a negative feedback loop which accelerates the trend over time. It's like a snowball descending from a mountain top. The snowball gains momentum as it descends the mountain. The only way out of this trend is renewed confidence in the system and a re-inflation of the overall global economy (unlikely to happen IMO). The current trend is historic in nature due to the amount of leverage which was used in creating the mountain of debt. We all now recognize that we can not service this mountain of debt much longer. Consumers are over leveraged, investors are over leveraged, financial institutions are over leveraged, and nations are over leveraged. The threshold of debt has been reached and exceeded. Just in 2008 the world lost around 100 trillion in illusionary financial wealth. The United States lost around 20 trillion in illusionary financial wealth. And this wealth destruction continues as I write. Who can reverse this trend? I don't think more debt creation will improve our situation.

Watch as events create new challenges and changes in the coming months. Watch the videos and debates at the London G-20 summit to be held on April 2-3, 2009. You can access the G-20 web site here: www.londonsummit.gov.uk/en/

We are living in unique and historic times which demand that we all stay tuned to coming events and issues. Our future is at stake! The future of our children is at stake! The future of our planetary society is at stake! Those who want to adapt and prosper in the coming months and years must stay informed and aware to financially survive all the coming changes. I will help you stay informed.

Donald Brynolf Swenson
Philosopher/Economist/Teacher/Student
Marana, Arizona Email: phase4tennis@gmail.com