

The Greece-y Poll. By Vern Gowdie, Editor, Gowdie Family Wealth.
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The world is certainly becoming an interesting place.

Russia is in a world of pain. Japan is back in recession. Europe sinking into a deflationary mire. The Aussie dollar is edging closer to 80 cents and the abyss beyond. Local official interest rates are tipped to go below 2%.

There is so much tinder out there that all it's going to take is one small match to burn the economic house down.

In last week's *Daily Reckoning* titled 'The Coming Greater Depression', I reminded you of Beppe Grillo's (of Italy's Five Star Movement) statement: ***'Eventually will come a time when a politician will hold up a copy of the EMU treaty, declare it null and void, and the debt null and void right along with it. That politician will be elected.'***

Which brings us to the political situation unfolding in Greece. In 2011, the EU leaders bought themselves a period of calm in Greece. However, persistently high unemployment creates a hotbed of unrest which a populist politician can exploit.

Step up to the plate Alexis Tsipras, leader of the Syriza party.

If the Greek parliament cannot decide on a candidate for the ceremonial presidency position by 28 December, a snap election will be called in January.

The most recent polls show Syriza would win in a canter.

According to the *UK Daily Telegraph*:

'As matters stand, it is more likely than not that a defiant Alexis Tsipras will be the elected prime minister of Greece by late January. His Syriza alliance has vowed publicly and persistently that it will overthrow the EU- IMF Troika regime, refusing to implement the key demands...'

In addition to biting the EU hand that feeds Greece, Tsipras has the following wish list:

'...a haircut for creditors; free electricity, food, shelter, and health care for all who need it; tax cuts for all but the rich; a rise in the minimum wage and pensions to €750 a month; a moratorium on private debt payments to banks above 20pc of disposable income; €5bn more in EU subsidies; and demands

for 62pc debt forgiveness on the grounds that this is what Germany received in 1952.'

Roughly translated: screw the banks, and freebies all-round for the citizens.

Where can I sign up?

With 'promises' like these, it's little wonder there's daylight between Alexis Tsipras and the other candidates.

In playing to the crowd, Tsipras recently said that, if his party were elected, then *'from its first day in office'* his government would give *'the bird'* to the EU in relation to the imposed bail-out conditions.

Tsipras' deputy, Panagiotis Lafazanis, went one step further and said Syriza *'must be ready to implement its progressive program outside the Eurozone.'*

Progressive program makes me laugh. Outside the Eurozone does not.

An election may not be called and the immediate threat to the EU aristocracy withdrawn.

However, the economic storm clouds gathering in all corners of the world mean Greece is unlikely to regain economic health anytime soon.

The woes besetting the citizens of Greece will continue to fester and Tsipras' nationalistic rhetoric is likely to resonate with a greater number of disenfranchised people. In other words, this problem is not going away.

In July and August 2015, Greece is committed to repay €6.7 billion to the ECB. The fact they don't have this money is only a minor issue (my tongue is firmly planted in my cheek).

In last week's article, I also mentioned that the major US investment banks have managed to persuade the US House of Reps to put taxpayers on the hook for their massive derivatives risk.

It appears Wall Street is not alone. Central banks are also looking for their 'parachutes and green field'.

In August 2011, Venezuelan president Hugo Chavez demanded the 211 tonnes of gold stored overseas (mainly in Britain) be shipped back to Caracas.

In early 2013, Germany politely requested their gold be returned from US safekeeping. Brick by brick, it is trickling back to Berlin.

The Dutch waited until a few weeks ago to announce they'd asked for and received shipment of 122.5 tonnes of gold back into their vaults.

Now we learn Belgium has asked the Federal Reserve Bank of New York for its 140 tonnes of gold back. What makes this request even more unusual is that the EU headquarters are located in Brussels. What do they know that we don't?

Did the ECB give 'a wink and a nod' for these EU countries to have the bullion returned to each nation's warm embrace?

In late November, Marine Le Pen, leader of the Front National Party of France (and a frontrunner to be France's new president), wrote an open letter requesting the country's gold holdings be repatriated to France.

The movie *All the President's Men* popularised the catchphrase 'follow the money'. Find the money trail and it'll lead you to the source of corruption.

When it comes to corruption, politicians and Wall Street banks are without peer. This crooked cohort only ever find their broken moral compass after they've been caught.

Here's a couple of crumbs on the money trail — Wall Street's intense lobbying to influence a legislative outcome leaving them with all the profits and none of the losses, and Europe's central banks quietly repatriating their gold out of the US.

Something is afoot my friends and it spells T-R-O-U-B-L-E for us on the outside. Notice how without the 't' trouble spells rouble...the same as 'anger' is only one letter away from 'danger'. Perhaps this is an omen.

Is Greece the country that cracks and elects a politician with the economic smarts of a donkey...OR does Russia default and send shockwaves through the bond market...OR will it be recently re-elected Abe who prints one too many yen and finds it's game over?

Who knows? But one thing's for sure, those on the inside are making sure they won't be caught on the greasy pole of asset price carnage that awaits clueless investors.

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for *The Daily Reckoning Australia*