

## LETTERS TO THE EDITOR

All Letters To The Editor Must Have Name, Address, Phone # And Be Signed To Be Printed In This Column.  
Only The Name and City Will Be Printed.

### Which is the Bigger Story?

Letter to the Editor:

Which story is more important to you? The death of Michael Jackson, or the story about removing troops from Iraq? I find the removal of the troops much more interesting to me. Why? Iraq has decided to auction off it's oil rights to the highest bidders, such as EXXON. And this action precipitated the removal of the troops.

Does this mean that the only reason we were still occupying Iraq was to privatize their oil to large American corporations? Sounds like it to me. Our sons and daughters, fathers and mothers were being killed to ensure the large oil corporations would get Iraq's oil.

What is the next step in taking over the world's oil? Occupying Iran? We are already in Afghanistan. Of course Saudi Arabia will be last on the Middle East Agenda. First you cut off the legs and arms, and then go in for the kill.

And what about Palin giving up her job as governor. I think a statement was made about how she was the driving force in increasing oil production in Alaska. You betcha.

If you look into your home life and see all things plastic that you depend on to make your existence easier, you will be astounded. Those plastic items that replaced glass and metal are made from oil. Yes, once the Private Oil Czars get control of the earth's oil, all of our freedoms will be a thing of the past. They will rule every aspect of your life.

So again I ask you, which story is more important to you? The Michael Jackson story, or the one that was barely mentioned, the auctioning off of Iraq's oil and bringing home the troops?

- Valerie Gamblin, Cleveland, TN

## An Easy Understandable Explanation of Derivative Markets:

*With all of the talk in national and local government recently about bonds and derivative markets, it sometimes becomes difficult to completely understand exactly how they work and what they are. This article is a common sense approach of explaining derivative markets and while it is not a definitive explanation, it sets a basis for understanding. The following was sent to The People News by a reader. The author is unknown.*

Heidi is the proprietor of a bar in Detroit. She realizes that virtually all of her customers are unemployed alcoholics and, as such, can no longer afford to patronize her bar. To solve this problem, she comes up with a new marketing plan that allows her customers to drink now, but pay later.

She keeps track of the drinks consumed on a ledger (thereby granting the customers loans).

Word gets around about Heidi's "drink now, pay later" marketing strategy and, as a result, increasing numbers of customers flood into Heidi's bar. Soon she has the largest sales volume for any bar in Detroit.

By providing her customers freedom from immediate payment demands, Heidi gets no resistance when, at regular intervals, she substantially increases her prices for wine and beer, the most consumed beverages. Consequently, Heidi's gross sales volume increases massively.

A young and dynamic vice-president at the local bank recognizes that these customer debts constitute valuable future assets and increases Heidi's borrowing limit. He sees no reason for any undue concern, since he has the

debts of unemployed alcoholics as collateral.

At the bank's corporate headquarters, expert traders transform these customer loans into Drinkbonds, Alkibonds, and Pukebonds. These securities are then bundled and traded on international security markets. Naive investors don't really understand that the securities being sold to them as AAA secured bonds are really the debts of unemployed alcoholics.

Nevertheless, the bond prices continuously climb, and the securities soon become the hottest-selling items for some of the nation's leading brokerage houses.

One day, even though the bond prices are still climbing, a risk manager at the original local bank decides that the time has come to demand payment on the debts incurred by the drinkers at Heidi's bar. He so informs Heidi.

Heidi then demands payment from her alcoholic patrons, but being unemployed alcoholics they cannot pay back their drinking debts. Since Heidi cannot fulfill her loan obligations, she is forced into bankruptcy. The bar closes and the eleven employees lose their jobs.

Overnight, Drinkbonds, Alkibonds, and Pukebonds drop in price by

90%. The collapsed bond asset value destroys the bank's liquidity and prevents it from issuing new loans, thus freezing credit and economic activity in the community.

The suppliers of Heidi's bar had granted her generous payment extensions and had invested their firms' pension funds in the various bond securities. They find they are now faced with having to write off her bad debt and with losing over 90% of the presumed value of the bonds. Her wine supplier also claims bankruptcy, closing the doors on a family business that had endured for three generations. Her beer supplier is taken over by a competitor, who immediately closes the local plant and lays off 150 workers.

Fortunately though, the bank, the brokerage houses, and their respective executives are saved and bailed out by a multi-billion dollar no-strings attached cash infusion from the Government. The funds required for this bailout are obtained by new taxes levied on employed, middle class, non-drinkers.

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### Rape Aggression Defense Class at Cleveland Police Department

The Cleveland Police Department will host a Rape Aggression Defense class open to the public. The class will take place at the Cleveland Police Department, instructed by Officer Jennifer Henderson, every Monday night beginning August 10, 2009 and ending August 31, 2009. Class will begin promptly at 6:00 p.m. and end by 9:00 p.m. This class is free of charge for females wanting to equip themselves with the tools needed to protect themselves from an attacker. Class space is limited, so please sign up now! For more information contact Officer Evie West at (423)559-3305 or [ewest@cityofclevelandtn.com](mailto:ewest@cityofclevelandtn.com).

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