

The Debt Bomb & Pension cut backs or Help Build a Farm in Israel

 sightedmoon.com/the-debt-bomb-pension-cut-backs-or-help-build-a-farm-in-israel/

By Joseph F. Dumond

April 19, 2012

News Letter 5848-007

29th day of the 1st month 5848 years after the creation of Adam

The 1st Month in the Third year of the third Sabbatical Cycle

The Third Sabbatical Cycle of the 119th Jubilee Cycle

The Sabbatical Cycle of Earthquakes Famines, and Pestilences

This is also the end of the fourth week of this the Third Tithe Year for the Levite, the alien, the fatherless and the widow Deuteronomy 26:12

The 14th day of Counting the Omer

April 21, 2012

The Debt Bomb & Pension cut backs or Help Build a Farm in Israel

Shabbat Shalom Brethren, for those of you who were looking forward to our meeting in California this May 19, 2012, I regret to inform you that it has been canceled and no explanation given.

We are going to be speaking to the public about the state of Israel on May 6th in Sarnia as they celebrate Everything Israeli for the entire weekend with many speakers coming.

We have received the following email from our brethren in Kentucky;

Hi Joe, We've found that in all the studies by everyone about "Counting the Omer" the entire point being made by Yehovah is being missed. That point is that HE wants us to DAILY remember that our food and provision is coming from HIM so He says to count the amount of miraculous MANNA He gave each Israelite each day after the EXODUS throughout the 40 years. The OMER being the amount of food needed for a person to be properly nourished for a day which is 2.2 liters. AND, the main reason to remember the OMER is that it was not earned by wages, provided by slave owners(Egyptians),or harvested from their own hand-worked gardens. Yehovah wants us to realize we are totally under His care, and since we just put away sin and are striving for righteousness, preparing to become the BRIDE, He wants us to stay focused on the job ahead and Shavuot which is the annual rehearsal of the betrothal. If we can stay focused and avoid paying attention to Satan's distractions we will be really prepared to properly observe Pentecost(Shavuot). We thought everyone could profit from this understanding in a "down-to-earth" explanation. Shalom and Profitable Counting to you and all those assisting you, Ellis & Lydia Wiley.

I have been telling you about the third Tithe year in the heading of each of these News Letters. I also mentioned this to Brother John Bennett this past week and he then spoke about this in last week's Shabbat service. Please do have a listen to what he has to say about this subject

and let Yehovah bless you this year. Go to <http://maranathaourlordcometh.com/2.html> and listen to Third Tithe Year.

In the Movie Schindler's List Oscar Schindler collected all the money from the Jews before the war and they did not know what to do. They were not sure they could trust this guy, but they were left with little choice. It proved to be the one thing that saved their lives.

I have been asking you since 2011 to donate funds to the farm project, which I believe we need to start in Israel before the next Sabbatical year in 2016; before the war years begin in 2017 and before your dollars are not even worth pennies.

A dedicated hand full of people has contributed over \$32,000 towards this cause. Some did it in a lump sum and others donate on a regular basis. To each and every one who made the effort to place their hard earn funds in this trust, I thank you. No matter if it was just \$20 or \$3000 to each of you I thank you.

I also said that if we do not have the money needed by July 2012, to begin this farm in Israel we would begin to return all the funds to those who have donated.

I do not solicit from you each week for money. Nor have I charged you all for the teachings many of you have come to appreciate and benefit from. No, nor do I teach you that you must tithe to me or to any group. The book cost me money to print and the DVD cost me money to have them made, so these you pay for and I make a very small amount in this and all the info on both of them is already free on the web site. I say this in contrast to all the other ministries out there which sell you all the things they teach. We do not do that at sightedmoon.com.

Since 2006 when this web site was made I have never charged for the information on it. And for the past 5 years beginning at Passover in 2007 We have researched and sent out articles that some have said are small books each week teaching you different aspects of Torah and helping many come to know and to keep the Sabbath, the Holy Days and even the Sabbatical years. Each newsletter takes me about 18 hours' worth of work on my part to put together.

This web site has grown. We have now passed the 1.5 Million hits mark. Our readership was over 11,000 at one time and is now down to over 6000. And each newsletter is sent to many other web sites and repeated and printed and used for Sabbath services the world over. It is extremely humbling to know this.

Each week I get hundreds of emails asking me questions about this or that and I do try to answer as many as I am able to. And I also get the abusive ones as well.

With this 6000 readership, if each was to give \$350 we would have in one week the needed funds to purchase and begin this farm in Israel. If those groups who use these teachings for their Shabbat services were to also ask their assembly to contribute we would be able to build the out buildings and water pumps and those things needed to make this come about.

Yehovah warned Noah well in advance to build the Ark. Noah did and you know the rest of the story. None of the other 7 people in the ark believed it would rain. Only Noah was righteous.

Moses had the Israelite collect gold and silver and cloth from the Egyptians well in advance of the last and final curse to hit the Egyptians. And they left Egypt having despoiled them before that fateful Passover night. But not all of them believed and they soon grumbled about what Yehovah was doing with them.

You have read Proverbs 31 and you have read how this woman went out and bought a field and took care of her family and clothed and fed them and how her husband was pleased with her. This woman of Proverbs is Israel and Israel is anyone who keeps Torah and is grafted in by doing so.

Pro 31:10 Who does find a capable wife? For she is worth far more than rubies. 11 The heart of her husband shall trust her, And he has no lack of gain. 12 She shall do him good, and not evil, All the days of her life. 13 She shall seek wool and flax, And with delight she works with her hands. 14 She shall be as the ships of Tarshish, She brings in her food from afar. 15 She also rises while it is still night, And provides food for her household, And a portion for her girls. 16 She shall consider a field and buy it; From her profits she shall plant a vineyard. 17 She shall gird herself with strength, And strengthen her arms. 18 She shall taste when her gain is good; Her lamp does not go out by night. 19 She shall stretch out her hands to the distaff, And her hand shall hold the spindle. 20 She shall extend her hand to the poor, And she shall reach out her hands to the needy. 21 She is not afraid of snow for her household, For all her household is dressed in scarlet. 22 She shall make tapestry for herself; She is dressed in fine linen and purple. 23 Her husband is known in the gates, When he sits among the elders of the land. 24 She shall make fine linen and sell them, And shall give girdles for the merchants. 25 Strength and splendor are her garments, And she rejoices in time to come. 26 She shall open her mouth with wisdom, And on her tongue is the Torah of kindness. 27 She watches over the ways of her household, And does not eat the bread of idleness. 28 Her children shall rise up and call her blessed; Her husband too, and he praises her: 29 "Many daughters have done nobly, But you have risen over them all." 30 Loveliness is deceptive And prettiness is vain, A woman who fears Yehovah is to be praised. 31 Give her of the fruit of her hands, And let her works praise her in the gates.

This woman is Israel and she buys a field to raise food and wool for her family. This is why we need to do this. We are Israel.

Many of you whom I have talked to and whom I have read emails from are all planning to have food stored in your basement or shed. You have guns and ammo stocked up and you are moving to the hills to get away from the city. And you have learned how to survive off the land eating the natural growing plants to be found around you. But your plans are so very short sighted.

We have been telling you exactly what it says in Ezekiel 20 for a number of years.

Eze 20:33 “As I live,” declares the Master Yehovah, “do not I, with a mighty hand, with an outstretched arm, and with wrath poured out, reign over you? 34 “And I shall bring you out from the peoples and gather you out of the lands where you are scattered, with a mighty hand, and with an outstretched arm, and with wrath poured out. 35 “And I shall bring you into the wilderness of the peoples, and shall enter into judgment with you face to face there. 36 “As I entered into judgment with your fathers in the wilderness of the land of Mitsrayim, so I shall enter into judgment with you,” declares the Master Yehovah. 37 “And I shall make you pass under the rod, and shall bring you into the bond of the covenant, 38 and purge the rebels from among you, and those who transgress against Me. From the land where they sojourn I bring them out, but they shall not come into the land of Yisra’el. And you shall know that I am Yehovah.

He is going to bring you all out from where we currently are and bring us into the wilderness. All of us are to pass under that shepherd’s rod. And this rod is explained in Isaiah.

Isa 10:5 O Assyrian, the rod of mine anger, and the staff in their hand is mine indignation. 6 I will send him against a hypocritical nation, and against the people of my wrath will I give him a charge, to take the spoil, and to take the prey, and to tread them down like the mire of the streets.

Assyria is the ROD that Yehovah will use on us and when we pass under this rod, what this means is that every tenth one is saved and the rest are not. Oh I forgot to mention that Assyria is known today as the nation of Germany. We will pass under the rod of Germany’s military might and when this happens only 10% will survive.

Yes this means that 90% will be destroyed; As Ezekiel just said Yehovah will purge out the rebels from amongst us.

So if all of us are going to be removed from our places where we live, because of the rebelliousness of those around us, and then over the course of the next two Sabbatical cycles 90% of them are to be killed off, does it make sense to build up your own store house which are about to be destroyed or should we do what we already know we must do now while we can still do it and build up a farm for many to live on, in the place Yehovah has said to come home to. Israel.

Many of you ask this next question. Where do we go then?

The answer is in your bible.

Where are you when you see the armies surrounding Jerusalem? You are in Jerusalem! And you are told exactly what to do when you see this by Yehshua Himself;

Luk 21:20 “And when you see Yerushalayim surrounded by armies, then know that its laying waste is near. 21 “Then let those in Yehudah flee to the mountains, and let those who are in the midst of her go out, and let not those who are in the fields enter her. 22 “Because these are days of vengeance, to fill all that have been written. 23 “And woe to those who are

pregnant and to those who are nursing children in those days! For there shall be great distress in the earth and wrath upon this people. 24 “And they shall fall by the edge of the sword, and be led away captive into all nations. And Yerushalayim shall be trampled underfoot by the gentiles until the times of the gentiles are filled.

Again Yehshua says in Mathew;

Mat 24:15 “So when you see the ‘abomination that lays waste,’¹ spoken of by Dani’el the prophet, set up in the set-apart place” – he who reads, let him understand –16 “then let those who are in Yehudah flee to the mountains. 17 “Let him who is on the house-top not come down to take whatever out of his house. 18 “And let him who is in the field not turn back to get his garments. 19 “And woe to those who are pregnant and to those who are nursing children in those days! 20 “And pray that your flight does not take place in winter or on the Sabbath. 21 “For then there shall be great distress,¹ such as has not been since the beginning of the world until this time, no, nor ever shall be.

In order to see these events take place you need to be in the State of Israel. If you are not then you will be taken into the fifth curse of Lev 26 which is captivity and there you will sit and suffer and watch many others die and maybe even die yourself.

It is after this captivity that those who survive will be brought back to Israel where they will have to flee into the wilderness one more final time for three and ½ years. And they will flee into Moab. But in order to flee there you need to be in Israel.

You have a choice. You can go now or you can be brought back by force after watching thousands die of starvation and beatings and watching them be murdered and raped. Again you get to choose. But look at your spouse and your children before you decide. Because you will not be able to protect them; you will barely be able to look after yourself, if that.

If you consider the coming curses and those you read about in Revelation you will also know that there is coming more severe and more often terrible droughts in which food will be hard to come by. In fact the two witnesses command no rain for three years and during this time while most are in captivity ¼ of the earth’s population will die.

You will need a farm and water supply to survive this three-year period, not to mention the other 3 years when many are in captivity and then the 7 years Sabbatical cycle of war starting in 2017. There will not be any groceries on the shelf during this time for you to buy.

I will write more about this next week. For now consider what is happening to your money here in North America and Europe. And once you understand how it is evaporating right in front of you consider doing something with it that can help you and others. Consider investing it in land in Israel that will produce food in the coming bad times and will keep the Sabbatical years when they come.

Also know and consider what has happened to Australia these past few years with drought and floods, and now England is in a severe drought with water restrictions. Last year the horn of Africa was in the curse of famine and now the west and central Africa is in famine and

drought conditions and millions are in danger. The USA is in constant danger every time a dark cloud comes on the horizon. They are in constant fear of tornados throughout the bible belt or what is known as the Midwest. And in South America Drought has come to Brazil, Paraguay and Argentina. And do not forget how Europe was under severe cold in which thousands froze to death this past winter. Considering all of this, now consider helping us to build this farm.

I have one other report I would like to share. It is about the potential war in the Persian Gulf. Too Many Americans think this is going to be just another route. It did not turn out that way in Iraq or Afghanistan and I have some disturbing information about Iran for you to consider. Again as you do think about the farm in Israel, because the potential price of a barrel of fuel could soon bankrupt most people.

The USA has assembled the most powerful armada in the history of naval warfare-and positioned it just outside Iran's coastal waters.

Most people assume that any fight between Iran and the US will end with the US crushing Iranian forces. But Iran has a strategy for unconventional warfare that could give the US Navy the fight of its life.

No matter how this plays out, oil prices are going a lot higher than they are today. A key reason

Oil isn't already above US \$160 is because investors think the US is invincible in the Strait of Hormuz—which, you will recall, is the narrow choke point through which almost all the Persian Gulf Oil must pass on its way to world markets.

Iran has threatened to block the Strait, if attacked. To keep the Strait open, the Pentagon has put together one of the most formidable armadas in the history of Naval warfare; three nuclear-powered aircraft carrier battle groups.

Investors think this show of force should be sufficient to contain a third-rate military power like Iran—which is why oil prices are within a few percent of US \$110.

But in a war, victory doesn't always go to the strongest—as the examples of guerrilla masters from George Washington to Mao Zedong, from Davey Crocket to Ho Chi Minh, attest.

Although vastly overmatched, on almost every conventional measure of military strength, Iran has evolved a novel strategy that uses unconventional tactics and exploits local geography in a way that's been giving the US admirals a lot of sleepless nights.

One of the key unconventional attack platforms in Iran's arsenal is its swarms of suicide bombers in fast attack boats.

Most of these boats are armed with little more than a couple of sailors with shoulder-fired anti-ship missiles. Some have mounted machine guns, so they can shoot back against US attack helicopters. Lots of them are adapted for suicide missions, with prows backed full of shaped plastique design to detonate on impact with a target vessel.

This may be low tech, but it's extremely effective. In 2000 a single fast attack boat, piloted by Al Qaeda suicide bombers, blew a 40-foot-wide hole in the destroyer USS Cole killing 20 sailors, and coming within a whisker of sinking it.

Being small and fast makes these boats difficult to detect, especially at night, and hard to hit.

Made mostly of fiberglass and riding low in the water, they are extremely difficult to pick up on radar.

Iran's unorthodox strategy is simple. Swarm America's big, slow moving warships with so many fast attack boats from as many different directions at the same time, the US defensive systems become overloaded.

Sooner or later, a few of these Iranian speed boats will get through and blow their targets to kingdom come.

The entire Eastern side of the Strait of Hormuz and the Persian Gulf is Iranian territory. The long coastline is dotted with literally hundreds of fishing villages, small inlets, tiny island, and hidden coves.

Just about any one of them could make a well concealed launch point for fast attack boats with very short time to target travel times.

They also make secure, well concealed launch points for the most feared conventional weapon in the Iranian naval arsenal; supersonic sea skimming anti-ship missiles.

Modeled after the French Exocet and the Chinese Silkworm, these solid fuel missiles fly just a few feet above the water, which means they rarely show up on radar until they are only seconds from impact.

Packed with several hundred pounds of high explosives, these ship killers are designed to punch through the hull of the target vessel right at the water line and then detonate deep inside.

The Strait of Hormuz is only 21 miles wide. Simple arithmetic says a missile traveling at the speed of sound would take less than a minute from launch to strike.

Because the target vessel has only seconds to react, these missiles are essentially impossible to stop. That's precisely why the US naval doctrine has been to stay out of their range. That's fine if you're out on the open ocean. But it's impossible in the narrow, confined waters of the Persian Gulf and the Strait of Hormuz.

Back in 2002, the Pentagon conducted a highly classified US \$250 Million war game to evaluate how US forces might fare in a fight against Iran.

The Exercise, dubbed "Millennium Challenge", was one the largest ever undertaken by the Pentagon. Commanding the "Red Force" was Marine Corps Lt. General Paul K. Van Riper, who studied Iran's unconventional tactics and tried to figure out how they might be used.

See http://en.wikipedia.org/wiki/Millennium_Challenge_2002 for even more details.

For example, instead of radar, which could be electronically observed and tracked by the “blue Force” (representing the US navy), he used his fleet of small fast attack boats as his eyes and ears, to quietly scout US positions.

To keep his communications from being intercepted by US spy satellites and surveillance drones, which would reveal the dispositions of his forces he shut off all radios.

Instead, he used motorcycle messengers to direct his land forces and World War II era light signals to coordinate his naval forces.

These measures enabled him to attack the Blues Force fleet virtually without warning. Using anti-ship missiles and suicide attacks by swarms of fast attack boats, Van Riper’s Red Forces sent one nuclear aircraft carrier, ten cruisers, and six amphibious ships straight to the bottom of the Persian Gulf.

“The Whole thing was over in five, maybe ten minutes,” He later recalled.

Had this been an actual battle instead of an exercise, more than 20,000 Us Sailors would have been killed in what would have been the US Navy’s worst shellacking since the Japanese bombed Pearl Harbor.

Bottom line; far from being able to assure safe transit for oil tankers through the Strait of Hormuz, the US Navy could wind up in the fight of its life if war breaks out with Iran.

Half of the world’s Oil reserves are bottled up inside the Straits of Hormuz. If war breaks out either by Israel attacking Iran or the US attacking Iran, the price of your gas is going straight up.

Here is an editorial from the Trumpet.com for April 12, 2012.

The Last Bubble by Robert Morley

There is a new and dangerous bubble hanging over the economy. It is far bigger than the dotcom bubble. It absolutely dwarfs the housing bubble. And it is far more dangerous than the debt bubble that ignited the Great Depression.

This bubble will blow the 2008-2009 crisis out of the water, economist Peter Schiff recently said.

Schiff is famous for correctly predicting the housing bubble.

But unlike houses, or Internet stocks, this bubble is less obvious at first—even if the dangers are much more dramatic. Millions of Americans are unknowingly living it each day.

Record low mortgage rates: Thank the bubble. Current low tax environment: Thank the bubble. Somewhat functioning government: Thank the bubble. Only 8.2 percent unemployment—thank the bubble. In fact, this bubble is probably the only thing making possible your current standard of living (as high or low as it may be).

But know this: Standards of living are soon going to change all across America—and for the worse.

Analyst Marc Faber agrees that life in America is about to massively change. Known as Dr. Doom for his pessimistic outlook for the country, his latest forecast warned that it is inevitable that “somewhere down the line we will have massive wealth destruction that usually happens either through very high inflation or through social unrest or through war or credit market collapse.”

“Maybe all of it will happen.” Faber got the housing bubble right too.

What is this looming bubble that so worries sane market observers?

Here is a hint. The Wall Street Journal recently reported that the Federal Reserve “purchased a stunning 61 percent of the total net treasury issuance” in 2011.

What this means is that 61 percent of the money the federal government “borrowed” to cover its spending did not come from citizens, big banks, or even our Chinese and Japanese creditors. It was money that did not even exist prior to the government spending it.

This is a huge, startling, and ominous development. The government needed money, so the Federal Reserve simply created it out of thin air and debited government bank accounts. Without this conjured money, the government can't pay its bills. If you or I did what the Federal Reserve is doing, it would be called counterfeiting and we would be thrown in jail. The Fed does it and it is simply called “quantitative easing.” Either way, it is a form of stealing.

But it is actually worse than that.

According to the Journal, the Federal Reserve isn't just subsidizing U.S. government borrowing and spending, but it is more dangerously masking the “rapidly widening gap between [the] Treasury's need to borrow and a more limited willingness among market participants to supply the Treasury with credit.”

People are beginning to shun American debt!

In 2008, foreign nations lent America the equivalent of 6 percent of America's gross domestic product. That number plunged to 1.9 percent in 2011. Similarly, private sector lending to America has fallen from 6 percent to 0.9 percent. It is no wonder that at the end of March, leaders from Brazil, Russia, India, China and South Africa announced plans to create a brics bank to compete with the International Monetary Fund and World Bank. These nations account for approximately 30 percent of the global economy. The purpose of the bank is to facilitate trade between the five nations in their own currencies, as opposed to the U.S. dollar. It is a step toward breaking their dependence on the dollar.

Perhaps this is why Federal Reserve Chairman Ben Bernanke has refused to rule out more money printing even though he says the economy is out of recession. If the Fed were to stop

printing money to “lend” to the government, the government might not be able to find enough willing lenders, at anywhere near acceptable borrowing costs, to finance its deficits.

The Fed is worried that if it stops printing money, the treasury market will melt down. If America can't find enough lenders, interest rates will skyrocket. And the economy will seize up. If rates just return to the 5 percent range (as they were in 2007), almost half of all the money the government collects in taxes would go to paying just interest on the debt. Nobody even contemplates what will happen if rates return to the levels seen during the 1980s—because total financial meltdown would occur before they even got there. But interest rates have been there before—so what is stopping them from returning again?

This is what Schiff and Faber are worried about: The explosion of the biggest bubble in the history of the world—the U.S. government debt bubble. And the resulting end of the financial system as we know it.

Consider America's situation. It has never been more dependent on financial markets to pay its bills. Yet lenders are coming up short.

Since the 2008 crisis, America's national debt has increased by \$5.6 trillion. To put that into context, according to analyst Jim Quinn, it took all the years from 1789 until 2000 to accumulate the first \$5.6 trillion of government debt.

Prior to the crisis, America's yearly deficits never exceeded 4 percent of GDP. Now they exceed 9 percent. In the eight years preceding 2008, the deficits averaged \$190 billion, according to Quinn. Since 2008, they have averaged \$1.3 trillion.

And the debt is piling up. At current spending rates, America's official debt will hit \$20 trillion by 2015. That's if things go well. The official debt doesn't include the \$60 trillion or so the government has already promised but not funded to Medicare, Medicaid and Social Security.

America's debt reckoning may be looming. Analyst Grant Williams notes that in 2012, approximately \$3 trillion, or 30 percent of U.S. debt, comes due. And America doesn't have the money. He says it will be “the biggest refinancing in U.S. history.” But it may also be the beginnings of the end of the government debt bubble.

Either way, with government debt levels inflating rapidly, the risk to America's economy is expanding. Each year America has to not only find more money to borrow, it also has to convince its lenders to relend the money they have already lent.

The government debt bubble is the single most important economic issue facing America today. It is about to affect virtually every aspect of your life, because America's economic system is a debt-based system. When the debt bubble explodes, it will feel like a hydrogen bomb just went off in the economy. It will be the last bubble because it will wipe out everything.

The world will need a whole new economic system.

Get prepared to greatly reduce your standard of living.

You can do it on your own now while it is relatively easy, or it can be forced upon you when the government debt bubble explodes.

We also have this article for you to consider. I am sharing these as they have come up and it just so happened to come along at the same time I was going to ask you to help us get this farm going.

More pension funds will have to cut pay-outs next year. From Holland but no matter where you are you all need to consider this if you are living on a pension now or expect to retire on one soon.

Friday 17 February 2012

At least 20 more pension funds may have to cut pay-outs in 2013, unless the economy improves, according to research by Nos television on Friday.

The Dutch central bank is due to publish a list of pension funds which need to boost their assets to avoid making cuts on Monday.

In January, the central bank said 125 funds would have to take steps to get their finances in order. Among the pension groups which have already said they will cut pay-outs next year are civil service fund ABP, health care fund PMT and the engineering industry funds.

Greece approves tough salary, pension cuts

Updated 2/28/2012 9:01 PM Comments 3

ATHENS, Greece (AP) – Greece’s Parliament late on Tuesday approved new cuts in public sector pensions and government spending required to secure a second package of international rescue loans.

Lawmakers voted 202-80 in favor of cutbacks worth a total €3.2 billion (\$4.31 billion) and aimed at bringing the 2012 budget back in line with targets. Lawmakers from both parties in Prime Minister Lucas Papademos’ coalition, the majority Socialists and the conservatives, backed the legislation.

Earlier, the debt-crippled country’s Cabinet decided to apply recent labor reforms, including deep cuts to the minimum wage, retroactively to Feb. 14.

“It is dramatic to cut someone’s pensions. . . . But why do we have to take these measures? Because our budget is still running at a loss,” Finance Minister Evangelos Venizelos said in Parliament. “We are still adding debt to our debt. And if we do not start to generate a primary surplus next year, that will be catastrophic.”

AMR wants to cut 13,000 jobs, pensions

By Kyle Peterson

Thu Feb 2, 2012 5:52am EST

(Reuters) – AMR Corp, the parent of bankrupt American Airlines, wants to slash 13,000 jobs and terminate employee pension plans as part of a cost-cutting strategy the carrier says is necessary to compete with rivals.

Delphi/GM pension cuts a bitter pill for retirees

By Thomas Gnau, Staff Writer

Updated 1:25 AM Thursday, April 1, 2010

For Delphi salaried retirees, change is here — or it's fast approaching.

In early March, some salaried retirees of formerly bankrupt Delphi began receiving notices that their pensions — now controlled by the Pension Benefit Guaranty Corp. — are being reduced.

Others with certain family situations — such as provisions ensuring that a spouse will receive part of a pension — expect to see their pensions cut soon.

“We’ve moved to a new stage here,” said Den Black , 63, a Piqua native who heads the Delphi Salaried Retirees Association.

For retirees who spent most of their careers working for General Motors — and yet are still classified as Delphi retirees — the cuts are a bitter pill.

Kettering resident Tom Rose, 63, who spent 30 years of his 39-year career with GM, said his pension has been cut by 40 percent.

“I’ll have to go back to work at some point,” Rose said.

Jerry Biersack — a 60-year-old who worked for GM for more than 27 years and Delphi for less than three — is looking at a 25 percent cut. The Beavercreek resident is in the same boat as Rose, expecting to have to find work “to at least offset what I’ve just lost here.”

Last year, Delphi shed health care and life insurance obligations to salaried retirees and released all pensions to the PBGC. That means about 1,000 salaried Delphi employees in the Dayton area must live on reduced pensions while paying their own health insurance.

Salaried Delphi retirees watched as hourly Delphi retirees kept some health benefits and some pension support from GM. They watched as salaried GM counterparts keep full pensions, if not health benefits.

Mary Miller, 59, of Washington Twp., expects to lose more than half of her pension in a few months.

Miller, a former GM human resources manager, is building her own company, MTM Transformation Coaching. She isn’t sure what to expect.

“I couldn’t even live on it,” Miller said of her reduced pension.

In response, the DSRA is suing the PBGC, the U.S. Treasury Department and the federal Automotive Task Force among others to regain full pensions, a benefit for which they worked

decades. A federal judge in Detroit has directed the PBGC to place lost pension amounts in escrow — a move that gives retirees some hope that their case has merit.

“It’s extremely powerful and indicative,” Black said.

Said Rose, “It’s David vs. Goliath here.”

A Washington, D.C., attorney representing the DSRA referred questions to another attorney, who couldn’t be reached for comment.

Existing Pensions Also Will Be Cut

AUG. 27, 2011

By JOHN SEILER

It’s obvious that pensions for future government workers are being cut, and will be cut further. But California state and local governments’ unfunded liability for future pensions now is so large, \$884 billion, that those already retired will see their pensions cut as well. I’ve been predicting this all along during the almost two years CalWatchDog.com has been on the Internet.

Historian and economist Gary North provides a national perspective on that here. Although now located in Arkansas, grew up in California, got his Ph.D. at UC Riverside and long lived in this state. The link is to his Specific Answers site, which you have to pay for. But I’ll provide the gist of his argument.

The California Constitution guarantees that pensions cannot be cut for government workers who already have retired. North writes:

In a time of major economic crisis, which will be the world after the Federal Reserve stops printing money (either before or after hyperinflation), states will renege. A precedent will be set in some state. Then other states will renege. As to whether California does is a political question.

I think it’s obvious California will renege on part of that \$884 billion, an amount equal to the entire state general-fund budget for 10 years.

In a time of major economic crisis, which will be the world after the Federal Reserve stops printing money (either before or after hyperinflation), states will renege. A precedent will be set in some state. Then other states will renege. As to whether California does is a political question.

There will be a deal worked out by unions (weakened) and voters (strengthened). This deal will involve reductions in pension obligations, now coming due. There may not be open bankruptcy and a 100 percent default, although that option is possible. But those retirees who expect full payment will be disappointed.

Politics is the art of negotiation. These negotiations will never end.

CalWatchDog.com's Wayne Lusvardi detailed how high pension fund payments will be for many cities. For Fresno, the "best case" is that, in 2019, pension payments will devour "only" 78 percent of the city budget. The "best case" is there's an economic recovery.

But the "worst case" scenario is that, if the economy continues to stagnate, by 2015 the Fresno budget will consist of 142 percent payments to pensions. Obviously, you can't pay out 142 percent of something, only 100 percent.

But even in the "best case" scenario, 78 percent of the Fresno budget still would be devoured by pension payments, leaving just 22 percent for everything else — police, fire, parks, social services, etc.

North again:

Taxpayers will revolt. If it's pensioners vs. public schools, public schools will win. If it's today's police vs. retired police, voters and today's police will sacrifice the pensioners. If it's today's firemen vs. retired firemen, voters and today's firemen will burn the pensioners' contracts.

Right. A lot of the pensioners don't even live in California because it's so expensive. So they don't vote here.

This News Letter was the result of someone who wrote me to tell me because their pension cheque had been cut in half they could barely make ends meet. This was not how they had planned to live the golden years of their lives. How about you? How will you make it in the years to come? You can invest now or you can hold off and do it alone by yourself. Again you get to choose. Choose wisely.