

US, Europe Will All Default On Their Debt: Marc Faber

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By: CNBC.com

The governments of every developed economy will eventually default on their sovereign debts, including the US, the UK and Western Europe, Marc Faber, editor of the Gloom, Boom & Doom report, told CNBC.

"In the developed world we have huge debt to GDP, in terms of government debt to GDP and unfunded liabilities that will come due," Faber said in a live interview via telephone. "These unfunded liabilities are so huge that eventually these governments will all have to print money before they default."

- [Watch Faber's interview on CNBC](#)

Faber said that emerging economies are much more financially sound on this basis than the developed world, with the exception of Singapore, which has a limited amount of debt and huge reserves.

His comments come amid [talks of a bailout](#) for struggling Euro zone member Greece, which needs to borrow 53 billion euros, or \$73 billion, to cover its deficit and refinance debt that is coming due.



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Dr. Marc Faber

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Faber added that the global stock markets — which have mostly fallen about 10 to 20 percent from their peaks — have begun a correction phase that he expects to continue.

He said he thinks the new resistance level for the S&P 500 will be 1,100, though an oversold market could cause a relief rally over the next ten days.

Still, he said he is "relatively optimistic" about stocks going up, referring to them and precious metals as two of the best safe havens.