

# Killing the Free Markets



## Risk of Capital Controls

*By Martin Armstrong*  
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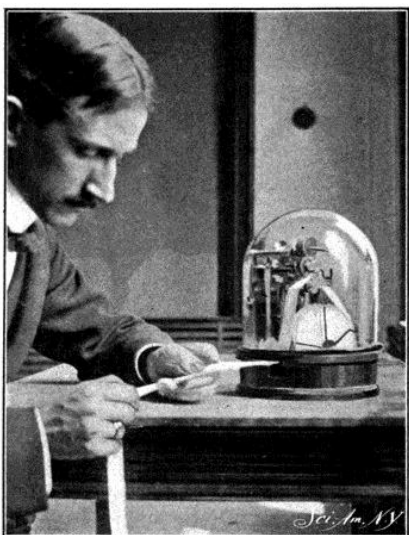
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## Introduction

# Introduction



## UK businesses in frantic race to deal with No Deal

Evening Standard, London, January 3rd, 2019, • Page A54

At the core of all forecasting is the assumption that there will be a free market. For years I have told the story how during the meetings in Europe concerning BREXIT, the Europeans wanted to take trading the Euro away from London. If they were leaving the EU, then why should they be allowed to trade their currency. At the root of that statement was the fear that what if the Euro failed? They saw the fact that the Euro trading in London was outside their power and that was not acceptable.

I would ask them if they were going to also take the trading of the Euro away from Chicago, Tokyo, Hong Kong, Sydney, and Beijing? There was just a dumb look on their face and no reply. I then asked if they were trying to transform the Euro into the modern-day communist version of the Russian ruble? Again, no reply.

## Introduction

Meanwhile, the UK banks were desperately trying to scare the public proclaiming that they would leave London and move to Paris. Of course, that was a bluff. Neither Paris nor Frankfurt had the communication technology to handle the requirements of international transactions. London invested in high-tech and fiber optic which was nearly non-existent in Paris, which ranked 22<sup>nd</sup> on cities for international finance.



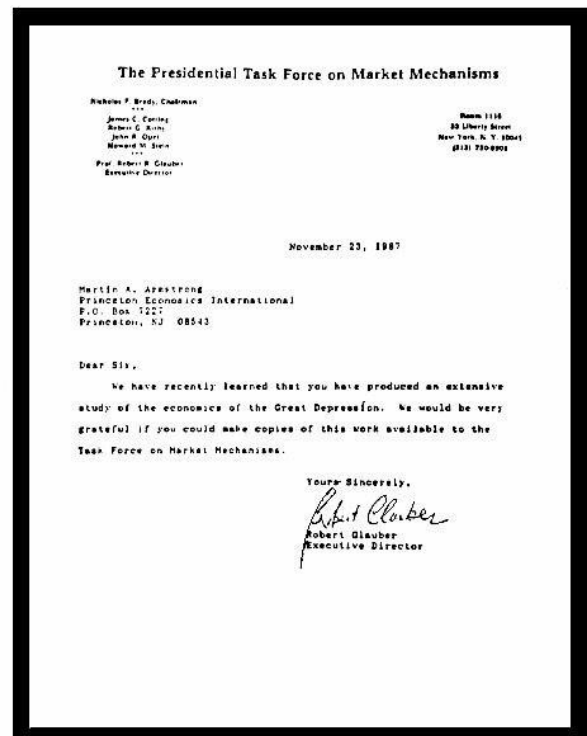
**Plaza Accord - September 22, 1985**

At the root of these discussions was the fundamental idea that government had the RIGHT to intervene in any market if it was moving in a direction OPPOSITE of what they expected or desired. Back in 1985 when they were preparing to create the Plaza Accord to manipulate the dollar lower for trade purposes, I was one of 35 “experts” solicited and that first taught me that such events were always just a dog & pony show. After everyone submitted their 2 cents, they stood up and announced what they were going to do and pretended that they based that upon experts of which NOBODY argued that they should lower the value of the dollar by 40% to reduce the trade deficit.

The entire idea was that governments could ban together and scare the market into doing as they desired was the purpose of the G5 (Group of 5, now G20). I even sat in the room at the Bank of Canada and the phone kept ringing and they refused to answer and said it was the Germans wanting them to buy more DMark and they had enough.



As you can see from the chart, the dollar had already peaked and when the Plaza Accord was announced, it set in motion the decline in the dollar and ultimately the 1987 Stock Market Crash. I had written to President Reagan back then and warned this would end in a crash. The Japanese had bought 33% of the US National Debt trying to ease the trade friction. I further warned that lowering the value of the dollar by 40% would make exports cheaper, but all US assets foreigners bought would also be devalued and they would sell. I was dumbfounded at the sheer stupidity of those in government who create such manipulations with no idea of what they are really doing. When the 1987 Crash came, the Brady Commission had to come and ask for my assistance.





# Finance Heads to Try To Halt Dollar's Slide

PARIS (AP) — The United States and five of its main trading partners agreed Sunday, in a meeting boycotted by an angry Italian delegation, to try to halt the dollar's two-year decline and to boost economic growth.

The agreement was announced at a news conference after finance ministers and central bankers from the six countries met in the French Finance Ministry's ornate offices in the Louvre Palace, next to the famed art museum.

Italy, while not opposing the goal of the agreement, said its boycott was to protest Saturday's behind-the-scenes meetings of finance chiefs of five of the participants — the United States, Britain, France, West Germany and Japan.

The so-called Group of Five nations met to lay the groundwork for Sunday's session, to which Italy and Canada were invited.

U.S. Treasury Secretary James Baker said Italy's action surprised him, but added, "We feel confident it will work itself out in due time."

Baker hailed Sunday's accord and said he had committed the Reagan administration to specific, substantial cuts in the budget deficit and to combating trade protectionism in Congress.

"I'm pleased with the agreement we've reached here today," he told reporters. "These measures ... will foster greater stability of exchange rates around current levels."

The dollar's decline of more than 40 percent against the Japanese yen and the major European currencies since early 1985 had deeply worried those countries, since it made it harder for them to sell goods abroad. It also raised the risk of higher inflation in the United States.

In a joint statement, the six

participating countries said they were committed to boosting world economic growth, controlling inflation and maintaining current exchange rates.

"Further substantial exchange rate shifts among their currencies could damage growth ... in their countries," the statement said. "... therefore, they agreed to cooperate closely to foster stability of exchange rates around current levels."

Nigel Lawson, Britain's chancellor of the exchequer, told reporters the agreement marked an end to a period of exchange rate instability since a Group of Five decision in September 1985 to drive down the dollar.

"Then we were all agreed the dollar should fall, and we acted accordingly," he said. "Now we all are agreed the time has come for a period of stability, and we will act accordingly."



**U.S. Delegation: Paul Volcker, Chairman of U.S. Federal Reserve, top left, James Baker, U.S. Treasury secretary, top right and Richard Darman, U.S. federal bank official, bottom. (AP Photo)**

Some analysts, including Geoff Horton, chief economist at the research firm DRI Europe in London, said they thought the agreement was likely to succeed in holding the dollar's exchange rate near the present level.

"I should think the (currency) market will sit there for a while to digest this," he said. "If anything it will probably go upward."

West Germany pledged to increase by an unspecified amount a planned \$5 billion tax cut in 1988. The United States had been pressing Bonn for this sort of action, saying it will increase West German imports of U.S. goods.

Japan agreed to keep trying to increase its demand for imported goods to cut its huge trade surplus. Finance Minister Kiichi Miyazawa said the government would propose a new "comprehensive economic program" toward this end, but gave no details.

Associated Press - The Town Talk, Alexandria, Louisiana - Feb 23, 1987

## Introduction

Now that foreigners were bailing out of US assets, the dollar was plummeting. Then they held the Louvre Accord which was an agreement, signed on February 22, 1987 in Paris. The aim was to now stabilize the international currency markets and halt the continued decline of the US Dollar caused by the Plaza Accord. The agreement was signed by France, West Germany, Japan, Canada, the United States and the United Kingdom. Italy declined to sign the agreement. This was now a status club and it expanded to the G7.

The G7 meeting of central bankers and finance ministers in Paris announced that the dollar was now "consistent with economic fundamentals." They announced that they would only intervene when required to ensure foreign exchange stability. The objective was then to manage the floating currency system. Democrats gained control of Congress in 1986 and immediately called for protectionist measures. The dollar depreciation agreed to in 1985 at the Plaza Accord, failed to really improve the trade perspective. In 1986, the trade deficit actually rose to

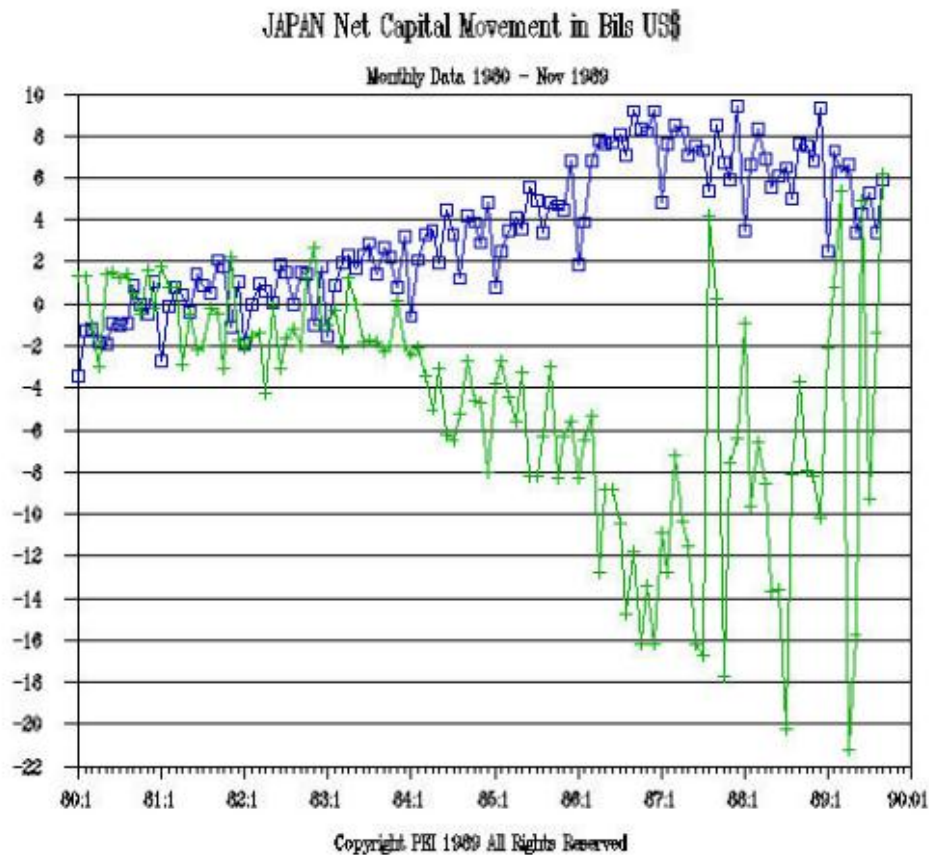


The Los Angeles Times, Los Angeles, California - Dec 13, 1987, Sun • Page 91

approximately \$166 billion with exports at about \$370 billion and imports at about \$520 billion. The object of manipulating currency to try to create jobs and alter trade flows proved to be completely false.

My concerns warning that volatility would increase made back in 1985 were materializing. What they did not understand was lowering the dollar in value also led to a shift in capital flows and the selling of US assets. Foreigners were suffering losses by financing U.S. trade through purchasing United States Treasury bonds in an attempt to ease the trade deficit criticism. We were advising Japanese to buy gold on the New York COMEX, export it, and then resell which would also make it appear that the US exports were increasing. However, the lower dollar was then resulting in the importation of inflation into their own nations. After the 1987 Crash, finally others began to protest against such interventions. Interest rates rose, for the value of the US debt declined in international terms.

## Introduction



We can see that first of all the dollar had already begun a decline prior to the Plaza Accord in August 1985. By the time we arrived at the Louvre Accord, you can also see that the dollar continued to decline. The attempt to manipulate the foreign exchange markets proved beyond the capacity of the G5 which had been expanded to G7 and today is now G20. We can see the capital flow data between the USA and Japan began to move in early 1984 establishing the trend that nobody seemed to pay attention to at that moment.

The price action of the dollar clearly proves that the central banks lacked the power to truly influence the markets. The trend had begun prior to the Plaza Accord and it continued to decline following the Louvre Accord. When the dollar continued to decline post-Louvre Accord, then suddenly **CONFIDENCE** in the ability of central banks and the government to actually control the free markets totally collapsed. That is what then led to the 1987 Crash for international investors suddenly saw the governments could do nothing to control the markets.

# Misinformation & Money



Currently, we are hearing arguments back and forth with each side pointing the finger at the other and alleging a campaign of misinformation. Historically, there is the great misinformation battle that has been wages since the late 19<sup>th</sup> century against bankers which have spun such wild tales that the misinformation has indeed, made the truth totally obscure and as a result, it distorts our view of what is really going on to this very day. This has been the case particularly about the Federal Reserve and central banks in general while throwing in the Rothschilds for good measure.

In my research reading the old newspaper accounts to put my mind in the context of the period, I stumbled upon an article about what was known in the 1890s as the "Hazard Circular" which appears to have been a fraud. The article simply reported as fact that this "circular" had been written in 1862 and sent to Congress. From the Bank of England. There are no surviving copies in Washington which is absurd. It was supposed to be a letter from "the creditors" of the United States, circa 1862, to every bank in New York and New England in addition to Congress. The contents of this letter, which is not signed or known from any executive at the Bank of England. But is known simply as the Charles "Hazard Circular" which was purported to be the agent to hand decliner it from England.





This "Hazard Circular" was clearly one that was biased against paper money. This is especially contradictory when in fact the Bank of England was issuing its own paper money decades before the United States federal government since 1835. The circular simply derives its name from a Mr. Charles Hazzard who is claimed to be this agent of the capital and banking interests in London. The full letter reads as follows:

*Slavery is likely to be abolished by the war power, and chattel slavery destroyed. This I and my European friends are in favor of, for slavery is but the owning of labor and carries with it the care of the laborer, while the European plan, led on by England, is capital control of labor by controlling wages. THIS CAN BE DONE BY CONTROLLING THE MONEY. The great debt that capitalists will see to it is made out of the war must be used as a measure to control the volume of money; to accomplish this the bonds must be used as a banking basis. We are now waiting to get the Secretary of the Treasury to make this recommendation to Congress. It will not do to allow the "greenback," as it is called, to circulate as money any length of time, for we cannot control them, but we can control the bonds, and through them the bank issue.*

*Chas. Hazzard.*

I could find no mention of this letter before 1886 and nothing in the Library of Congress. This letter is supposedly advising the Americans to issue debt rather than paper money. This appears to be simply made up since England was issuing its own paper money and the lack of any copy in the historical archives. It is noted in the rare book: *The Anarchists of Wealth: an exposure of the plot of the Red-Shield (Rothschild) to destroy a republic* by Gordon. Clark publish by Nonconformist Pub. Co. 1895, which was simply anti-capitalist during the period of rising Marxist theory.

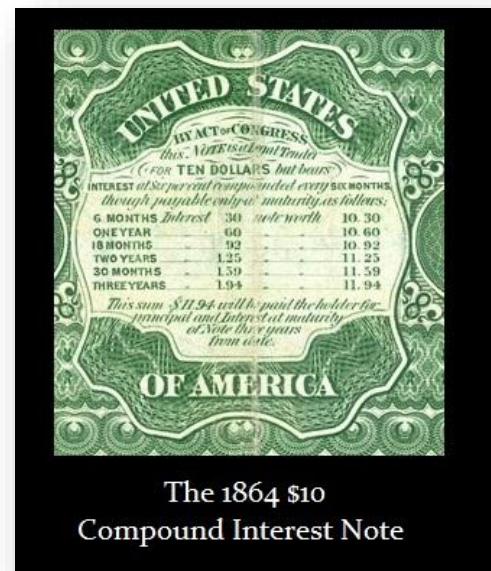


There is a historical connection between President Abraham Lincoln and the Rothschilds. In times of war, every country in history has abandoned the gold standard so that had nothing to do with advice from the Rothschilds. Interest rates also rise during war because there is a “political” risk to lending to governments, princes, or kings in time of war. That was even a golden rule of the Medici’s and when later generations violated that rule, the Medici bank failed.

The Rothschild’s demanded a war premium to lend Lincoln gold. They did not do so because they wanted the North to lose. That is a total fabrication as well. When Lincoln turned and began to issue interest bearing currency from the start in 1861 paying 7.3%, he was in fact creating circulating bonds. The currency on the reverse had an interest schedule stating what the note was worth at specific times. They even issued compound interest notes. Clearly, the

idea that Lincoln was issuing only paper money with no backing was an obvious bias interpretation of events. Moreover, the Rothschilds made an offer for a loan which was rejected. Therefore, this “Hazard Circular” appears to be entirely just made up to support an anti-capitalist argument during the rise of Marxism.

Eventually, Lincoln also issued “Demand Notes” and others known as “Legal Tender” notes. These issued did not pay interest nor were they redeemable in gold. Therefore, this series became known as “greenbacks” for when you flipped it over on the reverse there was no interest payment schedule, just green ink.







Once more, we have another fabricated piece of misinformation regarding the “legal tender issues” that was alleged to have been written in the London Times:

***“If that mischievous policy, which had its origins in the North American Republic, should become indurated down to a fixture, then that Government will furnish its own money without cost. It will pay off its debts and be without debt. It will have all the money necessary to carry on its commerce. It will become prosperous beyond precedent in the history of the civilized governments of the world. The brains and the wealth of all countries will go to North America. That government must be destroyed, or it will destroy every monarchy on the globe.”***

This quote appears to be fabricated. The earliest date found was in an advertisement for the Cincinnati Enquirer that appeared in other newspapers in 1898 and 1899, e.g. The Daily Times (Portsmouth, Ohio), Oct. 20, 1898, pg. 7. Again, this is during the rise of Marxism and anti-bankers/capitalism. This is where the rise of a new political party, Socialist-Labor Party, was field candidates even in local elections for mayor. They were using the pubs to solicit members.





Mayer Amschel Rothschild  
(1744 – 1812)

There is another fabrication with a quote that once more is just made up. It is attributed to Mayer Rothschild (1744–1812) that arrogantly says:

**“Let me issue and control a nation’s money and I care not who writes the laws.”**

This popular quote is often repeated. Many will directly quote this from the book *“The Creature from Jekyll Island”*, written by G. Edward Griffin (born November 7, 1931). Once more, I cannot find this quote anywhere else further demonstrating my point that this book is way too biased and not indicative of what really took place.

This quote actually makes no sense, for the real story of history is he who makes the rules, owns the gold. The Rothschilds were bankers and did not coin the money. Even the Bank of England began issuing notes in 1835. Before that, there were paper money being issued by individual states in the US during the 18<sup>th</sup> century. The famous quote of Rothschild makes no sense on top of the fact the first time it appears is in the book *“The Creature from Jekyll Island”*.

Furthermore, the bank that failed in Austria, setting off the Sovereign Debt Crisis and the real depths of the Great Depression, was Credit Anstalt – a Rothschild’s bank. It did not matter who coined the money. Credit Anstalt was forced to absorb another bank that failed and those bad loans. It was a shotgun wedding by the Austrian government that the bank objected to and so the government arranged for a secret loan in London to finance the deal. Eventually, economics always prevails which then took down Credit Anstalt. Since the conspiracy theories back then placed such a presence upon the Rothschilds, the failure was taken as far worse than a simple “normal” bank.



Credit Anstalt - 1931 Austria



Therefore, it appears when there are really outrageous quotes and claims centered around economics and money, we must be cautious to ensure that such things are actually true and not manufactured to sell a biased point of view.

Yet today, we are confronted with an information battle that is designed to divide



society and anything that disagrees with the current narrative is labeled "conspiracy theory" so they do not have to address an intelligent response. What is clear is that everything is being misrepresented and in many cases in both directions by both sides.

Claims that all the vaccinated will be dead in 2 to 3 years seems to be drastic and would make

little sense for this to be deliberately imposed by governments on government employees. That would certainly shrink government and doing that to the military and police would strip them of the very power they need to keep control.





Then again, there is this push to reduce the population and to bring CO2 to Zero. This information war on both sides has reached insane levels. The best way to fight your opponent historically was to forge their currency in order to undermine the confidence in their monetary system and reduce their ability to fund a defense. The

Germans counterfeited the British pound currency as a key effort to win the war.

Today, some of the most outrageous claims that the vaccines are timebombs and they will depopulate the world may be deliberately set in motion without proof to discredit any resistance to the agenda.



What is very clear is that the vaccines, cryptocurrencies, and the whole Great Reset are of one purpose. They keep people divided by arguing over vaccines and COVID passes when the true end game is to impose a complete authoritarian new world order that eliminates even our right to vote to decide the nature of the world we are to live in.

This is not about vaccines. This is all about using the vaccines as the means of total control and to reduce international travel. In fact, the objective is much the same as the Stasi of East Germany. They would love to prevent travel even between LA and New York. Why? Their greatest fear is that the freedom of movement also



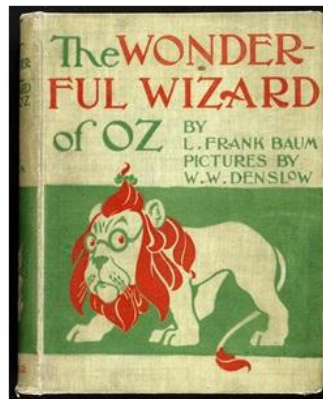
allows the freedom of assembly and that can lead to civil unrest and then revolution.

During the Panic of 1893/94, an Ohio businessman Jacob Coxey led a march to Washington demanding employment. The idea was that the government should provide jobs in such times of economic distress. That idea was eventually taken up by Roosevelt during the Great Depression in 1935.

Nonetheless, the First Amendment guarantees the right to freedom of assembly. The way government always gets around everything is calling their response was



Lyman Frank Baum (1856–1919)



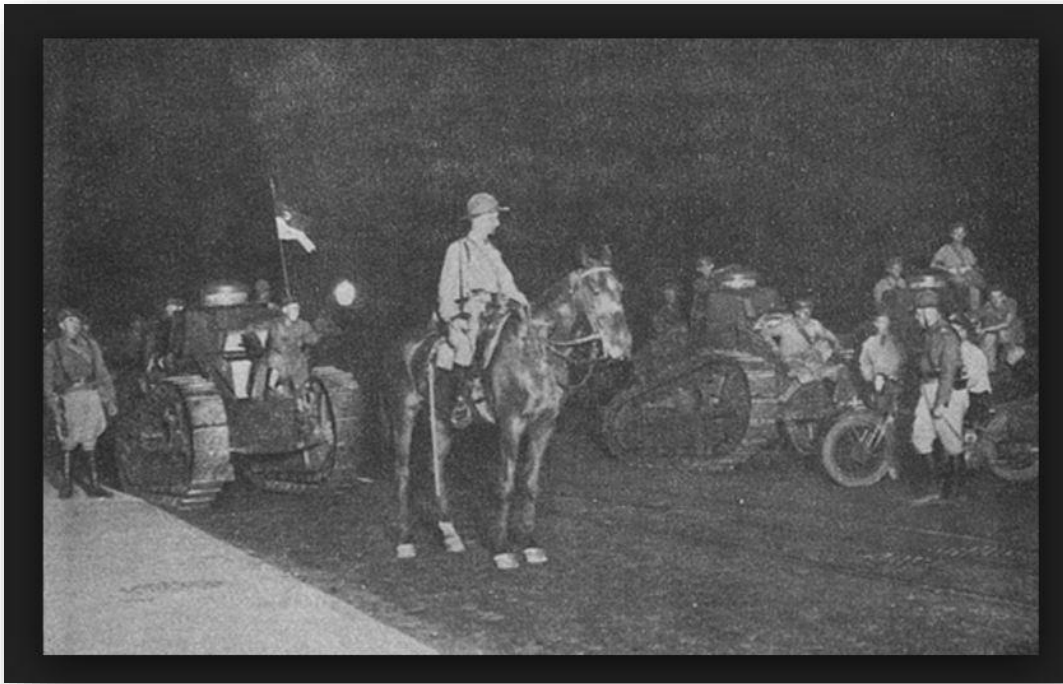
First Edition 1900

based on some other violation. In this case, they arrested Coxey for walking on the grass to end the protest. This was the event that led to the satire,

Nevertheless, it was this event that became the "Wizard of Oz." Lyman Frank Baum (1856–1919) was impressed by

this movement. Off to see the Wizard was Washington. The Tin Man was industry, the Scarecrow agriculture, and the Cowardly Lion was William Jennings Bryan. The Yellow Brick Road was the gold standard. It was hoped to persuade Congress to authorize a vast program of public works, and restore the repealed **Sherman Silver Purchase Act** to increase the money supply – the 19th Century version of Quantitative Easing that virtually bankrupted the USA. This movement was all about financing a substantial increase in the money that was being circulated to provide jobs for the unemployed.





Interestingly, four intervals of 8.6 years from Coxey Army march on Washington in 1894 that brings us to the Bonus Army march on Washington of 1932 when 43,000 demonstrators occupied Washington. Many of the war veterans had been out of work since the start of the Great Depression. The World War Adjusted Compensation Act of 1924 had awarded them bonuses in the form of certificates. However, these certificates could not be redeemed until 1945. Each certificate, issued to a qualified veteran soldier, bore a face value equal to the soldier's promised payment with compound interest. The veterans demanded payment now when their families were starving.



What impacted the elect of 1932 was the treatment of the veterans. They called in the military and tanks actually rolled down the streets of Washington DC.







To the shock of most people, the Army Chief of Staff at that time was, General Douglas MacArthur, who commanded the infantry and cavalry supported by six tanks against the protesters many of who had their families with them.

The second in command was Eisenhower, who later was the hero of World War II and became President. The remaining protestors, who were claimed to be mostly communists, were driven out and their shelters and belongings

burned. It was vital to strip the people of their dignity and to label them as “communists” to justify military going against the veterans. This same process is employed today. Calling anyone who resists the narrative is a “conspiracy theorist” and thereby is stripped of all dignity and that makes it easier to shoot and kill such people when the time comes for, they “deserve it” as will be cheered by their opposition.

# Protecting the Euro



Indeed, there is an underlying fundamental to the Euro that does not exist in the US or even the Canadian dollars. In Europe, a weak currency reflects upon the performance of the politician. That does not exist in the United States or even Canada. If the Euro fell to 20 cents against the dollar, it would be interpreted as the failure of the European Union. So, currency has taken on a much more political role in Europe than anywhere else. For this reason, the greatest danger to the free markets in Europe is that the politicians are still of the mindset that a decline in the Euro is a vote against the European Union experiment.

I have told the story of how I went to lunch with the CEO of one of the biggest Swiss banks in Geneva. I was going to open our first office overseas in 1985 and I knew there was underlying American resentment in many places throughout Europe. I had a list of various names we came up with like European Advisers or something like that. I ran a few by him to ask his opinion and he stopped me. He then asked me to name one European analyst in foreign exchange. I was embarrassed because I couldn't. I apologized and said I'm sure there were, but just never met any.

## Protecting the Euro

He laughed and said there were none. If he was British, he was also bullish the pound. The same with the French or Germans. He then explained to me why everyone used my firm. He said you do not care if the dollar rises or falls. We became the largest FOREX adviser because the analysts who worked for banks could never take a bearish position on their currency it was politically incorrect to do so.

For you see, European politicians always used the rise in their respective currencies as the proof that they were doing a good job post-World War II. The currencies were all starting over, except the British pound. If the currency rose in value against the dollar, that meant they were doing a good job. No American politician could ever use that argument because the dollar was just the dollar to the average American. Nevertheless, American politicians have typically viewed the currency from a trade perspective. Even Trump accused China of manipulating its currency for trade purposes which was not true.





This desire to control the free markets has still not vanished. They may learn their lesson for a brief time, but politicians also come and go and they do not simply inherit the knowledge of the previous politicians. By 1997, 10 years following the 1987 Crash, Robert Rubin was at it again trying to talk the dollar down for trade purposes.

I wrote to the Secretary Rubin on May 20, 1997 warning once again not to take that policy that led to the 1987 Crash. Timothy Geithner, who later became Secretary of the Treasury under Obama, responded ***"it is always useful to be reminded of history."***

The Asian financial crisis hit much of East Asia and Southeast Asia beginning in July 1997. I was then invited by the Central Bank of China to help during that Crisis which again dealt with currency.

When they were designing the Euro, I warned that the structural design was a complete disaster. The eminent collapse of the Euro was pre-determined by the disastrous design from the outset. Instead of accepting responsibility and altering the mistakes that would require political reform, we are in a position where Europe is simply moving into the realm of beyond all hope and has been compelled to adopt the Marxist policies of Klaus Schwab and his World Economic Forum.

From the outset, when planned the creation of the Euro, they sent the commission to our World Economic Conference in London back in 1997. They took the entire back row of both aisles. I laid out the problems and explained that ONE SIZE DOES NOT FIT ALL. I warned that the only way to create a world currency required the consolidation of member states' national debts into a new European National Debt.



**Helmut Kohl**

**(1930 – 2017)**

*Chancellor of Germany (1982 – 1998)*

## Protecting the Euro

I was told that they did not think the voters would accept that and they were going to introduce the currency first and then look at that for Phase II. Of course, Phase II never came. The real problem was clearly Germany. Most people failed to understand that the most important economy within Europe denied the right of its people to ever vote on joining the Euro.



### The Creation of the Euro



Helmut Kohl  
(1930 - 2017)  
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What most people do not realize is that creating the Euro was never submitted to the German people to decide. Helmut Kohl (1930-2017), Germany's former chancellor, admitted that he acted like a "dictator" to create the Euro. Kohl said:

*"I knew that I could never win a referendum in Germany," he said. "We would have lost a referendum on the introduction of the Euro. That's quite clear. I would have lost and by seven to three."*

Helmut Kohl (1930-2017) was very much an elitist and he too saw that if he allowed the German people to vote on the idea of joining the Euro, he would lose. Hence, he pushed it through and admitted he acted like a dictator. This is now the very same tactic they are employing to push the **Great Reset** upon Western Society wiping out jobs and changing our future forever, all to retain power for politicians.

Arguing climate change demands we have a one-world government with the United Nations at the helm, they have been using the Covid SCAM to restrict movements in order to prevent people from banning together to overthrow the politicians.

This is the agenda and the very fact that people call it a conspiracy theory proves they are just part of the agenda to deny the people the right to even know what is really taking place.



## Protecting the Euro

Now European leaders have figured this out and this is why they are against a free market for how dare it have the audacity to disagree with their goal. The problem faced around the world is the perpetual tendency to borrow year-after-year with **ABSOLUTELY** no intention of ever paying off any debt. They have reached the point of no return and we are now confronted with their mismanagement and the only way to hide that is through more usurpation of power.



The **ONLY** possible solution where we retain our human and constitutional rights, is where we stop the government borrowing and stop the federal taxation. Like the Roman Empire which had no national debt for 1,000 years and a tax rate that

would jump to 3% during periods of war, government should simply create money to pay its expenses and that should be capped at no greater than 5% of GDP.



Just print the money to service the operation of the government and stop the need to perpetually bail out banks because they will no longer be needed to sell the debt for the government. That will be less inflationary than the current system.

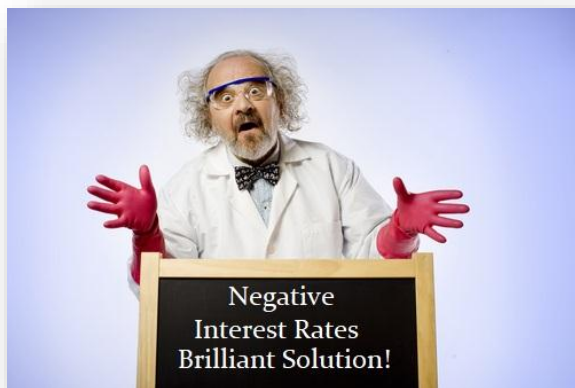
This is the problem when we have politicians that have made it their career but have no practical job skills to run a country no less even a small business. They do

## Protecting the Euro

not grasp HOW the economy functions so how in this world are they qualified to run it? The greater mystery of life, is why do these types of people feel they have the right to even run something they will never understand? I suppose they are just delusional and egotistical to pretend they are qualified to do at least something other than sweep floors and pick up your trash in the morning.



The Repo Crisis emerged in 1999 because of this structural design flaw of the European Union that has placed the entire world at risk of a financial disaster beyond all proportions of the 2007–2009 Financial Crisis. Due to this structural crisis in Europe, there is nothing external international central banks can do to prevent this crisis, no less manage the fallout. The EU's position of not bailing out banks caused American banks to refuse to do business in the REPO market with Europeans. That forced the US Federal Reserve to step in and fill the gap left behind American bank withdrawals.



We face a global contagion never witnessed before in economic history. Governments really did not begin to create national debts with no intention of paying off those debts

until post-World War II. This is why they are turning to the World Economic Forum and their Communist 3.0 Agenda 2030.

## Protecting the Euro

Monetary policy of central banks has collapsed thanks to their experiment with Negative Interest rates. They are no longer able to even pretend to use Keynesian Economics to stimulate the economy. After nearly 8 years of negative interest rates in Europe, they have created insolvent pension funds, insolvent social programs, and destroyed their bond markets.



**Ursula von der Leyen**  
*President of the European Commission  
since December 1, 2019*



**Christine Lagarde**  
*President of the European Central Bank  
since November 1, 2019*



**Kristalina Georgieva-Kinova**  
*Chair & Managing Director of the  
International Monetary Fund  
since October 1, 2019*

The EU is now fully in the control of Schwab and his World Economic Forum. All the key players are now, or have been, on his board of trustees. Hence, any hope of independent reform in Europe is just not possible. Europe is the epicenter of this financial crisis and they have adopted Schwab's agenda right down to forced lockdowns, forced vaccinations, and the end of the freedom to travel if you refuse to be vaccinated.





# Changing Trading



Learning to trade has always been an art. Your number one problem has been fighting against your own emotions. Blaming other people for your losses is the sign that you are not cut out to be a trader. You learn from your mistakes, never from your victories. Yet trading is also a feeling. I believed sound was one thing that opened the door in my mind to trading.

I was told I had the last Trans-Lux paper ticker-tape in the country when they came to remove it from my office. I was devastated. Yes, I also had a screen. But the flashes never told you much about what was really taking place in the trading pits.

Trans-Lux would no longer support that service. The paper tape did two things that have been lost to trading. First, when the



## Changing Trading

market would be normal, you would hear tick after tick. But when something is happening, suddenly the tape would sound like a machinegun and I would turn to see what was happening.

The second benefit of the tape was that I could look at the trades I missed which you could not do in a screen.



Yes, I used to do my charts by hand in the 1970s. When the screen appeared in the '80s, I still kept my paper tape. Charting by hand also taught me how tick by tick trading really functioned. I could see how many ticks would move up v down. The patterns were fascinating.

I believe it was the sound also helped me learn to trade. I would just get a “feeling” or sixth-sense so to speak. You could smell the “blood” on the floor by the tape, as they use to say in a panic.

Trading in the pits was like playing poker. You had to read the faces around you and get a sense if they were bluffing or not. That was the real trader environment. You had to know when to press and when to fold. Indeed, the lyrics of the song Gambler by Kenny Rogers was clearly written by someone who knew the game.



## Changing Trading

Indeed, the words to that song, the Gambler, also applied to trading. You indeed had to know when you were wrong and when to fold just as when you were right and it was time to press. If you blame other people for your loss, you will never be a trader. You can see something coming and there should be no real surprises.

Even racing cars, you have to “feel” everyone around you. The slightest move will indicate what they are thinking. You have to be prepared and having that feel for what everyone is doing around you will make you a good driver.

Like most fields, if you really loved what you do, you would be the best at that field. Trading was the same. You have to get that “feel” for what it is all about.

There used to be a floor broker in the gold pit in New York. He was Onie Morrison and was the biggest “local” trader. There would be times when Onie was trying to push a market through the stops. He was famous for doing flash offers and would quickly turn his head. I was short one time I think 2,000 lots. I told my floor brokers, the Irish, to just wait for Onie and as soon as he would do his 1,000-lot flash, say done.

Sure enough, at the low of the day, Onie came out and offered a 1,000. My guy said “done” and Onie flashed 1,000 against and he said “done!” Then I bid for 1,000 and then the market took off to the upside. That was how trading was done in live market sessions during the ‘70s to ‘90s.

He said, “Son, I’ve made a life  
Out of readin’ people’s faces  
And knowin’ what the cards were  
By the way they held their eyes.  
So if you don’t mind my sayin’  
I can see you’re out of aces  
For a taste of your whiskey  
I’ll give you some advice.”

So I handed him my bottle  
And he drank down my last swallow  
Then he bummed a cigarette  
And asked me for a light  
And the night got deathly quiet  
And his face lost all expression  
Said, “If you’re gonna play the game, boy,  
You gotta learn to play it right.

You got to know when to hold ‘em,  
Know when to fold ‘em,  
Know when to walk away,  
And know when to run.  
You never count your money  
When you’re sittin’ at the table.  
There’ll be time enough for countin’  
When the dealing’s done.



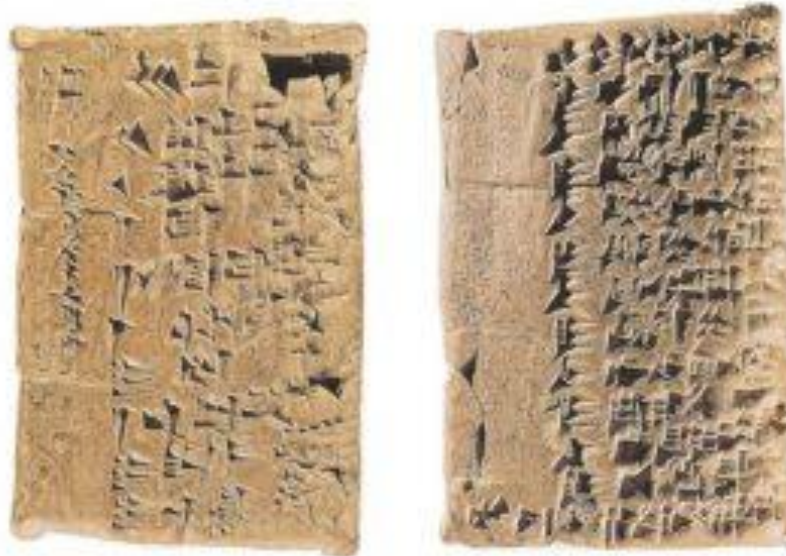
With pit trading closing and moving to electronic, we are losing a lot. I fear the next crisis for there will be even less liquidity with people only looking at screens. It will lack the “feeling” and the smell of blood on the floor to know when the trend will shift. Of course, when they ended paper tapes, that also ended the ticker-tape parades.

For you see, back in 1998, the Guardian reported how computers were changing trading and that floor brokers would become extinct. That forecast was correct.

Obviously, this meant that any trading exchange had to have the best high-tech communications system and that really was confined to London. All the exchanges were seeing the same trend of moving away from the open-outcry on trading floors. With respect to BREXIT, no place in continental Europe would be able to replace London. It was a culture of traders who had the “feel” for markets that could not simply be transposed to Paris, Brussels, or Frankfurt.



# Free Markets & Economic Growth



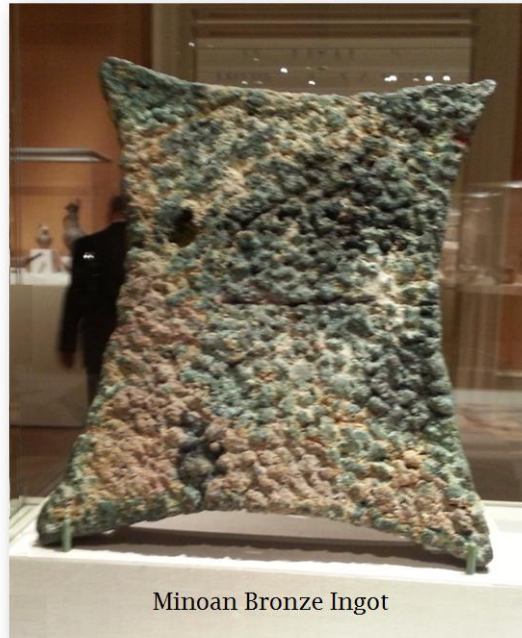
19<sup>th</sup> Century BC Contract to make a Future Delivery of Wooden Object & silver

The free markets have not always been free. Historically, the greatest civilizations that have risen to the top have been those that allowed free markets. Only such societies that embrace free markets experience the rise in innovation that expands the economy and blossoms into higher living standards for all. Most people have no idea that the oldest recorded futures market existed in Babylon during the 19<sup>th</sup> century BC. There are surviving clay tablets recording a contract for the future delivery of commodities.

We must always be mindful to look at history in context. One tablet of a court case where someone bought the home and the previous owner took the front door. Wood was very rare and the front door was valued at more than the mud-brick house.







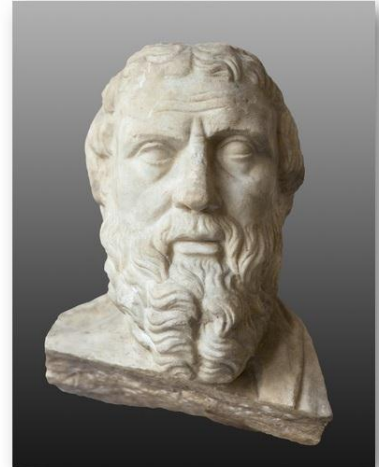
Only those societies that developed financial markets ever rose to greatness. This is incredibly important to understand. The sea was a defense and a source of food for the Ancient Minoans. The sea was also the key to the great success the Minoans had as traders.

Yes, the Phoenicians and others on the mainland had successful trading enterprises, but sea trade was easier and cheaper. Roads were still primitive, and land traders had to deal with rough terrain. Land trade required more expense in labor, pack animals, and especially time. The Europeans went in search of a sea route to Asia during the Renaissance for good reason, but the Minoan had their own very profitable sea trade routes in the Mediterranean several thousand years before Columbus sailed west to the Americas.

The Minoans traded throughout the Mediterranean. Evidence suggests they traded extensively with Syria, Asia Minor, and Egypt. The Minoans even traded at least as far west as the island of Sicily.

The biggest exports from Crete were probably olives, olive oil, and grape products. Farming on Crete only allowed the Minoans to support themselves, but the land also allowed for sheep herding and therefore a profitable trade in the export of wool. And don't forget wood. The forests of Crete would have been a valuable source of wood for export to the deserts of Egypt and Southwest Asia.

The Minoan Empire (2000–1100BC) was a society that expanded economically also because they were traders. In the process, they played a vital role in the transfer of ideas and technology creating what became the Bronze Age. In their dealings with the civilizations of the Near East, the Minoans also picked up technologies that they took home with them. As Minoan influence spread throughout the Aegean and the mainland of Greece, they spread the new technology of Bronze. Thus, the diffusion of these ideas to the Europe was accelerated much more than it would have been otherwise all because they were traders. That was what was missing from Communism and why Marxism failed because it focused on exclusively the material wealth rather than human rights, talent and the evolution of societies. Herodotus (484–425BC) made a reference to the rise and fall of civilizations pertinent to the concept of capital flows:



Herodotus (Ἡρόδοτος)  
(c. 484 - 425BC)

*Herodotus, Histories 1:5*

*"For many states that were once great have now become small; and those that were great in my time were small before. Knowing therefore that human prosperity never continues in the same place, I shall mention both alike."<sup>1</sup>*

When Herodotus had written this observation, it was about 2,000 years after the rise and fall of the Sumer Empire (c. 3500–3000BC) which is the earliest known civilization in the historical region of southern Mesopotamia. This was followed by the Akkadian Empire c 2350BC by Sargon the Great in Mesopotamia which prospered during the Bronze Age. Civilization in its primeval state was already at least 6,000 years before Herodotus. It was ancient history to him even the Greek Heroic Age when Evander entertained the stranger of Troy (c 13<sup>th</sup>–12<sup>th</sup> century BC).

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1

<http://www.perseus.tufts.edu/hopper/text.jsp?doc=Perseus%3Atext%3A1999.01.0126%3Abook%3D1%3Achapter%3D5>





Winged human-headed bulls  
Guardian of Assyria at Nimrud

The relics of the glory of civilization still littered the landscape during the age of Herodotus like the gates to Nimrud and the human-headed winged bulls of the Assyrians. The Assyrian Empire lasted about 1420 years. There was the Old Assyrian Empire (2025–1378 BC), Middle Assyrian Empire (1392–934 BC) and Neo-Assyrian Empire (911–605 BC) before it collapsed into the dust of history.

Then there are also the gates of Babylon which were still ancient sites to be seen at the time of Herodotus. The earliest mention of Babylon in any written document discovered dates back to the reign of Sargon of Akkad, during the 23rd century BC. It became the center of

empire under Hammurabi (c. 1780BC) and again under Nebuchadnezzar II (605–562BC). Fabled for the beautiful hanging gardens are those of Babylon. Again, they were fabled for trade and indeed this is where we have the first documentation for a futures contract. Babylon eventually fell to the Persians in 539BC and was absorbed into the Achaemenid Empire.



Gates of Babylon - Berlin Museum

History is most clearly delineated by the fancy of Homer (c 750BC) and later by Herodotus (484–425BC). Athens was but a solitary thicket during the Age of the Hittite Empire which existed for over 800 years from 1600 BC to 700 BC. Even the temples of Asia Minor (Turkey) had long been crowned with the gold of Lydia Empire (1200–546BC) which coinage was first invented during the 7<sup>th</sup> century BC.



KINGS of LYDIA (Alyattes – Kroisos)  
Circa 620/10–550/39 BC  
EL Trite – Third Stater (13mm, 4.70 grams) Sardes mint

But those temples were overthrown and the gold would be pillaged by Cyrus the Great. The wheel of Fortune had continually made its revolution, and the armies of Alexander the Great would conquer the world about 100 years after Herodotus.



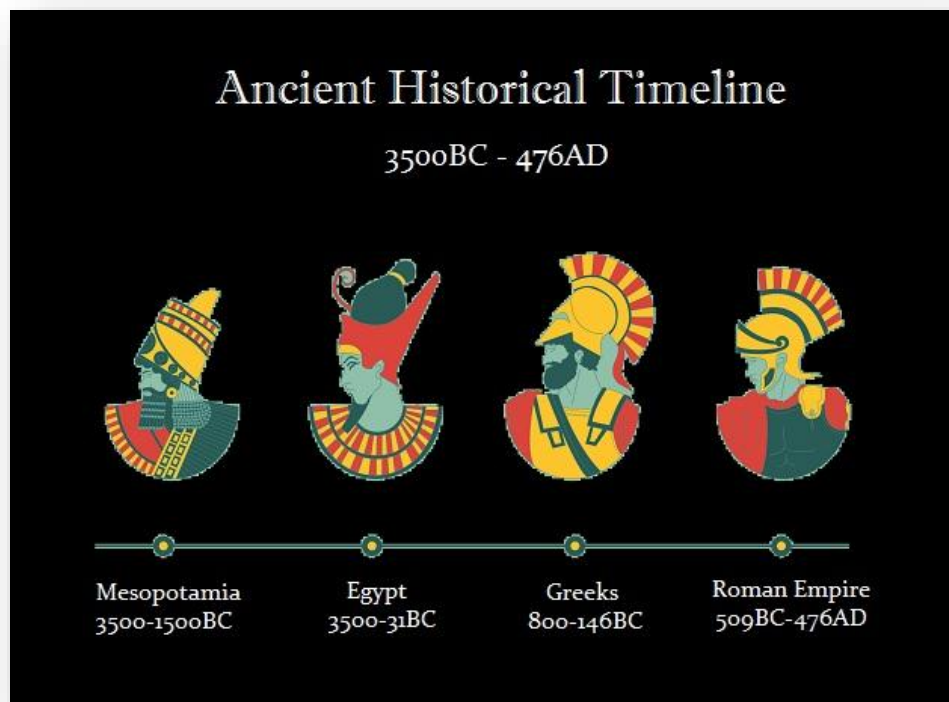
Old walls of Knossos near Heraklion. The ruins of the Minoan palaces

The ruins of the Minoan Empire (2000–1100BC) were already nearly 700 years before Herodotus. The old walls of Knossos near Heraklion and the ruins of the Minoan palaces are the largest archaeological site of all the palaces on the Mediterranean island of Crete. They were destroyed by the eruption of Thera around 1650BC, leaving the remains that are also known as the island of Santorini.



Minoan Bronze Ingot Resembling Sheep Skin  
*circa 1400 - 1000 BC*

At the time of Herodotus, coins were a comparatively modern invention just a little over 200 years old. Before that was simply the Bronze Age, where the Minoans used ingots of bronze in trade cast in a sheepskin shape, which was the common standard of monetary unit of exchange in the Greek world before Bronze.



Indeed, in studying history I was fascinated by the rise and fall of so many great empires as was Herodotus. Each assumed they were all powerful and would last forever. I could see the rise and fall was indeed inevitable but what jumped out was that they expanded greatly with free markets. With more regulation that came in and suppression of free trade, the corruption became an internal cancer that eats away at these empires from within.



**Legal Code of Ur-Nammu**  
(circa 2100BC)

There was a major find that took place because of the Gulf War. The bombing uncovered a city previously lost. The library surfaced on the Black Market. What made this find so valuable was that it contained the legal code predating Hammurabi who academics teach was the first legal code. Here we have the Legal Code of (ca. 2100 BC) which is the oldest known written law code that predates Hammurabi's law code by about 300 years.



## Free Markets & Economic Growth

A private collector saved the cache, Martin Schøyen, and paid for the translation. Schøyen's private efforts have contributed greatly to our knowledge base as government funding for translation never seems to be provided. When the Legal Code of Hammurabi (ca. 1792–1750BC) was first discovered in 1901, his laws were heralded as the earliest known examples. Subsequent to that discovery, older collections of legal codes have been unearthed. There are even older Babylonian copies of the Legal Code of Ur-Nammu (ca. 1900–1700 BC).

Clearly, even debt cancellation or forgiveness actually was a tradition that began under Sumerian rule in Mesopotamia. The Jewish tradition appears to have been adopted from the Sumerian. Do not forget that Abraham came from the Sumerian city of Ur, located in southern Iraq today. Therefore, he would have grown up with that tradition.



What the legal code of Hammurabi contains is also wage and price control. Additionally, it requires that all contact between people must be recorded. We would not have seen everything specified as to its value unless there have been wild swings in market prices and people who tried to escape verbal contracts.

Therefore, Herodotus died about 20 years before the fall of Athens itself in 404BC to Sparta. His perspective of the empire that came before him is about the same as our view of ancient Athens during his lifetime. The Athenian Empire collapsed in



**Athens 455-339BC AR Tetradrachm "Owl"**

404BC, and the public and private edifices that were founded for an eternity of Athens and all the empires before his time still lie prostrate, naked, and broken, simply the limbs of a once-great mighty empire which lies in ruins as a visible reminder that political states also die just as any biological lifeform.





# Shutting Down Free Markets



**Mithra Sacrificing the Bull**  
*the Zoroastrian angelic divinity*

Politicians throughout history have often attacked the free markets when they have gone against the desires of the state. Edward I (1272–1307AD) of England borrowed heavily from the Jews. The first Jewish communities of significant size came to England with William the Conqueror in 1066. When Magna Carta was signed in 1215, the Jews were excluded from all rights.

In 1218, England became the first European nation to require Jews to wear a marking badge, which was later adopted by Adolf Hitler. When Edward I could not repay them, he suddenly discovered they were Jews, and banished them from England in 1287. Edward ordered English Jews expelled and seized all their property while all outstanding debts payable to Jews were transferred to the King's name.

In 1938 in response to the Great Depression, following the creation of the Securities and Exchange Commission in 1935, they implemented what became known as the short-sale "uptick" rule. It didn't outlaw short selling but slowing it down was the argument. Under the rule, short sales essentially were allowed only when the

## Shutting Down Free Markets

preceding trade was made at a higher price, on an "uptick." The idea was to prevent cascading downward pressure on stocks that could lead to manipulation. But throughout the 1930 investigation, when they summoned everyone asking what were their trading positions, they did not discover any huge short-player. They dragged in everyone from Rockefeller on down and they all lost money. Despite rumors of bears being caught in the rally, later Senate investigations illustrated that the rumors of large bear raids were without substantial evidence. Most of the famed operators had lost vast amounts of money from playing the long side.



**Herbert Hoover**  
(1874 - 1964)  
(President 1929 - 1933)

But when representative government becomes angered, it will burn down the barn to get a rat out of it.

*memoirs p-130-131*

Nevertheless, despite the lack of any evidence of a consortium of bears that were behind the Great Depression, nothing was ever found. Herbert Hoover (1929–1933) apologized for starting the investigation that proved false. Still, the idea that shorts caused the crash led to the SEC imposing that "uptick" rule for political purposes so they appeared to be doing something. The SEC eventually abolished that rule. The agency insisted that the financial markets had evolved sufficiently, with better regulatory oversight and transparency, to render the rule unnecessary.

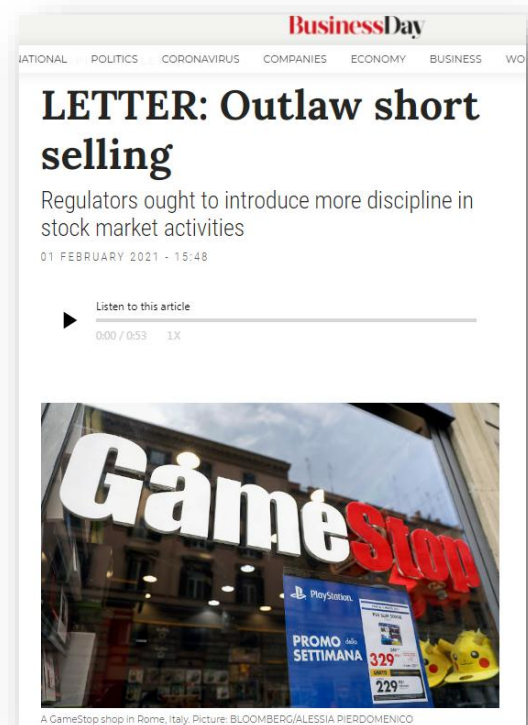
Even in the more recent 2007–2009 Financial Crisis, the US intervened and outlawed short-selling on banks stocks as Goldman Sachs feared collapse. The European banks were in much worse shape than their US competition. Deutsche Bank appeared to be in the worst shape than any other American or European bank.



The Independent. London, Sept 19, 2008, Page 4

The reason being argued in Europe was that the US government imposed a ban on speculation after the financial crisis. In London, the FSA also banned short-selling of bank stocks on September 19, 2008. The US authorities ended their ban on October 9, 2008. Many Europeans still claimed that this is why US banks survived. These same experts now want to outlaw short selling on banks stocks in Europe permanently. You can't have a free market and then ban shorts. In a panic, they are the **ONLY** people who will buy to take a profit.

It truly was astonishing to hear hedge funds and key Wall Street establishment joined by mainstream media accusing retail traders for causing a short-squeeze in GameStop stock whose share price jumped more than 1,900% in about 8 weeks. The media was calling it a "financial riot" It was as they say the pot calling the kettle black.



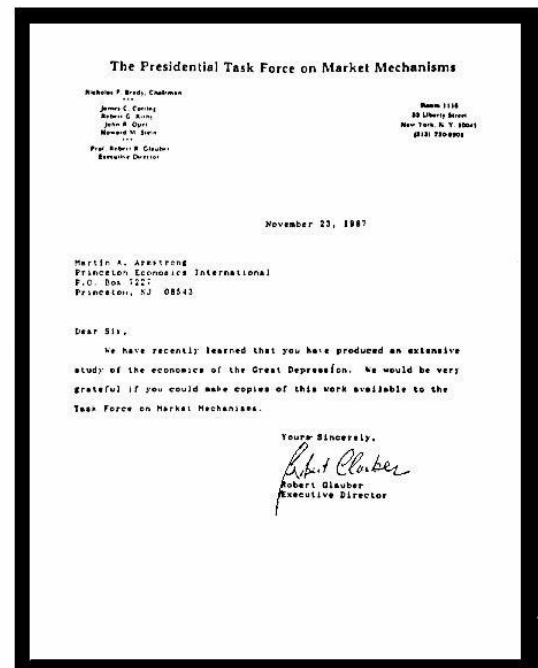
Indeed, throughout history, short-sellers have been blamed for just about all the worst failures in the world's financial markets. There have been company executives like Elon Musk who have accused them of driving down their company's stock prices. Governments have temporarily halted short selling to help markets recuperate and there are always calls to eliminate short-selling with every crash since 1907. Some governments have even gone as far as proposing criminal actions against short sellers. This has all been part of the problem when you have non-traders at the helm of agencies who have no idea how markets work.



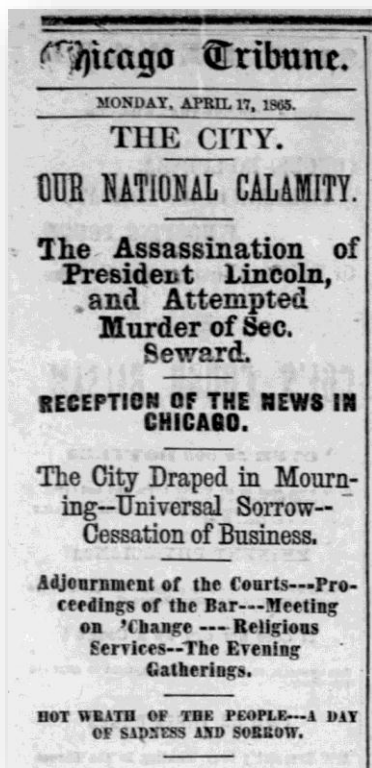
Star Tribune, Minneapolis, Minnesota - Oct 27, 1929

Far too often people are not prepared to listen to real professionals who look at the world as a whole. The week after the famous Crash of October 1929, John F. Sinclair of Brookmire Economic Service, New York, was engaged in forecasting. He was keeping an eye on international capital flows back then. He commented for the newspapers telling everyone that the crash was facilitated by foreign selling of US equities.

Likewise, during the 1987 Crash that was set in motion by the Plaza Accord and the formation of the G5 (Group of 5) who declared they wanted the dollar to decline by 40%, set in motion the panic when they later held the Louvre Accord in Paris to try to stabilize the FOREX markets. When the dollar continued to decline, they lost all confidence







of the investors and then the collapse in equities unfolds because of the fear the dollar would drop another 40%. Foreigner dumped US assets driven by the decline in value of the currency. Then too the cry was for action and the Brady Commission imposes circuit breakers which were minimal but gave the public the idea that they at least did something.

The first closure of all the various exchanges from the New York Stock Exchange to the Chicago Board of Trade, all closed in mourning for the assassination of President Abraham Lincoln and the attempted assassination of his closed aid Secretary Seward on April 14<sup>th</sup>, 1865. The New York Stock Exchange had closed for one week following the assassination.

Following the outbreak of the Civil War in 1861, however, the New York Stock Exchange suspended trading in securities of the seceding Southern states. Indeed, war has always provided a crucible of

human behavior, debt, money and prices that reveal the true hidden mechanisms that underly the economy. The Confederate experience during the American Civil War from January 1861 and April 1865, an excellent display of such interactions, The Lerner Commodity Price Index of leading cities in the Eastern Confederacy increased from 100 to over 9000. The Confederacy floated two small loans in Europe during the American Civil War: cotton bonds in London and unbacked, high-risk "junk bonds" in Amsterdam. These two loans accounted for less than one percent of Confederate military expenditures during the war. Price inflation overall in the Confederacy ranks second only to the American Revolution in U.S. history.<sup>2</sup>



<sup>2</sup> Money, Prices, and Wages in the Confederacy, 1861-65  
Eugene M. Lerner, Journal of Political Economy Vol. 63, No. 1 (Feb., 1955)





### Panic of 1873 & Closure of the NY Stock Exchange

For the first time in its history, the New York Stock Exchange shut down in response to a financial panic. The market closed for 10 days following the collapsed of Jay Cooke & Company Bank, which was unable to sell enough railroad bonds to meet other obligations. Jay Cooke was the first primary dealer. He had set up an organization using the railroads to create a client base for bonds. So, when the American Civil War began, the federal government turned to Jay Cooke to sell the bonds for the union to fund the war. So, he was seen as the Goldman Sachs of his day.



Jay Cooke (1821 - 1905)

The Panic of 1873, so far as it resulted from the economic contraction, had its main origin abroad, not in America, so that its subordinate causes were generally looked upon as its sole occasion; yet these causes were important. The shocking destruction of wealth by reckless speculation, of course, had a contributing effect. During 1872 the balance of trade was strongly against the United States and with the German's abandoning silver as legal money following the United States and Britain, silver exports also collapsed.

## Shutting Down Free Markets

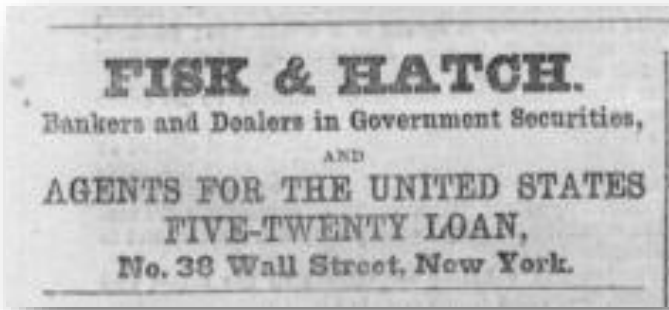
The circulation of greenbacks helped fund a post-Civil War boom in reconstruction and then continued expansion of railroads. The postwar economic boom expanded credit of individuals, corporations, towns, cities and States. As far too often, "conservative" investors believe wrongly that bonds are safer than equities. Hence, much of the profits and wealth was funneled into the railroad bonds. To a lesser extent, bonds of mining companies were also popular and some daring individuals would venture into the risky manufacturing industries that were starting to rise during the early stage of the Industrial Revolution. When the debt bubble burst, everything crashed and burned.



North Pacific Railroad Company  
Jay Cooke Trustee

In the course of the summer of 1873, cash began to be hoarded and interest rates consequently began to rise. In August 1873 there was a partial corner in gold, but this was broken by a government sale of \$6,000,000 worth of bullion. In September 1873, panic struck when the suspension of several large banking houses in New York took place. Among them, was Jay Cooke & Company. Cooke had invested heavily in the construction of the Northern Pacific Railway, which ended up being suspended on September 18th, 1873. When news of this event hit the floor at the Stock Exchange, a virtual stampede of the brokers went into panic mode. They surged out of the Exchange, falling over each other in the absolute confusion. There were rumors the weeks before that Jay Cooke might be in trouble.

## Shutting Down Free Markets



The following day, September 19th, 1873, Fisk & Hatch, a very conservative firm founded in 1862 and was also a key primary dealer in federal debt, was also suspended. Harvey Fisk (1831–1890) founded the firm with Alfrederick Smith Hatch (1829–1904) who later

became the President of the New York Stock Exchange from 1883 to 1884

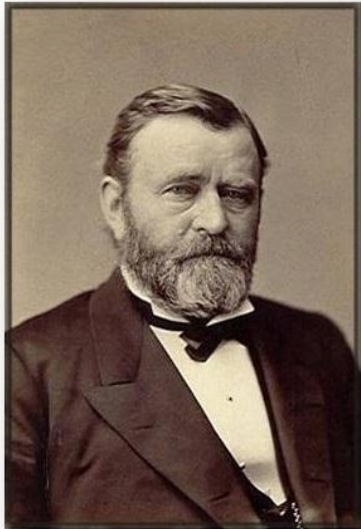
The two highly respected firms were viewed as the mighty cream of the crop so to speak. The crowd was simply bewildered. How could this happen? All the brokers' offices were filled with people frantically watching every tick. It was about 10:30AM when the Fiske & Hatch failure was announced in the Stock Exchange. There was at first utter silence; then yells and cries filled the air so loud the roar could be heard out on the street. The news of the failure ran like wildfire into the street and through the mob.

September 19<sup>th</sup>, 1873 became the second **Black Friday** in American financial history following the Panic of 1869. Never since the original Black Friday had the Street and the Stock Exchange been so frantic when the local government had to call in the militia back in 1869.

Early in the panic some brokers began to sell short the railroad stocks. Many fell between 10% and 40% in a single day. The best names all went down, "New York Central," "Erie," "Wabash," "Northwestern," "Rock Island," and "Western Union." The Bulls were scrambling to borrow for margins, but credit dried up contributing to the panic.

In the Exchange, eighteen names were read off of brokers who could not fulfill their contracts. Now brokerage houses were failing. Many hoped that the end of the session would be the end of the panic. The New York Stock Exchange did not open for Saturday which was a normal trading day back then on September 20<sup>th</sup>. Indeed, the panic was intense and the failure of so many brokers and bankers in a single day led to the first historic closure of the New York Stock Exchange in history. It did not reopen for 10 days until the 30th of September.

## Shutting Down Free Markets



*Ulysses S. Grant (1822–1885)  
18th President of the US (1869–1877)*

On Sunday morning, September 21st, 1873, President Grant and Secretary Richardson of the Treasury, went to New York, spending the day in anxious consultation with Vanderbilt, Clews, and other prominent business men.

Many now blamed the Secretary of the Treasury Richardson, arguing that he vacillated when he should have provided instant cash. In all, some \$13,500,000 in five–twenty bonds were bought, and a few millions of the greenbacks which Secretary McCulloch had called in for cancellation were set in motion to inject cash into the system – quantitative easing. Treasurer Richardson, beyond that, did not announce any policy of ongoing assistance. The cash was simply hoarded for that is always the case during such contractions.

On the September 25th, 1873, the U.S. Treasury ceased buying bonds to inject cash into the system. But without confidence, people simply hoarded the cash. The efforts to inject cash to increase the money supply simply did nothing.

It was at this moment when Jay Gould, who was involved in creating the first **Black Friday** during the Panic of 1869, stepped up to buy. He bought during the low prices several hundred thousand shares of railroad stocks, principally of the Vanderbilt stripe, and in this way when people saw **WHO** was buying, confidence began to return marginally and the panic began to subside.

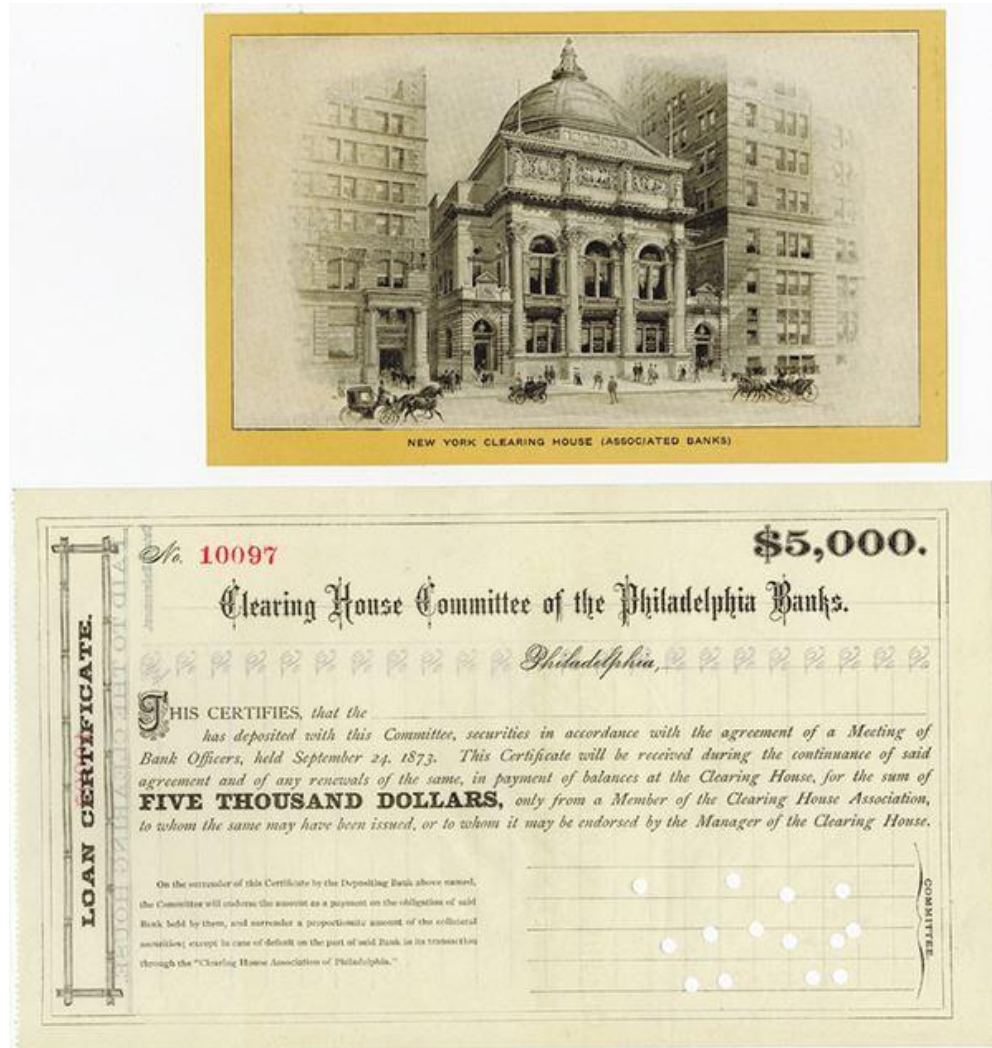


**Jay Gould (1836–1892)**

The national banks of New York pooled their cash and collateral into a common fund, and placed this in the hands of a trust committee at the New York Clearing House, which had been founded on October 4th, 1853.



## Shutting Down Free Markets



The New York Clearing House then issued loan certificates that were receivable at the Clearing-house against this collateral. These certificates were absorbed like cash and could be used to pay off debt balances. Ten million dollars' worth of these certificates was issued at first, but the sum subsequently doubled. This Clearing-house paper served its purpose admirably. It was the first example of "elastic money" for the certificates were creating a fungible certificate backed by assets of stock certificates.

By October 3rd, 1873 confidence had been returned and \$1,000,000 of these certificates were called in to be canceled. The next day, another \$1,500,000 more of these certificates were recalled. In the end, not much of this issue was outstanding very long. The Clearing-house scheme was successfully applied also in Boston, Philadelphia, Pittsburgh and other cities, but not in Chicago. It was said that nearly 10,000 businesses failed.

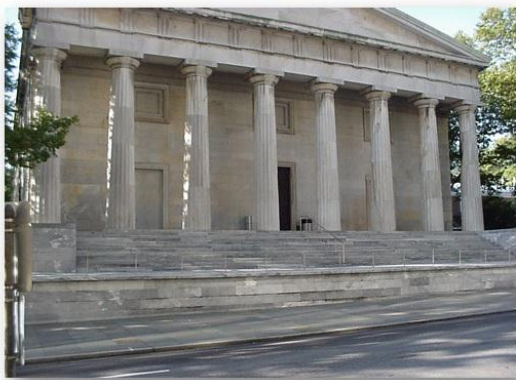
## Shutting Down Free Markets



**First Bank of the United States 1792**

It was the Panic of 1873 that also set in motion the movement of the financial capital of the United States from Philadelphia to New York City. Philadelphia was the location of the Bank of the United States which was the closest thing to a central bank during the 19<sup>th</sup> century. This is also where Jay Cooke & Company was a U.S. bank that operated from 1861 to 1873. Headquartered in Philadelphia,

Pennsylvania, with branches in New York City and Washington, D.C. Anyone who has been to Philadelphia can see Chestnut Street which was banker's row. They were all on the same street for that is where the Bank of the United States was located.



*Second Bank of the United States chartered 1816 ceased to exist in 1836*

To this day, you can go to dinner on Chestnut and Walnut Streets at many fine restaurants that were once banks. The first hit came with the Panic of 1837 and the

Sovereign Debt Default by states during the 1840s. So, when the Panic of 1873 hit taking down the most famous Philadelphia banking house, Jay Cooke & Co, this truly set in motion the shift to New York City which was accelerated by J.P. Morgan.

## Shutting Down Free Markets

With the collapse of Jay Cooke & Company, the field opened. The next man to fill that role was none other than J.P. Morgan, who also began in Philadelphia. J.P. Morgan moved the financial capital of the United States to New York City. It was from there that he organized the famous gold loan for the United States during the Panic of 1896 bailing out the US Treasury. That is why New York is New York and Wall Street replaced Chestnut Street.



**John Pierpont Morgan**  
(1837-1913)

## World War I

# 1914 THE GREAT WAR



The time that the New York Stock Exchange closed was the World War I in 1914. On June 28<sup>th</sup>, 1914, Austrian Archduke Franz Ferdinand was assassinated in Sarajevo. The markets took the event in stride. The Balkans seemed to end in crises during the previous three summers. There was just a lot of hatred there which the markets ignored. There was no real perception of a risk of war.

That risk began to surface when Austria belligerently delivered an ultimatum to Serbia on the evening of Thursday July 23<sup>rd</sup>. There was an immediate international scramble for

liquidity for as always, there were those who had knowledge that war was about to unfold. They began dumping of assets and the withdrawal of credit began to also hit. The continental bourses began to implode and this led to bank runs.

Ironically, the world economy was well integrated and was truly global then it has been up until COVID. Russia, for example, would issue a bond that was listed on



## Shutting Down Free Markets

the stock exchanges in London, New York, Paris, Berlin, Amsterdam and St. Petersburg. Differences in exchange rates between countries could be arbitrated by buying and selling bonds in different markets. The declaration of war on July 28<sup>th</sup>, 1914, and in the days to follow, most major bourses closed in concert: Montreal, Toronto, Madrid, Vienna, Budapest, Brussels, Antwerp, Berlin, Rome, St. Petersburg, Paris and throughout South America. London, the world financial center, closed on July 31, 1914. Such was the global interconnectivity of interests. In the United States, Baltimore, Boston, Chicago, Cincinnati, Columbus, Detroit, Indianapolis, Philadelphia, Pittsburgh, St. Louis, San Francisco and Washington, all voted to close along with the NYSE. Never before had all of Europe's major exchanges closed simultaneously.

It was the interconnectivity of the world that actually FORCED the closure of the markets. For example, the US was still the emerging market and foreigners owned more than \$4 billion U.S. railroad stocks and bonds when the war began. About 75% was in the hands of Britain. The Bank of England had just experienced a run on gold and lost \$52.5 million in days. This is what Malaysia failed to understand during Asian Currency Crisis of 1997. When foreign capital decides to leave, you have a domestic panic. Well, in 1914, it was a global panic.

In London, the foreign exchange and money markets began to break down early in the week beginning Monday July 27<sup>th</sup>. Then by Friday the 31<sup>st</sup>, the London



Friday the July 31st, the London Stock Exchange, closed for the first time in its 117-year history

Stock Exchange, for the first time in its 117-year history, shut its doors in the midst of what was clearly unfolding as a serious liquidity crisis. The shock to the street was staggering with brokers milling around on Throgmorton Street trying to make heads or tails out of how we could be going to war over an assassination in Sarajevo.

This event led to a month of failed diplomatic maneuvering between Austria-Hungary, Germany, France, Russia, and Britain which ended with the onset of the Great War, as it was originally called.

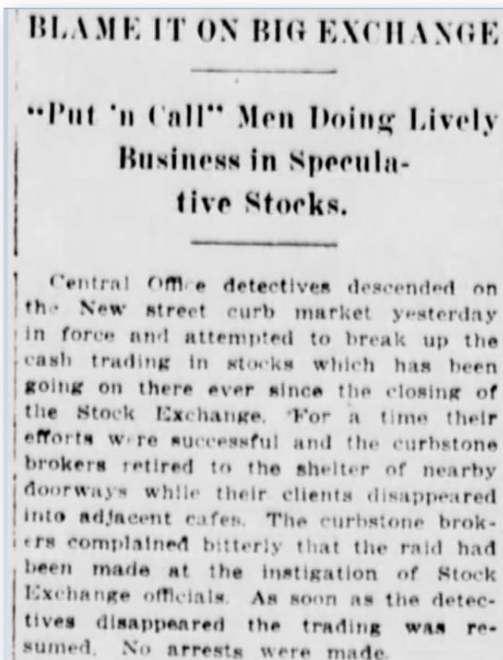


## Shutting Down Free Markets

When Austria-Hungary declared war on Serbia on July 28<sup>th</sup>, that then caused Germany and Russia to mobilize their armies on July 30<sup>th</sup>. Russia then offered to negotiate rather than demobilize their army, Germany declared war on Russia on August 1<sup>st</sup>. Germany then turned and declared war on France on August 3<sup>rd</sup>, followed by Germany invading Belgium on August 4<sup>th</sup>. England then declared war on Germany mobilizing its troops and Europe was officially engulfed in war.

The financial markets immediately responded because of the global interconnections. Every major European exchange closed as well as many of the exchanges outside of Europe and politicians were ignorant of what would happen in the financial markets. The solution was just shut everything down. This same level of interconnectivity exists once again today. Such a global event will FORCE the exchanges to close if the confrontation is very diverse compared to World War II

In the United States in 1914, there was a four-month suspension of trading on the New York Stock Exchange following the outbreak of World War I. The suspension that began on July 31, 1914 fostered a substitute trading forum called the **New**



The Sun, New York, New York - Aug 11, 1914 Page 13

**Street Curb market.** Trading on New Street Curb began almost immediately providing liquidity in securities without the risk of massive outflows of foreign liquidators. The police at first began to raid the traders by early August, but no arrests were made.

The same emerged in food markets. In fact, it was this period of 1914 to 1918 that created New York City's wholesale and retail public market system. The price of four soared on the news of war jumping in price by one third. The Major launched a Food Commission to investigate the issue, which led to establishing a network of four retail markets where farmers and wholesalers could get stalls rent free to sell food direct

to consumers.

### Bank of England tells ministers to intervene on digital currency 'programming'

Digital cash could be programmed to ensure it is only spent on essentials, or goods which an employer or Government deems to be sensible

By Tim Wallace  
21 June 2021 - 6:24pm

The emergence of the bid-ask spreads on New Street Curb Market demonstrates that a “black market” or off-exchange markets will always form which is why they are trying to create a digital currency today that they can restrict what it can be used to buy or sell.

In 1914, even currency flows between nations took place with lightning speed. The first to establish international ability to move money rapidly and securely was the Knights Templar. With branches around all of Europe and into the Middle East, you could take 1,000 florins to the branch in Paris and ask to transfer it to Constantinople. The physical money did not move, only an instruction to the branch in Constantinople to make the payment. By the time of the Napoleonic wars, the ability to move money in that fashion was to some extent reestablished by the Rothschilds.



By 1914, however, cables stretched across the oceans of the world, and money as well as stock orders could be telegraphically sent in a matter of minutes. It still requires a network like the Knights Templar so large-scale banks could have offices in all the major financial centers thereby facilitating rapid movement of capital. Trades in bonds and equities could take place in minutes internationally. Thus, simultaneous closures of exchange were critical in a new global economy.



From looking at the prices of shares trading on the **New Street Curb market** during the closure of the New York Stock Exchange, it appears that the decline from the close of the exchange took place over the course of 15 weeks into the week of November 2<sup>nd</sup>, 1914 reaching 50.70 (theoretical Dow) basis the Curb before a low was reached. The market then began to rally and this encouraged the idea that the NYSE could reopen which it did by December 12<sup>th</sup>. With Europe torn apart by war. They began to understand capital flows were no longer to be feared that there would be a mass exodus from the United States. They began to comprehend that instead, a massive capital flight to the USA was unfolding as capital fled Europe.

The NYSE did reopen trading for bonds only under restrictions as of November 28<sup>th</sup>, 1914 since the government needed to raise money. The San Francisco Stock and Bond Exchange reopened on December 1<sup>st</sup>; and then the NYSE resumed trading at pegged prices on December 12<sup>th</sup>. Since the tanks were running around Europe and not the USA, it was quickly realized that the US became an arms dealer and food supplier and that meant profits for domestic stocks. By 1916, the Dow rallied to 110 more than doubling from the November low of 1914.



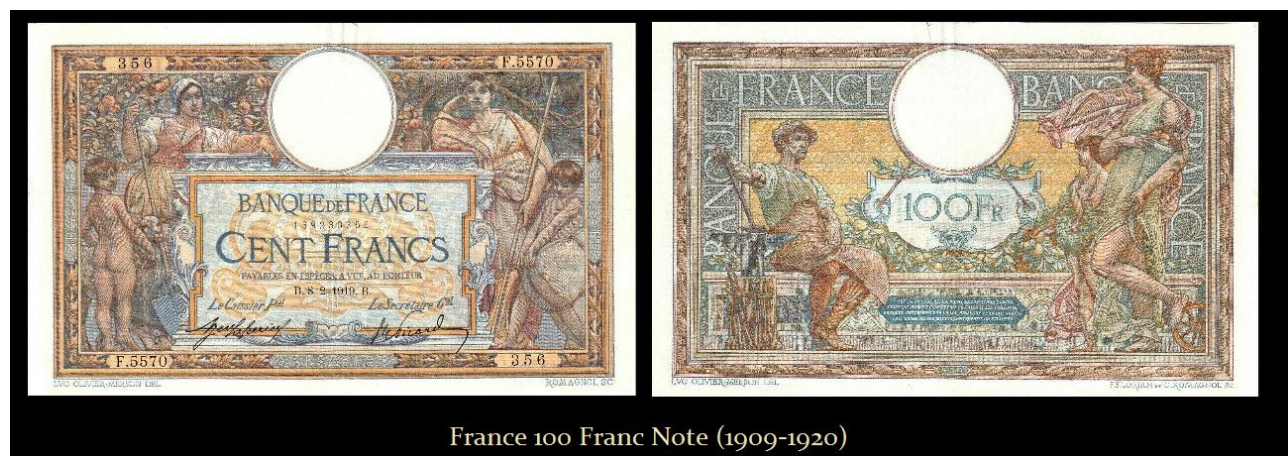
## Shutting Down Free Markets



Paris Bourse (Stock Exchange)

### The 1914 Closure of European Exchanges

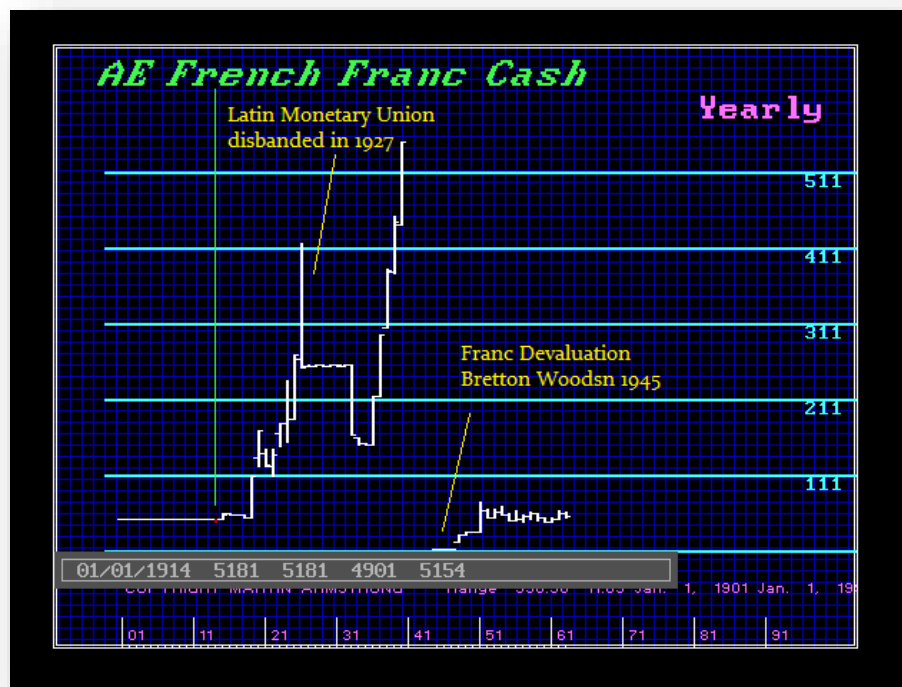
In Europe, the problem of preventing the capital flows from rushing around with every military engagement, they came up with the idea of simply passing a law that it was illegal to trade a stock below a fixed floor price with respect to where they had traded on July 31, 1914. The government also placed restrictions on capital flow. They blocked international wires to prevent capital from flowing out of the country for the duration of the war. Those who had all their assets in French francs lost almost everything.



France 100 Franc Note (1909-1920)

The outbreak of World War I caused France to leave the gold standard of the Latin Monetary Union, which was established in 1865 and disbanded in 1927. It was a pre-Bretton Woods system based upon the ideas of Napoleon.



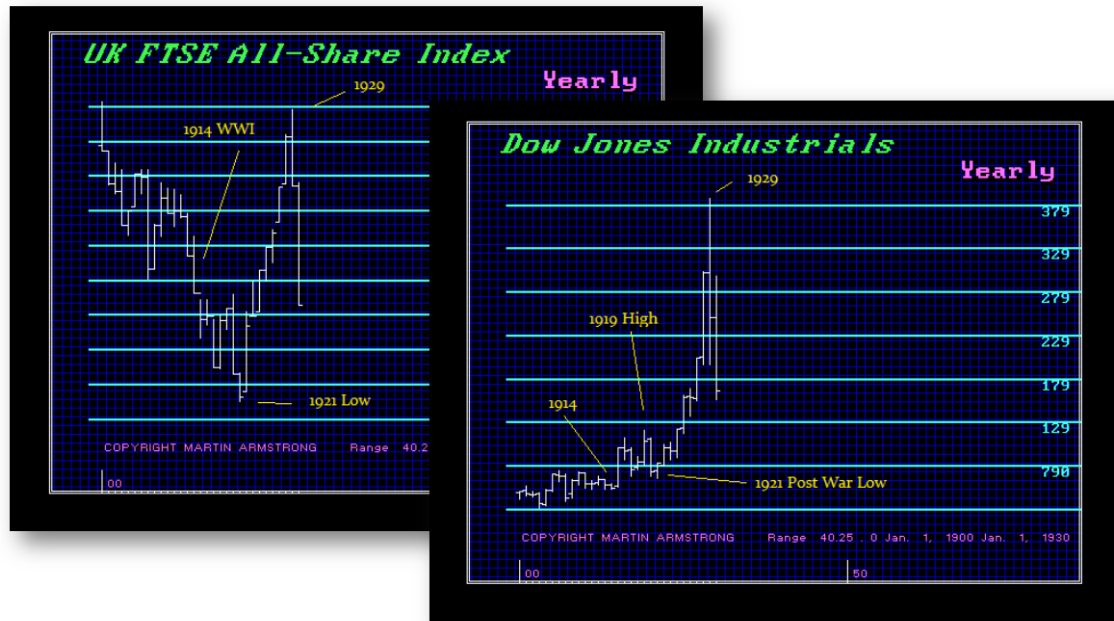


The war severely undermined the franc's strength by 70% between 1915 and 1920. As we can see in this chart, the franc suffered a further 43% between 1922 and 1926. The Latin Monetary Union was disbanded in 1927. Nevertheless, France tried to restore the gold standard between 1928 and 1936. Their demand for reparation payments from Germany only resulted in the rise of Adolf Hitler. We can see that the post-Bretton Woods reform, it was worth a tiny fraction of its pre-War value.

Finally, by January 1915, all shares were allowed to trade on the London Stock Exchange, though there were key price restrictions imposed. The Russian St. Petersburg exchange finally reopened in 1917. It lasted for just two months before it was shut down completely thanks to the Russian Revolution. The Berlin Stock Exchange did not reopen until December 1917. There the 1918 Communist Revolution which overthrown the monarchy and created the Weimar Republic unleashed the famous hyperinflation.



## Shutting Down Free Markets



It was World War I that began to shift the Financial Capital of the World to the United States. We can see that the price of shares on the London Stock Exchange declined during World War I straight into the post-war low in 1921 despite the vast increase in inflation. This was more than deflation – it was the destruction of capital formation.

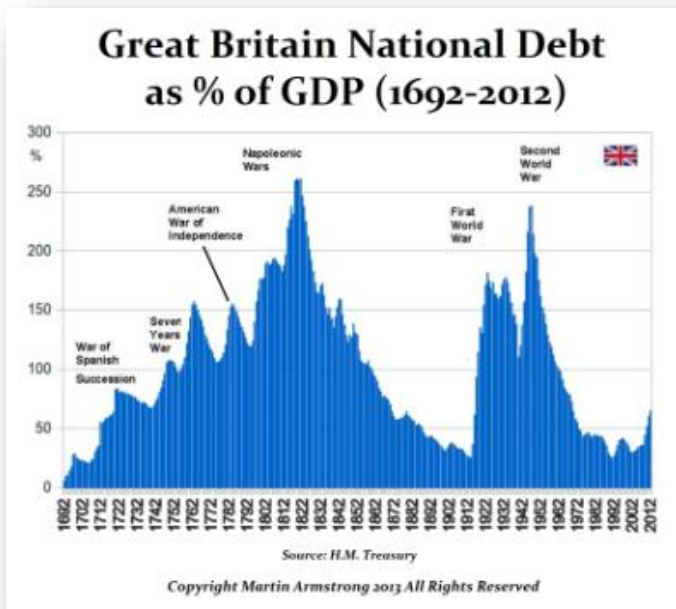
This decline in London share values reflected both the damage to companies, which obviously reduced earnings, but also the destruction of capital formation in Europe as a whole that was reflected in the lack of new buying. The capital had poured into the United States where companies were profiting from the war providing both manufactured goods, weapons, and food. British companies were allowed to issue new shares **only** if the issue was in the national interest. That restriction ensured that any recovery in Europe was blocked by governments.



There was no question the damage to infrastructure during World War I was massive. This certainly impacted corporate profits throughout Europe and imposed massive costs for the reconstruction. France's insistence of harsh reparations on the Germans only kept Europe at each other's throats.

## Shutting Down Free Markets

On top of that, where London had been the Financial Capital of the World, the imposition of regulations that then forbid foreign governments and companies from listing bonds and new shares in London tended to shift capital flows to



America. The British government reasoning was that they thought to ensure that all available capital for investment in the UK would not be diverted to Europe and would then concentrate capital in Britain. Those policies proved futile, misguided, and succeeded in shifting capital flows globally to the United States. The British debt for World War I has nearly exceeded that of the Napoleonic Wars. Why politicians always lead their

nations into war for power and glory, is because they **NEVER** consider the real cost of war on the economy beyond the death inflicted upon the people.

The bulk of the new bond issues on the London Stock Exchange were British government bonds. In fact, the government's share of capitalization of the exchange jumped from just 9% pre-war to 33% during the war.

## Return to the Gold Standard

Governments could not return to the Gold Standard. Attempts following the war to revive it began in 1925. The British Gold Standard Act 1925 both introduced the **Gold Bullion Standard** and simultaneously repealed the **Gold Specie Standard**. The new standard ended the circulation of gold specie coins whereas the government would only sell gold in 400-ounce bars ending coins. There were 1925 gold coins produced then stopped.



## The Cost of World War I to Europe was Profound

**ORGANIZED INVESTING**

*Foreign Securities. . . .*

*do they require of you  
more alert watchfulness than  
other investments?*

**I**F you have, among your investments, certain foreign bonds, perhaps you have at times asked yourself, "Shouldn't I exercise a particularly careful vigilance over these securities?" The answer is, "Not necessarily." Probably they actually require little or no more watching than the other securities in your box.

The fact is, all of one's security holdings deserve a reasonable, constant care. Only by such practice can you assure continued stability and sustained, if not augmented, income. The investor who early realizes the fact . . . who takes steps to apply a definite management . . . has really gone far in solving the whole problem.

Through Blair and Company, San Francisco, you can enlist a definite service of practical help in applying sound, constructive management to your investments.



This service, "Organized Investing," is maintained to help you attain, from your holdings the degree of stability and the results you desire.

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We have prepared a booklet . . . ORGANIZED INVESTING . . . which describes, fully, a valuable, basic security service briefly described above. This service, available to large and small investors alike, will interest every alert security owner. Without any obligation, we shall be glad to send you a complimentary copy.



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The San Francisco Examiner, California Feb 7th, 1928, Tue • Page 18

World War I absolutely destroyed the global integration of capital markets as they had existed prewar. It also permanently shifted the financial capital of the world from London to New York. The international financial system that had allowed foreign bonds and shares to trade on most world exchanges came to a halt. The international financial system failed to recover from the war in Europe and this led simply to fewer listing on the stock exchanges in Europe.

Therefore, what had emerged as the modern global economy was seriously disrupted. Such a level of international globalization would not reappear until post-World War II and even then, it was gradual.

The exception was New York. The only real exchange for foreign debt became New York going into the Roaring '20s. Bankers and brokers were selling foreign debt to the average American in small denominations.

It would be this trend of listing the foreign debt on the New York Stock Exchange that made the Great Depression. When Europe, South America, and China, began to default on their debt, this destroyed the capital formation in the United States when the Sovereign Debt Crisis hit in 1931.





### Postwar Regulation Boom

The 1917 Russian Revolution followed by the 1918 German Revolution that overthrew monarchy, created a backdrop of Marxism. Politicians began to turn toward Marxism to survive and as such they imposed a wealth of new regulations to try to control everything in Europe. This only suppressed the economic recovery and ensured that not merely would capital flee to America, but the seeds for World War II were being planted.

All the exchanges in Europe found themselves subjected to extensive regulation that has not existed before the war. Germans were not even allowed to trade on the London Stock Exchange for years after the war under the theory that this was allowing the rich to escape the new Weimar Republic. London was reduced to just a fond memory of the good old days as it lived in the shadow of New York.

New York was going through its social conflicts. Wall Street was bombed on Sept. 16<sup>th</sup>, 1920. Within hours of the blast, the New York Stock Exchange planned to open that next day, and hired cleanup crews. It would take until after World War II when the US became the solid financial capital of the world with 76% of the world's gold reserves.

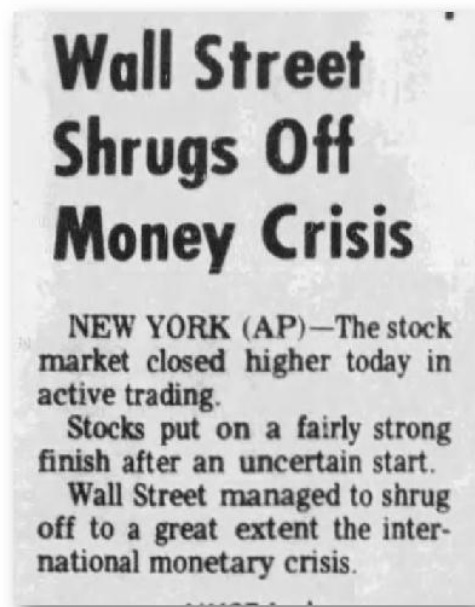




The NYSE closed on June 13<sup>th</sup>, 1927 to honor Charles Lindbergh for his award-winning flight from New York City to Paris that took place on May 20 that year. This flight made Lindbergh the first person to ever fly across the Atlantic and New York was celebrating honoring him with a ticker-tape parade.

On November 22, 1963 President John F. Kennedy was shot by Lee Harvey Oswald in Dallas, TX. After the shooting, the Dow fell 2.90%, but the NYSE was closed shortly after at 2:07 pm a bit early. Then on November 25<sup>th</sup>, the NYSE was closed again to acknowledge the funeral of the President.

Going into the latter part of the '60s, Bretton Woods was starting to fail. They were calling this the "Monetary Crisis" in 1968. The crisis began in March of 1968. A "chronic" US balance-of-payments deficit, exacerbated by an increase in imports from Europe, and a surge in US tourists spending their money overseas caused an increase in dollars heading abroad. This weakened confidence in the dollar, causing inflation. In this case, the economy and companies looked solid which was distinctly different from the falling share values in London despite the rising inflation.



AP Wire: The Billings Gazette, Montana  
Nov 22nd, 1968, Fri • Page 9

Here, stocks in the United States soared to new highs on the back of inflation. The trading volume rose significantly during 1969 and the NYSE had \$4 billion in unprocessed transactions at this time. The exchange closed every Wednesday from June 12, 1968 to December 31, 1968 in an effort to catch up with the trading. This created its own financial crisis as over 100 brokers failed due to the high volume of transactions that could not be processed and the lack of understanding of how stocks would interact with an inflationary crisis.

Apollo 11 Landed on the Moon on July 21, 1969. In this mission, Neil Armstrong and Buzz

Aldrin became the first to ever walk on the moon. In honor of this event, President Nixon decided to give the entire country a day off on July 22, 1969 – closing the NYSE at that time.

On September 11, 2001 by 9:03 am, two planes had already crashed into the twin towers before the opening bell. As a result of the terrorist attack, the markets never opened that day. The markets did not re-open until September 17, 2001 at 9:33 am which was two minutes late to observe a two-minute moment of silence. One year later, the NYSE had a delayed opening at 12 p.m. to respect memorial events in New York City.

Then there was the infamous Hurricane Sandy that hit October 29–30, 2012. The NYSE closed its doors due to Hurricane Sandy. The hurricane destroyed areas of New Jersey and New York causing Lower Manhattan to be faced with extreme flooding and power outages. That was the first time the NYSE was closed for weather for more than a single day in its 127-year history at that time.

# Capital Controls



There is rarely any discussion in economic text books on capital controls. Perhaps this is largely due to the bias in academia when it comes to leftist leaning theories which prefer to paint the devil as always, the private sector rather than the governments. Moreover, most people today simply take for granted that the freedom of exchanges and capital markets never even thinking that they can be restricted or even closed. Most would assume if such restrictions or closures would take place, surely everything will return to normal. Of course, these are probably the same people who thought if everyone was vaccinated, COVID would be defeated and we would be back to normal in a matter of weeks or months.

Interestingly, during the 2007–2009 Financial Crisis when Iceland's banking system and currency collapsed, a critical component of the emergency package that was introduced by the International Monetary Fund (IMF), were controls on capital outflows. They were imposed through rigorous foreign exchange controls.

Flashing back to the 1997 Asian Currency Crisis, the left-leaning economist Paul Krugman came out in favor of temporary capital controls. At that time, he was highly criticized for making such an anti-free market proposal.

Today, we have the IMF supporting capital controls to control world economy and the disgusting people in it – we the Great Unwashed. It is amazing how the world is shifting from free markets back toward a central control authoritarian form of government to force the world economy and the people to comply.



## Capital Controls



Paul R. Krugman  
(born February 28, 1953)

Prof. Krugman was in favor of the capital controls that were to be imposed on Cyprus. What he has omitted from his endorsement has been that the Asian Currency Crisis took place **BECAUSE** the currencies were fixed and did not float freely. They broke the same as Bretton Woods, the British pound in the 1992 ERM crisis that made Soros famous, and the collapse of the Swiss franc peg to the Euro.

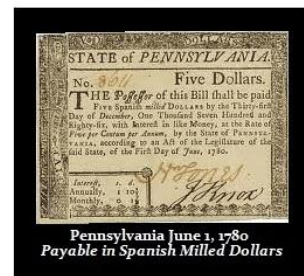
Currency controls are a risky, stopgap measure, but some gaps desperately need to be stopped, said Paul Krugman, "Free Advice: A Letter to Malaysia's Prime Minister," Fortune, September 28, 1998. Krugman is simply an academic. He does not understand markets from a trader's perspective. The South East Asia Currency Crisis of 1997 was created by fixing the currencies to try to prevent fluctuations.

Fixed Exchange rates are in themselves capital controls. They may not restrict the movement of money, but they artificially impact the capital flows. The creation of the Euro only transferred the volatility from the currency markets to the bond markets. The sales pitch was that a single currency would produce a single interest rate as they pointed to the US dollar. What they failed to notice was that applied only federally to the dollar. All the individual states paid different rates of interest based upon their credit rating.

Even when the United States was formed, the individual states came in at different rates based upon where their currencies were trading. They became the United States and the US

### The Great Disparity Among States When forming the US Dollar

Continental Currency .....	\$40 for \$1	April 1780
N.Y. & Conn .....	\$40 for \$1	April 1780
South Carolina .....	\$52.50 for \$1	May 1780
Mass., N.H. & R.I. ....	\$100 for \$1	June 1781
New Jersey .....	\$150 for \$1	May 1781
Penn. & Delaware ....	\$225 for \$1	May 1781
Maryland .....	\$280 for \$1	June 1781
North Carolina .....	\$800 for \$1	Dec 1782
Virginia .....	\$1000 for \$1	Jan 1782
Georgia .....	\$1000 for \$1	Feb 1785



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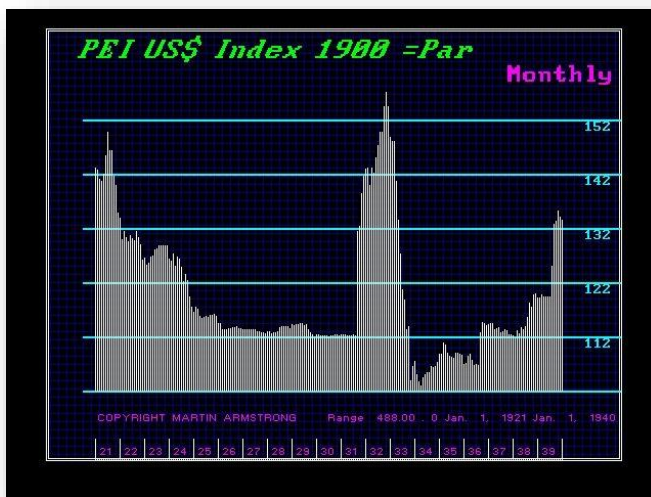
dollar was federal as they were prohibited from issuing their own currencies. The markets merely transferred the currency volatility to the bond markets expressed in a single US dollar. The same was true of the Euro.



Capital controls have really been ignored by the textbooks and have been overlooked by economic researchers. They think capital controls come in only one flavor of restricting capital movement whereas any attempt to FIX the currency or interest rates is truly a political attempt to wage war against the free markets.

While the consensus among economists was that capital controls like tariffs are obviously detrimental to the economy until recent IMF policy, the focus has been more on protectionism rather than restricting capital movements. Much of this has been tangled up in the view that it was protectionism that caused the Great

Depression. Even politicians failed to understand that the sovereign debt defaults of most of Europe, Asia, and South America, simply sent capital pouring into the dollar. The high dollar raised the price of US goods for export and they slapped tariffs on imports that simply decline relative to the rise in the dollar.



The idea of free trade post-World War II that has resulted in the idea of capital controls, have been essentially phased out in economic discussion among developed countries. This is the reemergence of the Global Economy pre-1914. The mantra has been to open markets, and to a large extent that was the idea behind creating the European Union, but not necessarily free trade with the outside world, only internally.

## Martin Armstrong is the Forex Person of the Year 2015



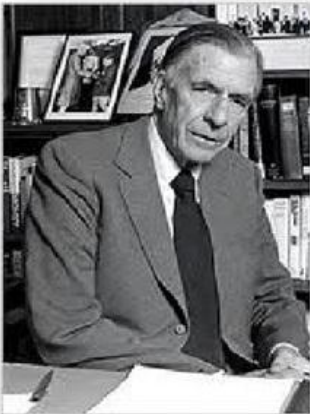
**FXSTREET**

The Forex Person of the year 2015 is economist and financial strategist **Martin Armstrong**.

Martin Armstrong, once a financial strategist and advisor to over one trillion dollars of asset, developed a computer model based on the number Pi and other cyclical theories to predict economic turning points with eerie accuracy. He is the per-

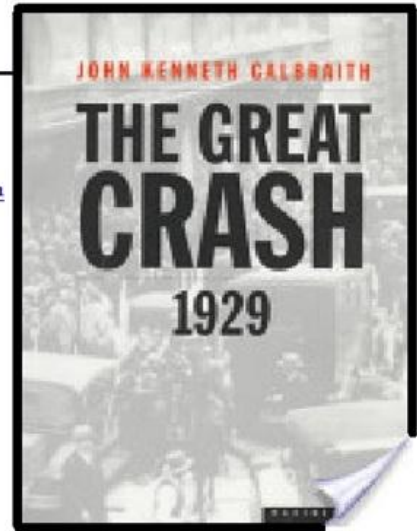
son behind the "Princeton Economics International" think tank. He is known to have predicted the crash of 1987 to the very day.

That same concept led to the 1992 ERM Crisis when Soros became famous for breaking the fixed rate of the British Pound. Then I was named FOREX Person of the year in 2015 for forecasting that the Swiss franc peg to the Euro would break. What politicians and economists never understood is that a pegged currency offers a guaranteed trade. If you short the peg and it breaks, you make a fortune. If the peg holds, you get your money back.



**John Kenneth Galbraith**  
(1908–2006)

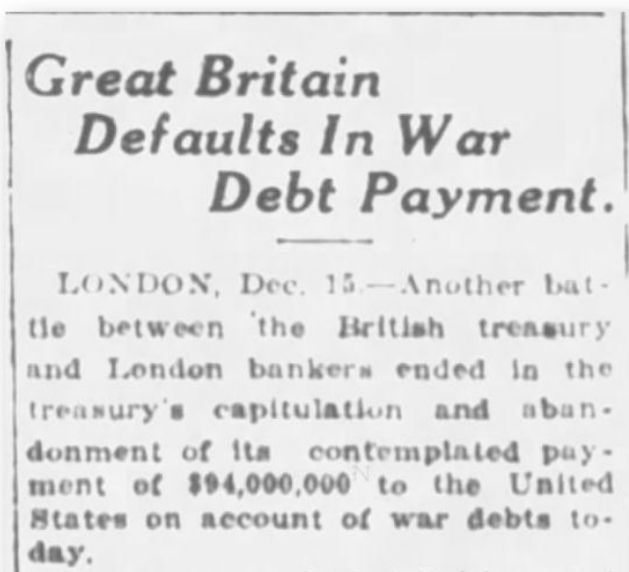
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While the history books tend to put the blame for the Great Depression at the feet of corporations, as did John Kenneth Galbraith (1908–2006) in his book *The Great Crash*, you will notice that he skipped entirely over any mention of the Sovereign Defaults of 1931, or the fact that there were capital controls imposed. Galbraith was a socialist, so he could not report the truth that all of Europeans permanently

defaulted on their debt except France and Britain went into a moratorium suspending all debt service on December 15<sup>th</sup>, 1931.

Fake history is not simply putting out false stories. It is also a fraud when you deliberately omit the truth to create an opposite impression. Thus, just as they do not teach the truth about the Great Depression, they also omit discussion about capital controls.



The Times, Streator, Illinois - December 15, 1931



## 1931 Sovereign Debt Crisis



Herbert Hoover  
(1874 - 1964)  
(President 1929 - 1933)

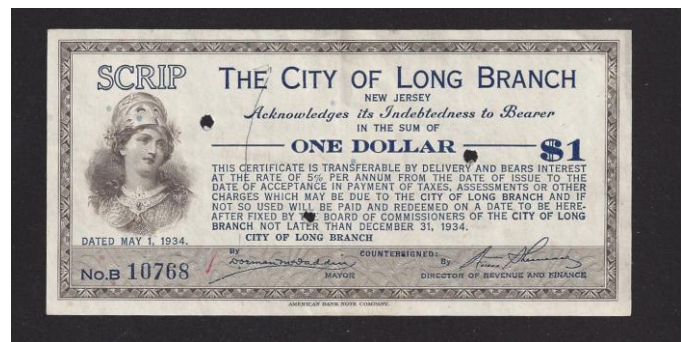
"During this new stage of the depression, the refugee gold and the foreign government reserve deposits were constantly driven by fear hither and yon over the world. We were to see currencies demoralized and governments embarrassed as fear drove the gold from one country to another. In fact, there was a mass of gold and short-term credit which behaved like a loose cannon on the deck of the world in a tempest-tossed era."

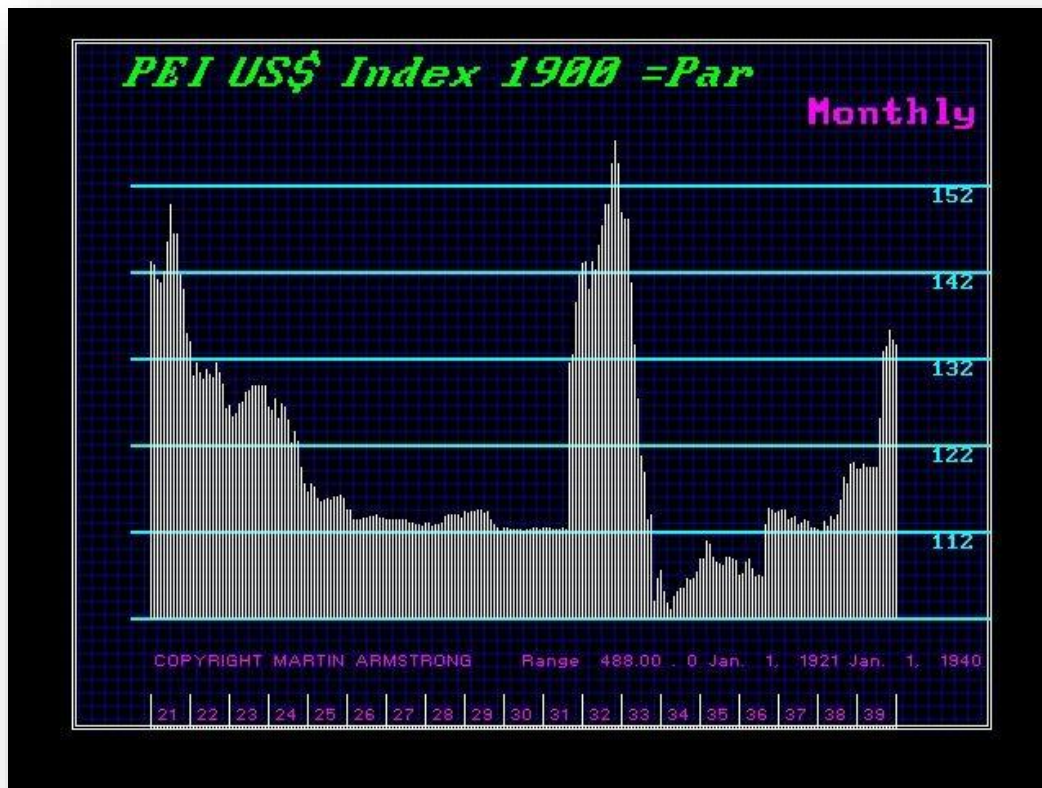
*Page 67; Volume II*

The flight of capital to the dollar during the Great Depression was met by imposing capital controls and it led politicians to misconstrue events and turn to protectionism as the rise in the dollar made foreign imports cheaper. Throughout school, there was never any discussion of capital controls or sovereign defaults by governments. Indeed, you can go on eBay and buy the defunct bonds of Asian, South American, and European governments. They are all worthless in face value. They are strictly valued as collector's items.

I discovered the truth **ONLY** when I found a copy of Herbert Hoover's memoirs in an antique book store in London. He had all the letters back and forth between the various heads of state and the pleas for help. As Hoover then explained, capital acted like a loose cannon on the deck of a ship in a "tempest-tossed" era shooting off from one currency to the next so fast, they could not form a committee fast enough.

Milton Friedman criticized the Federal reserve because there was so much refugee gold that fled to the United States, they did not coin it for fearing it was just temporary. This led to a massive shortage of cash and over 200 cities began to issue their own money.





These capital controls may have solved the flight of capital immediately, but at the cost of a complete collapse in confidence in Europe as a whole. The lesson from 1931 was not that of **PROTECTIONISM**, which killed trade, but it was the imposition of capital controls that brought international trade to a halt. If capital could not be exported, then commerce could not buy any goods. This was far more drastic than protectionism with tariffs. There just seems to be very questionable analysis applied which was either by true idiots, or more likely, the analysis deliberately hid the actions of government to justify the takeover by Marxist Socialism.

The time frame where we may see governments resort to capital controls might arrive in 2021–2022. We **MUST** be realistic that capital controls are far worse than trade disputes for it impacts investment flows as well. When I was holding the first World Economic Conference in 1985, what surfaced was very funny. The Canadians want to invest in the Middle East and the Saudis there wanted to invest in Canada. The Canadians were dumbfounded as asked why? The Saudis replied – you have water. The grass is always greener elsewhere.

### Cryptocurrency & Capital Controls

Capital controls are destructive when they are imposed to prevent foreign capital from leaving. They are a red flag that warns that nobody else should invest in that country. In the case of China and Russia during their communist trial, when that



airtight policy was imposed upon their own people, then it retarded economic growth.

During the post-Communist era in China, the bulk of Bitcoin traffic was used to get capital out of China. Back in 2017, China called all Bitcoin exchanges to a closed-door meeting looking to shut down the flight of capital from China. We can see that the US dollar has risen

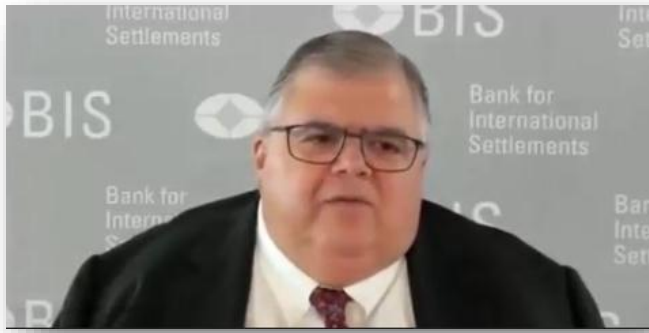
for 35 months and this will be seen as a currency war by Trump for his advisers from Goldman Sachs are clueless assuming markets can simply be bullied or manipulated with power.

In June 2020, the Chinese police froze several thousand accounts of Bitcoin traders during an extensive crackdown on illicit activities, which included transferring money out of the country as well as tax evasion.

We must realize that the PRESUMPTION that we have free markets and that somehow a cryptocurrency is outside of the government fiat system is all the nice fluff used to sell them. But the closer we get to 2032, the government will **NOT** tolerate competition.







Back on February 6<sup>th</sup>, 2018, Agustín Carstens, General Manager/head of the BIS (Bank of International Settlements), bank for central banks, told the London Financial Times that central banks must clamp down on Bitcoin and other cryptocurrencies to stop them “piggybacking” on mainstream

institutions and becoming a “threat to financial stability”, the head of the Bank for International Settlements has warned. Carstens back then condemned bitcoin as “a combination of a bubble, a Ponzi scheme and an environmental disaster.”



Since then, the BIS and other central banks have determined that with cryptocurrencies, they will know every transaction. Today, if you buy something with a \$100 bill, the government only knows that transaction. With a cryptocurrency, they will know where you got the \$100 bill to begin with and all the way down that line through past transactions. The Bank of England has petitioned Parliament to ensure that they have the authority to implement total capital control. They envision that they can restrict what you are even allowed to buy or sell.

This is the ultimate Marxist agenda, but it is ushering in absolute totalitarianism over the economy. They will be able to literally permit what we are allowed to buy and sell. I have explained that we know nothing about who created blockchain, but it allows every transaction to be traced. Even with a credit card, they can tell if you bought something. With a cryptocurrency, they can follow every unit of value.



## Capital Controls

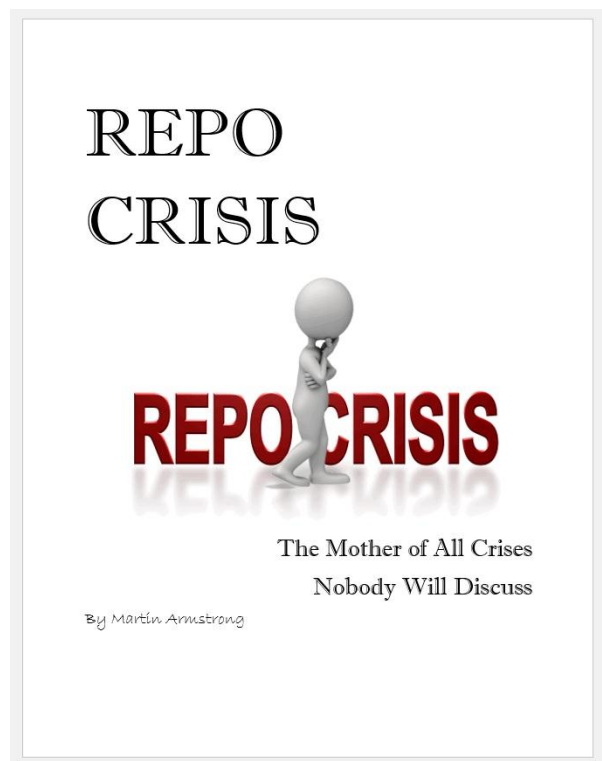
To sell their idea, the Bank of England was originally saying that parents will be able to control what their children spend money on. Very nice, but you do not change the monetary system so a parent can prevent a child from buying candy.

Any assumption that you have any rights whatsoever is wrong. You have nothing including property if the government changes the law. It all belongs to the government in the depths of their mind. They view our total production as theirs and they decide what portion we are allowed to retain. I have actually heard people in the government express this view.

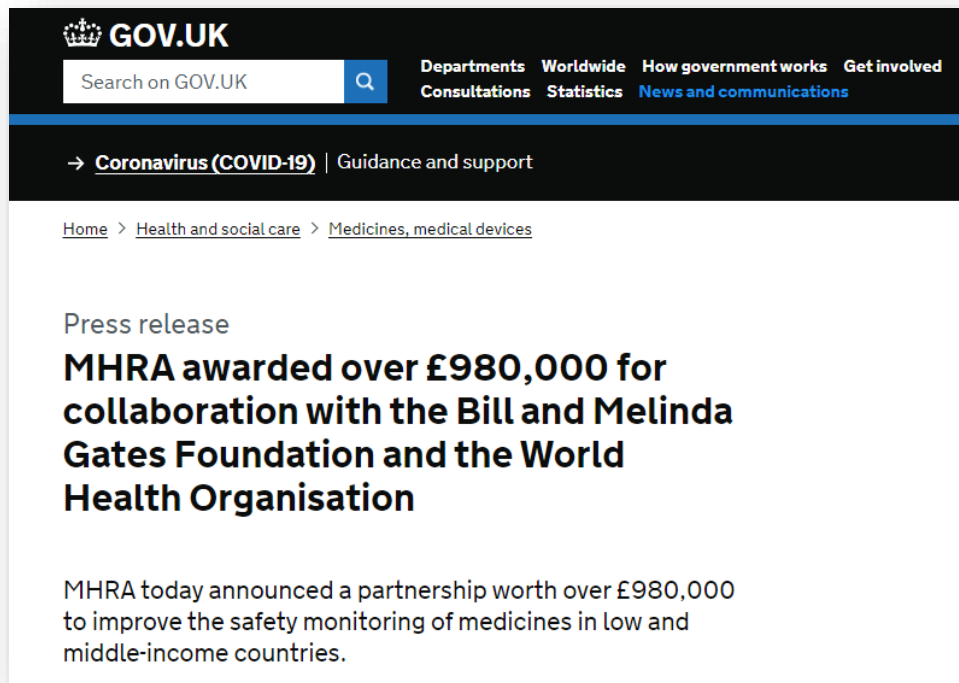
While cryptocurrencies were touted as being outside the establishment and a rebel alternative to fiat money spewed out by the Fed, people have yet to wake up that they are the ultimate tool for a complete totalitarian state. Those in the secret dark rooms who look down upon us as cattle, the Great Unwashed, will have total control over every aspect of our lives.

## COVID-19 Passports = Capital Controls

We must realize that this entire COVID scam has turned into a nightmare in which we have been surrendering rights and the liberty of our posterity for decades to come using a virus, they most likely created in a Laboratory with a lethal rate of less than 1%. This makes no sense to impose such lockdowns and work restrictions as if we were dealing with the Black Death.



While all the information I was getting from mid-2019 that a "virus was coming" made little sense, I stood up at our 2019 World Economic Conference and reported that our model began picking up shifts in capital flows that would have normally implied war in Europe. That unfolded as the REPO Crisis where suddenly the top NY banks withdrew from lending money to European Banks forcing the Fed to step in.



The Bill & Melinda Gates Foundation have funneled money to all the health agencies in government in the USA and even in Britain in addition to the United Nations' World Health Organization. His grants to the Medicines & Healthcare products Regulatory Agency (MHRA) back in 2017, have continued and it appears they have obtained \$3 million more.

Then the Bill & Melinda Gates Foundation also "coincidentally" bought \$55 million worth of shares in BioNTech in September 2019, just before the alleged Covid-19 pandemic struck. China's most famous defector to America warned US intelligence agencies, a coronavirus was spreading in Wuhan in November 2019 about 6 weeks before anyone heard about it. Wei Jingsheng revealed that he first heard of the coronavirus at the time of the World Military Games in Wuhan in October 2019.

The earliest date of symptoms for COVID-19, according to a study performed by Huang et al. (2020) and published in the Lancet journal, was December 1, 2019. However, there are other sources (Bryner, 2020, Davidson, 2020) claiming that individuals with similar symptoms may have presented themselves to hospital as early as November. According to the report, by South China Morning Post.

## Capital Controls

By December 31, 2019, the situation unfolded as the Chinese officially reported to the WHO the possibility of a new virus with symptoms of pneumonia, but of unknown etymology. The information was that this disease had been detected in Wuhan. The Municipal Health Commission was already handling 27 pneumonia cases with 7 of those in critical conditions as reported by the ECDC. It was not known at that time how the disease was transmitted, and in some sources the WHO even reported that they ruled out human-to-human infection.



On January 9, 2020, Chinese officials reported to the WHO that they have finally identified the virus, and subsequently, the WHO made the official announcement at that time about COVID. With respect to new infections, the Medical Research Council (MRC) Centre for Global Infectious Disease Analysis (MRC GIDA) at Imperial College argued using a debatable model that this would turn out to be devastating, recommending locking down the world economy. He warned of 500,000 deaths and 2.2 million people would be infected from the coronavirus in Britain. Interestingly, Bill Gates who bought shares in BioNTech in September 2019 one month prior to the first cases in October, he funded also Imperial College which came out with the lockdown the world recommendation.



There are two epidemiological teams in London, one at Imperial College funded by Bill Gates, and one at Oxford University, and they had very different forecasts about COVID-19. The Oxford team saw this as a minor event which was reported by the London Financial Times (March 24, 2020) reporting that up to 50% of Britain had been exposed and most had minimal symptoms. There was an immediate attempt to call the Oxford study bogus by the press as if they wanted the doom

## Capital Controls

and gloom. The Oxford forecast did not require lockdowns so it clearly did not support a governmental power grab of this nature. Now we have Sanford and many others asking what is going on.



Neil Morris Ferguson (born 1968) The British Epidemiologist  
Imperial College, London

The Imperial team, which is led by Neil Ferguson the British Epidemiologist, was the one accepted by politicians **BECAUSE** it justified shutting down the world economy. Ferguson was a current member of SAGE, which is the UK government's Scientific Advisory Group for Emergencies. However, they have a track record of being very wrong, which was covered up.



Ancient ruins of a fortified leper colony  
Spinalonga (Kalydon) island, Greece

Never before in history has any ruler **EVER** locked down his entire economy because of a virus. The only people ever put in quarantine were the sick like leper colonies – not everybody. Such a recommendation had never historically been made. So, why did Ferguson make that recommendation and why did the politicians claim to listen?

Others came out saying: "We don't want to squash a flea with a sledgehammer and bring the house down," said Auckland University epidemiologist Dr. Simon Thornley, has come out as many doctors are now criticizing this entire debacle. He said: "Lockdown was appropriate when there was so little data...but the data is



## Capital Controls

now clear, this is not the disaster we feared and prepared for. Elimination of this virus is likely not achievable and is not necessary," Thornley says.



Indeed, this entire narrative that ONCE every last person in the world is vaccinated, COVID will be defeated and we can return to normal was an outright lie promoted by Bill Gates. This was such outrageous misinformation when Gates stood to profit from vaccinating the world. Gates was talking up his own investments which was a violation of the Securities & Exchange Commission Act. COVID has already infected pets and it is in wildlife. Lions have tested positive in zoos. Basic health class 101 shows that viruses that can infect animals will never be eradicated. The only time a vaccine ever eradicated anything was Smallpox because that was a disease that affected only humans.

It appears that the only objective here with a death rate for COVID-19 is less the 1%, we have witnessed an incredible coordination of this narrative for political purposes that has nothing to do with health. Governments around the world have

## Capital Controls

imposed mandates for vaccines and then used them as the justification to impose COVID Pass.

In Slovenia, the police used tear gas and cannons to break up a mass demonstration against the vaccination certificate in front of the parliament in Ljubljana during September 2021. The vaccination certificate has become compulsory in almost all places of daily life, including shopping centers and petrol stations. You cannot buy gas without a COVID Pass in Slovenia. Our sources say that the EU is intending to follow with this directive. They are trying to completely convert Europe into a new Communist State.



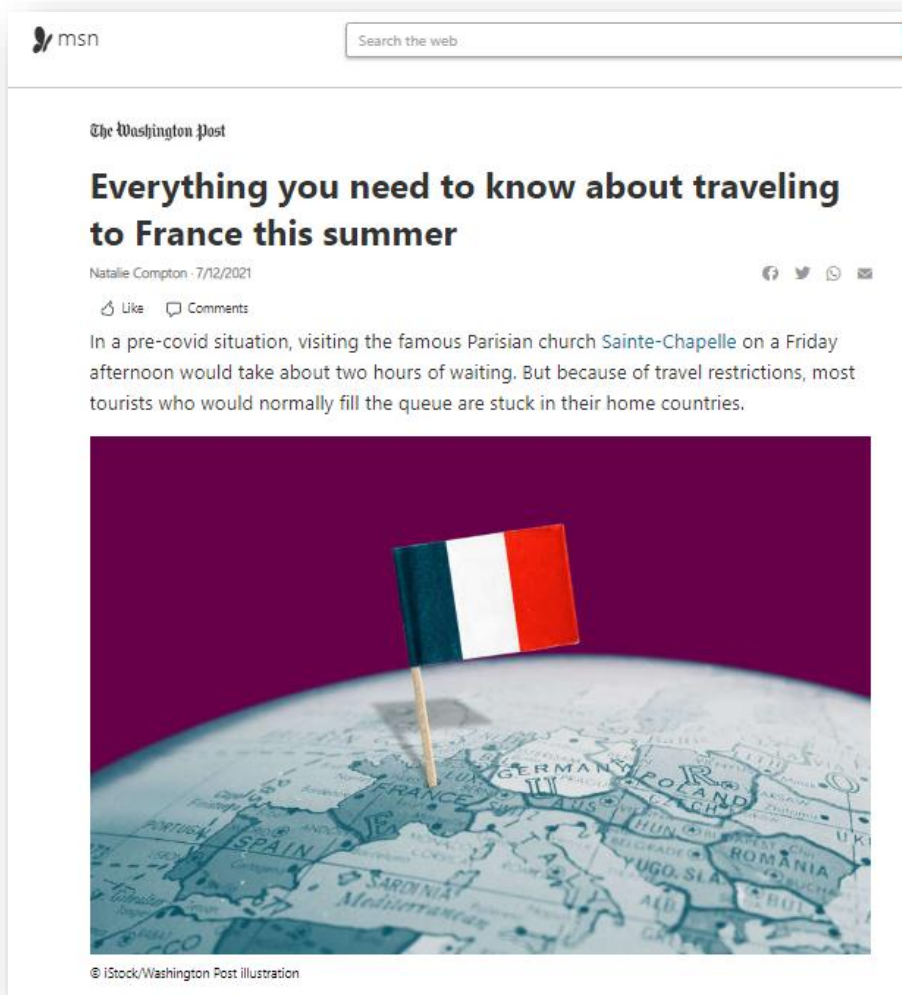
Alexander Van der Bellen  
President of Austria

Dr. Alexander Van der Bellen, who was inaugurated as the Federal President of the Republic of Austria on January 26, 2017, took another very undemocratic authoritarian position that anyone who was **unemployed** because of the state's lockdowns, would lose ALL benefits to those who refuse to be vaccinated. This is an absolute tyranny and a disgrace to any country that pretends to be free.

There are serious anti-freedom laws in Australia and Italy. Why are governments demanding vaccines for a

disease that impact the elderly the same as the flu and will always be around requiring vaccines every 8 months to a year?

Something is seriously wrong. If getting vaccinated was supposed to protect you, but now the unvaccinated threaten the vaccinated from getting sick, then that proves that the vaccinations do not work. This really begs the question of the death rate is less than 1%, to begin with, then why are governments forcing such vaccines? This clearly makes no sense to lockdown economies and impose such restrictions that have never been done before in 6,000 years of recorded history.



Imposing COVID passports are not just to justify tracking all people, they are being imposed to restrict movement as in France. The health passport is now in use in France for virtually everything you may need to do. This applies to both the French as well as any visitors. These French COVID passports require proof of vaccination, a recent (within 72 hours) negative Covid test or proof of recent recovery from Covid. Even if you are vaccinated, you still require testing.

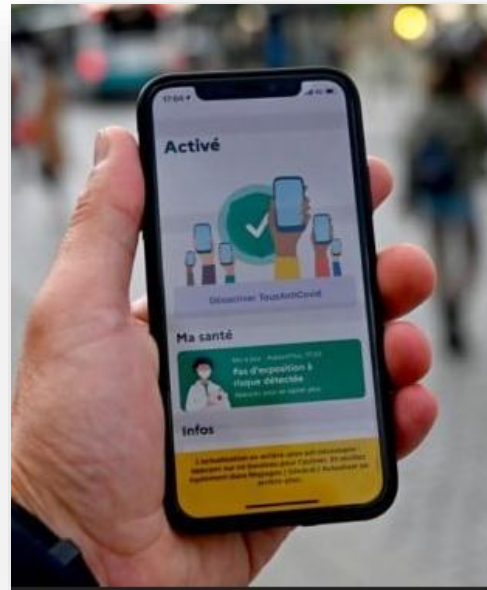
Since August 9th, the health passport has been required for; Bars, restaurants and cafés, regardless if you sit inside or outside. This includes hotels, but takeaways are exempt. Weddings will not require a health pass, unless taking place in a venue covered by the rules despite the fact that your wedding is closed to the general public.



## Capital Controls

Long-distance travel requires the pass if you are traveling by coach, train or plane. This even applies to night trains, and international trains merely travelling through France. Macron made it required for everyone 12 years old and up.

Inter-regional and international buses will require the health pass. Previously, showing proof of vaccination or a negative test was required for international plane journeys. However, the new COVID pass since August 9th, is now required for domestic flights as well.



The most outrageous requirement applies to hospitals, medical centers and retirement homes. Since August 9th, 2021, visitors as well as people seeking non-urgent medical care are required to have a health pass to enter hospitals. If you are unvaccinated, France is denying you medical treatment. It does not matter if you were regularly seeing your doctor. The COVID Health Pass supersedes everything else including human rights.

The outrage was loud and the Health minister Olivier Véran was forced to come out and then clarify saying that this does not apply to visits to a GP or family doctor. You were NOT allowed to visit anyone in a nursing home without the pass. The elderly was being denied family rights and were being left to die alone.

The ruthless government of Macron tried to starve people for refusing to accept the vaccination. At first, he originally hoped to extend the health pass to all shopping centers of more than 20,000 square meters. The outcry was swift and loud forcing a compromise, that then turned on the health situation at a local level. Local préfetures were to decide which large shopping centres will be required to implement the health passport if Covid cases are particularly high in their area.

The French Health Pass has already been in use in culture and leisure venue events that involved more than 50 people since July 21st. This included everything from concerts, Movies, and festivals as well as casinos. Museums, galleries and tourist



## Capital Controls

attractions along with Amusement parks and zoos were also included. Forget the nightlife without a pass.

If businesses are found not to be checking, they face a fine and maximum of one-year imprisonment, but that was changed to just civil fines and the closure of the business. Any individual with a fake pass will be fined €135 or using another person's pass. This rises to six months in prison and a €3,750 fine if repeated more than three times in the span of a month.

The rules for healthcare workers are slightly different as the health passport bill also approves making vaccination compulsory for those working in the health or care sector. Anyone working in health or care roles, or anyone volunteering to work in the care sector, is required to be vaccinated before September 15<sup>th</sup> or you lose



your job. Anyone who refuses a vaccine, cannot work and will not be paid.

If we cannot do anything without a COVID pass, then we are right back to the same type of control as Adolf Hitler. You cannot get on a train in France without a COVID pass. Canada is doing the same thing for travel. Australia is turning the country into a

concentration camp where even if vaccinated, you cannot travel more than 5k from your residence.

Meanwhile, with this experimental vaccine, we have no idea of the long-term effects. We are supposed to trust the likes of Bill Gates who is a college dropout and has no medical background whatsoever. Our politicians are not trying to kill off people, but they are trying to alter society changing it from the land of freedom to a fully tracked concentration camp where they must know everything we are doing. This is all because they intend to eliminate democracy and adopt the 2030 Agenda of Klaus Schwab who I can tell you is a notorious control freak.



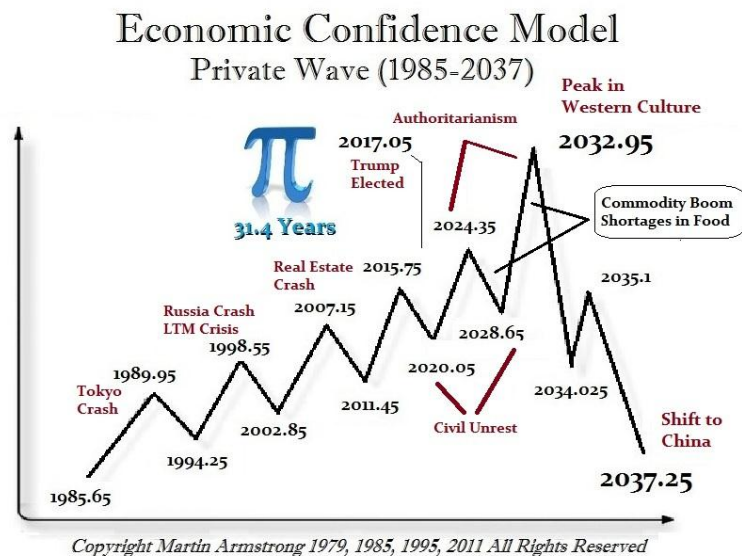
Europe is gradually being transformed into a concentration camp and those who think if they comply it will soon be back to normal. There is **NO VACCINE** that will ever eliminate any coronavirus the same with the flu or the common cold. It is **IMPOSSIBLE**, for it also resides in animals. So, this has been one giant lie and they feed it out to us one tiny step at a time. Then they are complete and it is too late to resist.

Even the Vatican is demanding a COVID pass to enter. The Vatican under Pope Francis has abandoned religion and joined forces to support the World Economic Forum and Bill Gates. The role of the church seems to be no longer about redemption and salvation of the soul, but material equality. Some are wondering, what's next? Will an unvaccinated person be denied last rights by the Catholic Church under Pope Francis?



While our politicians are simply looking for control, Gates has an entirely different agenda pretending to care about society and at the same time holding secret meetings about reducing the population of the world. And this is the guy our politicians embrace?

The COVID pass is yet another step toward totalitarianism. All because the financial system since World War II has been this socialistic agenda of borrow endlessly with no intention of ever paying off the debt is coming to an end. Unable to continue borrowing at absurdly artificial low rates, the choice is default, reform, or simply impose a completely authoritarian rule. This was one forecast I never hoped would come to pass.



# The End of Democracy

PARLIAMENT OF CANADA

VISIT PARLIAMENT FRANÇAIS

HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

Parliamentary Business Members Participate About the House Employment

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## Members of Parliament

Members of Parliament Key Roles Constituencies Election Candidates

Votes > 43rd Parliament, 2nd Session - Vote No. 118

### VOTE NO. 118

43RD PARLIAMENT, 2ND SESSION

Sitting No. 103 - Tuesday, May 25, 2021

#### SUBJECT

Opposition Motion (Elections during a pandemic)

#### MOTION TEXT


That:

(a) the House remind the government that a general election was held in October 2019 and sadly note that more than 1.3 million Canadians, including almost 360,000 Quebecers, have been infected with COVID-19 and that nearly 25,000 people have died as a result; and

(b) in the opinion of the House, holding an election during a pandemic would be irresponsible, and that it is the responsibility of the government to make every effort to ensure that voters are not called to the polls as long as this pandemic continues.

See the published vote in the Journals of May 25, 2021

#### SPONSOR OF THIS MOTION

 **Alain Therrien**  
Bloc Québécois  
La Prairie  
Quebec

Opposition Motion (Elections during a pandemic)

**Motion Sponsor:**  
Alain Therrien

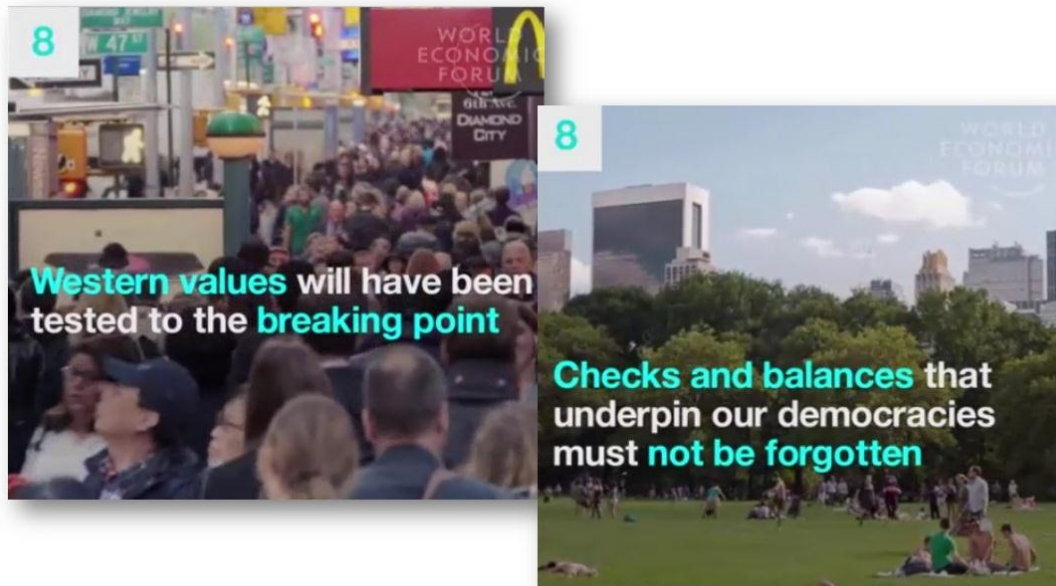
In Canada, there was a bill claiming it is unreasonable to ask people to put their lives in danger to vote during a pandemic. Thus, all elections should be suspended during a pandemic that never ends. It read:



*"in the opinion of the House, holding an election during a pandemic would be irresponsible, and that it is the responsibility of the government to make every effort to ensure that voters are not called to the polls as long as this pandemic continues."*



## The End of Democracy



Western values will have been tested to the breaking point

Checks and balances that underpin our democracies must not be forgotten

I found it shocking that they would actually introduce such legislation in the first place. But what we have to understand is that this is part of the Schwab 2030 Agenda. I do not see how they would pull that off on all levels. The model is what they created in the EU where neither the European Commission nor the President are subject to popular election. They allow people to vote for MPs but they have no power to overrule the legislation from the Commission. So, is that a real democracy or even a republic in the EU? It is nothing different from China.

I also do not see how they would be able to eliminate local politicians. As long as their power is confined, then they would retain that to pretend it was still a democracy. History repeats because the passions of people have never changed. Rome overthrew its "king" in 509BC and thereafter nobody would ever have the title of king. That is also in the American Constitution. Article I. Section IX Clause VIII states clearly:

*No Title of Nobility shall be granted by the United States: And no Person holding any Office of Profit or Trust under them, shall, without the Consent of the Congress accept of any present, Emolument, Office, or Title, of any kind whatever, from any King, Prince, or foreign State.*

## DOMITIAN (81-96 AD) AR Denarius Struck 85 AD



IMP CAES DOMITIANVS AVG GERMANIC PM TR P IIII IMP VIII COS XI P P

IMP = Imperator (victorious general)

CAES = Caesar

DOMITIANVS = Domitianus, ruler's name.

AVG = Augustus, title of the emperor.

GERMANIC = Germanicus title honoring military victories in Germany.

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PM = Pontifex Maximus. Highest priest

TPP = Tribunica Potestate. Tribune of the people.

IIII = Reflects number of times office held

IMP = Imperator

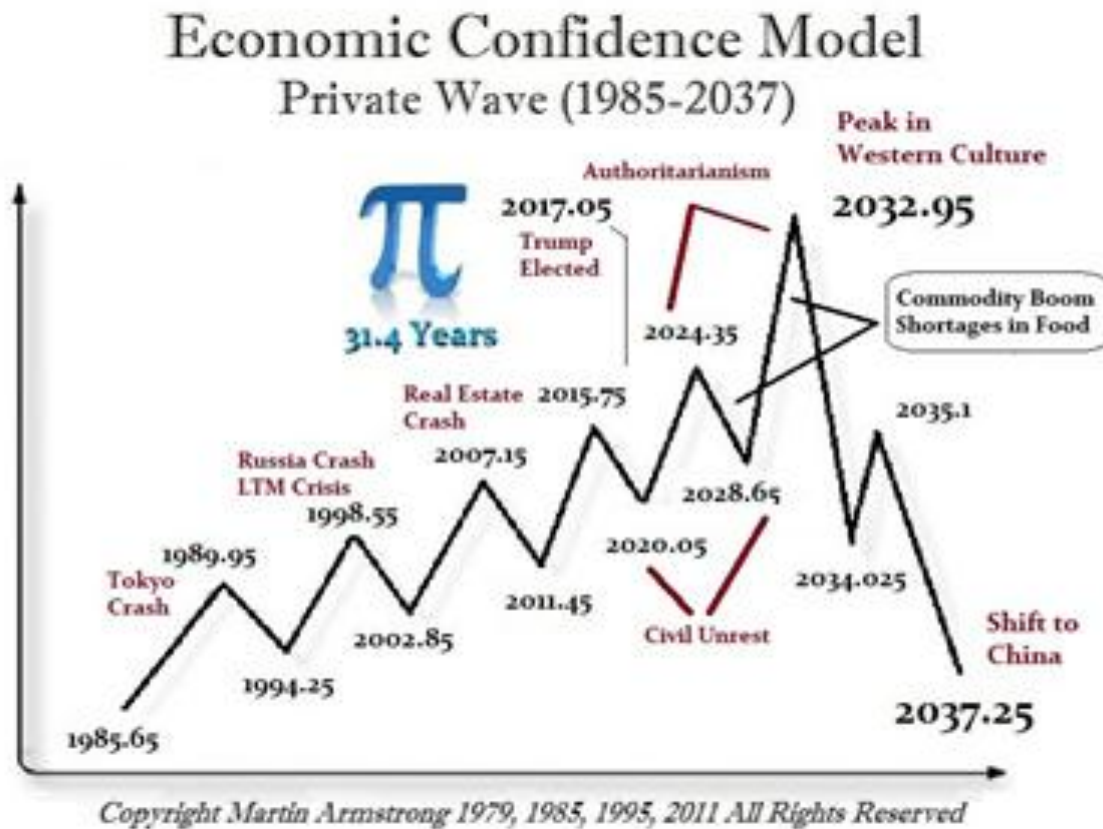
VIII = Years hold that title

COS = Consul, a title linked to highest office in Senate

XI = Reflects number of times office held

PP = PATER PATRIAE (Father of his Country)

Now, when the Republic was overthrown and Imperial Rome began, the Emperors, not being kings in name, still created a monarchy that was inherited by their family the very same as a king. The titles on the coinage we can date **BECAUSE** they pretended to be elected. For example, COS XI meant he was elected consul for the 11th year in a row.



This is not my opinion nor is it some wild speculation. This is simply how history unfolds. Given such power, they will always gravitate to absolute power. For years I have shown the model that pointed to the start of a commodity boom in 2020 and that we were headed into an authoritarian period. As I have said before, growing up there were two families that were Jewish who fled to America from



Germany because they saw where it was going. They told me that other Jews thought they were crazy and alarmists – today conspiracy theorists. It never returned to normal.

Also, for those who think that it was Hitler who invented forcing the Jews to wear a gold star marker, again that is history that simply repeats. Edward I (1272–1307) of England, the king of Brave Heart fame,

## The End of Democracy

also ordered the Jews to wear badges. He too eventually banned all Jews from England, confiscated all their wealth and lands, and anyone who had borrowed from the Jews had to repay that debt to the King.



**“Those who don’t study history are doomed to repeat it.  
Yet those who *do* study history are doomed to stand by  
helplessly while everyone else repeats it.”**

If you think this is all just my opinion, sorry to hear that. I suppose you will be one of the millions waiting for a return to normal like the Jews in Germany. There is no such return. Imposing COVID passports will be expanded and become **PERMANENT**. Just like imposing the Income Tax in 1913. Oh, we will only tax the rich and they will only have to pay 1%. By World War II, everyone was paying payroll taxes and the top tax rate hit 90% thanks to Marxism.



## The End of Democracy



There will be **no return to normal** and history warns that the only way to restore human rights will be by violence. They will **NEVER** relinquish power peacefully. Sorry, all the protests will not deter them. They will lose because this system they are trying to impose is out of desperation for decades of fiscal mismanagement. But rather

than reform for **We the People**, they have chosen the suppression of the people to retain power.



**NEVER** in the history of the United States have we **EVER** seen armed fences to protect the politicians. These people will **NOT** simply hand back power. This in Chess is “check” which now compels the next move before it becomes checkmate unfortunately in

so many countries with the USA being the least ready just yet. But this is the reality in many other countries now as we move into 2022.

## Conclusion

# 2027

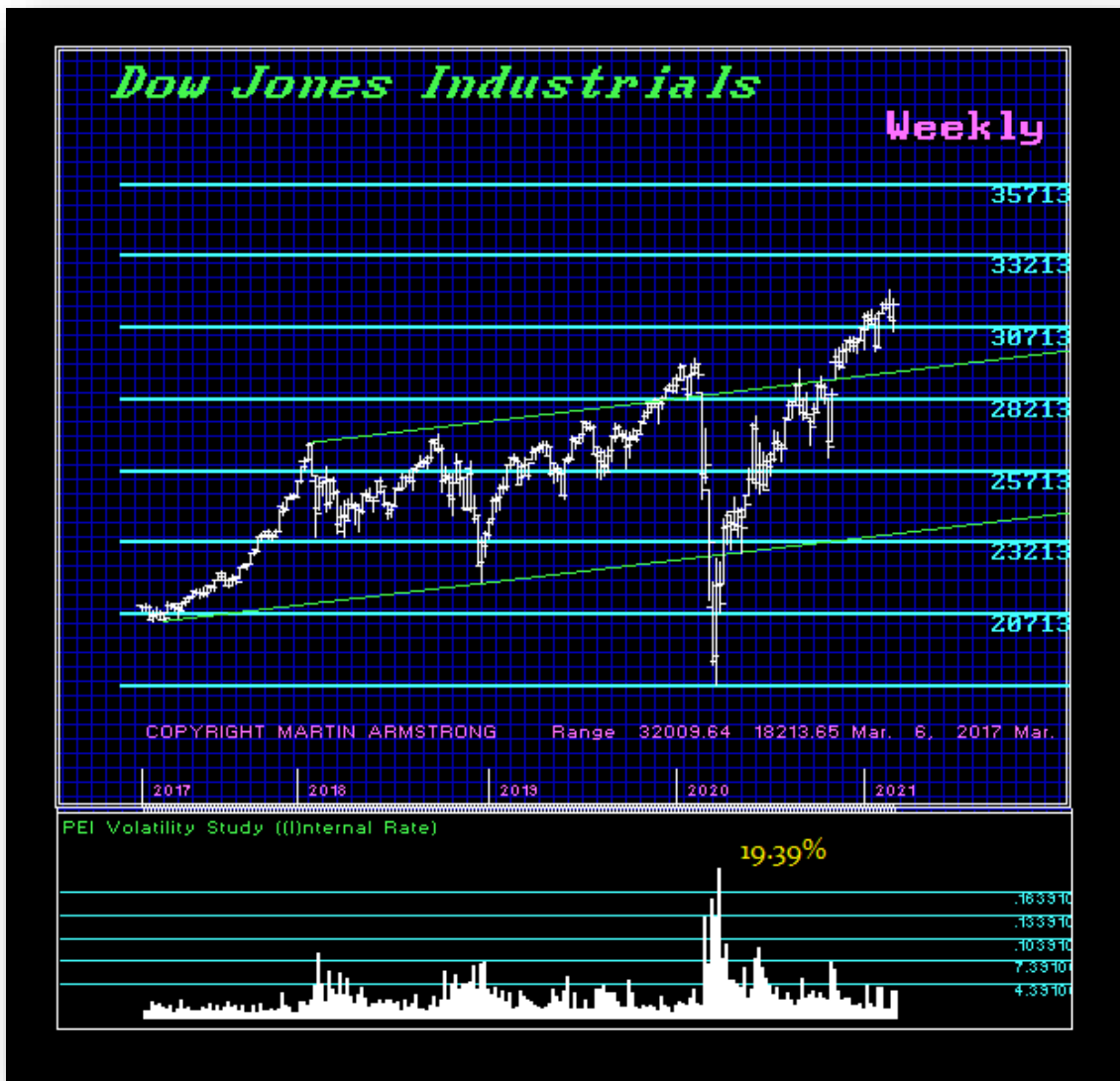
When I stood up at the 2019 World Economic Conference, I stated that our computer began picking up a shift in capital flows during August 2019. The next month the Bill & Melinda Gates Foundation also “coincidentally” bought \$55 million worth of shares in BioNTech in September 2019. By December 2019, Bill Gates was dumping other shares and by January 2020 I had confirmation that people were being tipped off that a “virus was coming” and the World Economic Forum began to also dump its investments.

# BUILD BACK BETTER

The “BUILD BACK BETTER” slogan adopted by all world leaders, was bantered around at the January 2019 WEF in Davos. This entire movement was set in motion using the virus to stage this event and then they threw in the climate change. The Climate Clock was turned on in September 2020. Every step of the way this propaganda has been well orchestrated and it appears to have been set in motion during August 2019.



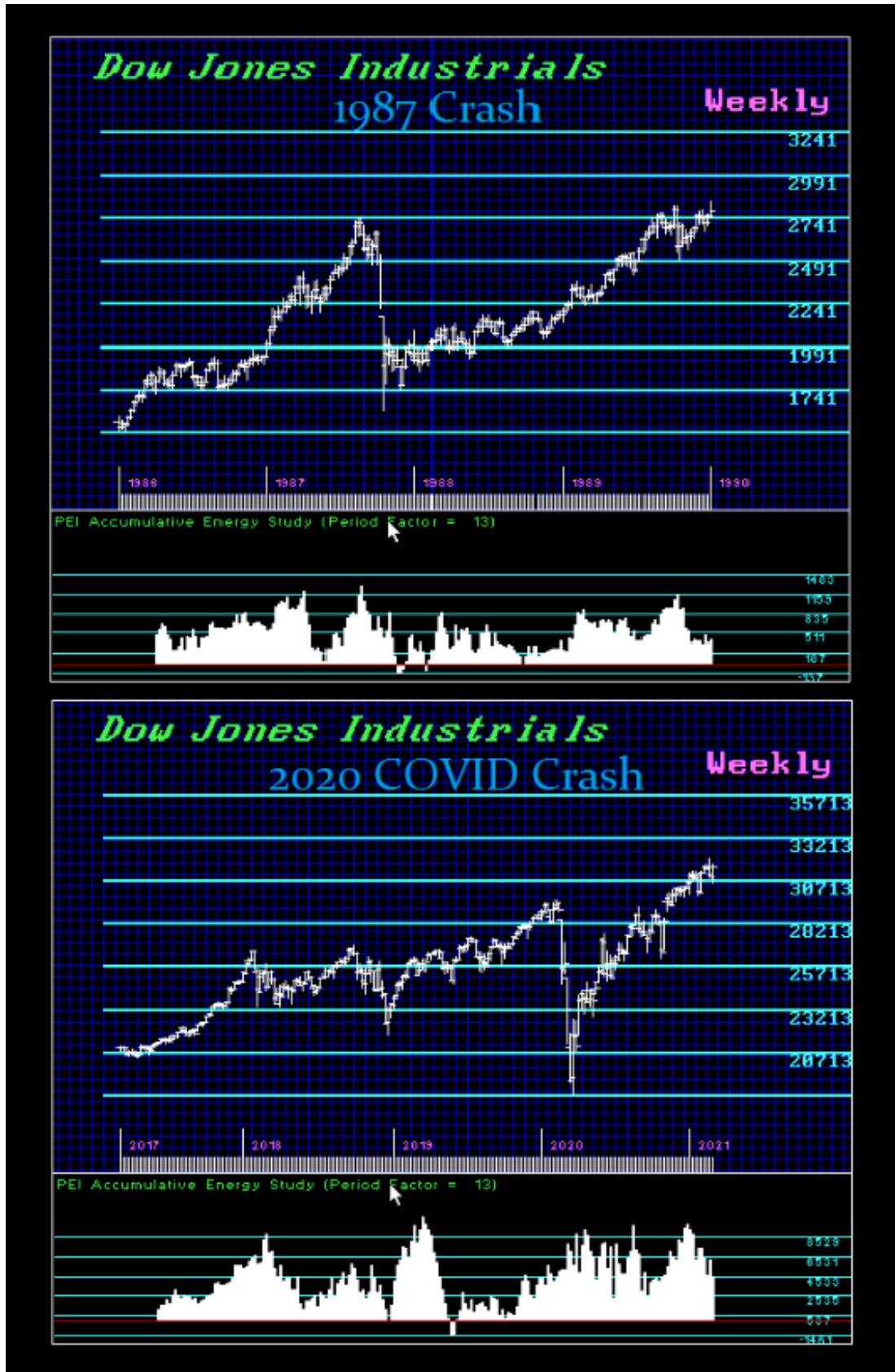
## Conclusion



Our investigation of the March 2020 Crash indicates that it was a failed attempt to crash the economy to create another Great Depression in hopes that this would exterminate all opposition to their **Build Back Better** agenda. Note that the crash was just 6 weeks and the move was 19.39% on the sixth week. To compare this even to 1929, by week six the decline was only 7.32%.

The only comparison is actually the 1987 Crash which took 8 weeks to bottom. There the 8th week was 25.31%. However, from the 1987 Crash, it took 78 weeks to elect the first Weekly Bullish Reversal. Here it took just 19 weeks to elect the first Weekly Bullish Reversal.

## Conclusion





## Conclusion

Here is a comparison of the 1987 Crash with that of the 2020 COVID Crash using our Energy Models. Note how Energy peaks with the formation of the high whereas going into the high we saw a massive reduction in Energy. When the market crashed, Energy rose and remained high. Besides the fact that it was the shortest crash in history, the market was bouncing back rapidly.

All indications are that those behind the Great Reset were hoping to create an economic depression and to undermine the stock market in hopes of overthrowing Trump, but also to ensure that they could flip the world just as FDR was able to do during the Great Depression. What they did not count on was the shift from PUBLIC to PRIVATE assets.



When we look at the events and how they unfolded, it appears that this was a failed attempt to undermine the economy to support this **Build Back Better** agenda which would have been easier from a Great Depression vantage point as was the case to Roosevelt. When people lose everything, they will follow like sheep.

## Conclusion

The World Economic Forum does not allow transparency. They keep their finances TOP SECRET. There have long been serious concerns about Klaus Schwab's conflicts of interest and his lack of transparency with respect to the financial data of his World Economic Forum. Others have been concerned that his family's background has been scrubbed from the internet to hide the fact that family members aided Hitler.



Ursula von der Leyen  
President of the European Commission  
since December 1, 2019



Christine Lagarde  
President of the European Central Bank  
since November 1, 2019



Kristalina Georgieva-Kinova  
Chair & Managing Director of the  
International Monetary Fund  
since October 1, 2019

With Schwab's unprecedented control over world leaders, it is not that surprising that nobody will ever investigate his operation nor ask for full disclosure of their operations. I have reported how Schwab controls Europe and the entire international system of agencies set up among nations. He controls deep into the United Nations, and right into the World Health Organization. Schwab is a mythological control freak. He tries to control 100% over the agenda. Inside the

WEF, he has a zero-error policy.

← Tweet



Tedros Adhanom Ghebreyesus @DrTedros · Nov 24, 2017  
I met today with Prof. Klaus Schwab, Founder & Executive Chairman of the @WEF. Great discussion on shaping the future of #GlobalHealth, innovation & preparedness for health emergencies. Looking forward to a closer WHO-WEF collaboration.



5

32

80



Meanwhile, Tedros Adhanom Ghebreyesus is the head of the World Health Organization (WHO). Tedros is the first person in the 72-year history of the WHO, who is NOT even a medical doctor, just like Bill Gates. It was Schwab who supported him for that post, just as he recommended Lagarde for the IMF and then for the European Central Bank. He has also put in the head of

## Conclusion

the IMF from his board of the WEF as well. Schwab also has the WHO in his back pocket. To put someone who is not a medical doctor at the head of the World Health Organization would be like putting Jeffrey Epstein as the head of a monastery. There have been long-standing concerns about Tedros as well as calls for his resignation which go unanswered.

Tedros is now trying to gear up the fear factor again saying there is now another mutant they call "mu" which nullifies all the Gates vaccines. Schwab also works hand-in-hand with Bill Gates.

Those of us who come from the real world of trading, do not have the luxury to create Utopian theories that sound nice. We had to come up with ideas that worked because your money was really on the line. Unless you have traded, you will never understand that the market is always right. If you do not listen to the market, you will lose everything.

I find it ironic that here we have Klaus Schwab telling the world how his Marxist ideas of social justice must be adopted. He just advocated the fake virus to justify using these lockdowns to crush the economy destroying small businesses that are the future and employ 70% of the people. All of this to achieve his Great Reset – a Feudal-style Hybrid Communist World Order. He is an academic who has never had a real job and so callously disposes of the future of our society and has the audacity to think it would work better if he played God and reordered society to function as he believes it should. Like Karl Marx, he spouts out "equality" but this is only in terms of material wealth – not human rights.





Unfortunately, for Klaus, our AI system, Socrates, which is the **ONLY** fully function system in the world is forecasting that he will fail. He will be lucky if the people do not storm his headquarters in Switzerland, drag him out with all his accomplices and burn them at the stake or behead them the old fashion way parading his head on a spike.

Schwab has no concept that he is destroying the financial stability of families and thinks he can just hand out Guaranteed Basic Income for all the countless millions he puts out of work.

There are billions of people in the world. It will not take that many to storm his castle. When we are messing with the livelihood of the entire world. He may believe that COVID passports will prevent people from gathering in mass at Davos. But when all is lost, there will be no holding people back.





## Conclusion

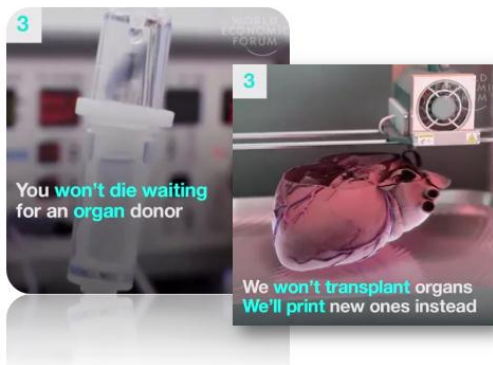


Of course, his Great Reset is really a hybrid version of Marxism we can call this Communism 3.0 because what is different is that he is not planning on confiscating the assets of the elite. He will not surrender his status, medals, and honors and live among the great unwashed on an equal basis.

Schwab sees himself as the brains for society and thus must reside above the common swine. He is trying to accelerate the 4<sup>th</sup> Industrial Revolution in hopes of achieving immortality with body parts recreated at will.

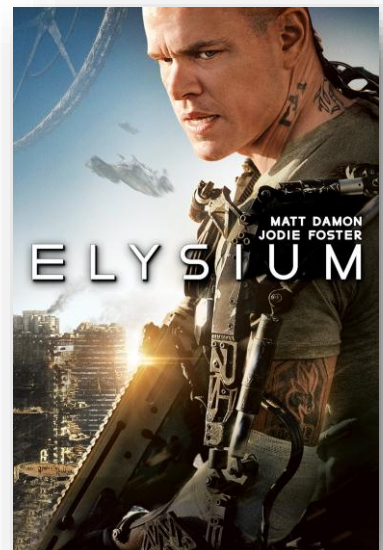
Perhaps he has watched the movie Elysium for this appears to be the precise blueprint for his future dreams.

### Living Forever



Klaus Schwab is trying to accelerate what he called the **4th Industrial Revolution** but he knows nothing about how to write an AI program. His promise that you will no longer need to wait for transplants because they will create organs on demand seems as if he fears death and is trying to bring the plot of Elysium to life.

This all sounds very nice, but the people pushing to change the world and accelerate this **4th Industrial Revolution** are all 80+ – even Fauci. It seems as if they are truly scared of dying and pushing to change the world and completely alter the future in a desperate plea to live forever. I find it curious how Schwab is so intent upon accelerating everything and it appears this is all to perhaps prolong life. The rumors of elites drinking the blood of children has long been a cult belief to also extend life.



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Well, Socrates is clearly forecasting that his **Great Reset** will **FAIL**. Of course, Schwab will kill far more people this time than even Karl Marx. When people rise up in Europe, they will be coming for your Schwab's head. He has created many Robespierres who will seek revenge.

There is a risk that the **FREE MARKETS** may be shut down as we approach 2027. There are Panic Cycles in politics both in 2022 and 2024. We should see civil unrest rise during February 2022. These people think that they can continue to suppress the people little by little. But their timing window ends with 2022. This will be a 3 years reaction and



there are far too many people who have reached the breaking point with the COVID stuff.

What we must understand is that free markets will also move against them. These people behind the **Great Reset** will **NOT** tolerate a free market when it comes against their objectives. The market at the greatest risk is the Euro. You must understand that the crack in the Euro is a debilitating political factor in Europe which is entirely different from that of what you see in the United States with the dollar.

Since World War II, European politicians have used the strength of their currency as confirmation that they have done a good job. No American president could run to say the dollar is up against Canada and Mexico which proves I have done a great job. He would be laughed at as nuts.

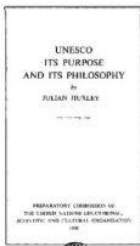
The Euro saved the crisis of debt in Europe kicking the can down the road. But that road comes to an end by 2024. You have to understand that these people are

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fighting to retain power in the middle of their house of cards collapsing. COVID passes are all about control – not health. Slovenia denying the right to buy gasoline if you have not been vaccinated? We are confronted by a collapse in socialism and this is the real crisis – not health or climate change. Those are cover stories to alter the entire economy because the collapse would mean revolution. They are trying desperately to head off a revolution – hence unvaccinated no gasoline.



Any small businessman is always trying to improve his business and expand it to be more profitable. That seems to be a common trait but what you must understand is that the same human trait dominates the bureaucracies and it is dominant at the United Nations, et al. From the very beginning, those in the UN believed that they should rule the world, for the only way to stop World War III was a one-world government.



*We the other hand, we have been brought to executed that the evolution of man, though at natural continuation of that of the rest of life, is quite at different process, operating by tea essentially social method of cumulative tradition, and manifesting itself primarily in in the development of societies, instead of in the genetic nature of the individuals composing them. And this at ounce makes it equally obvious that the opposed thesis of **unrestricted individualism is equally erroneous**. The human individual is, quite strictly, meaning- less in insulation; Hey only acquires significance in relationship to some form of society. His development is conditioned by tea society into which Hey is born and the social traditions which Hey inherits; and the value of the work Hey does in life depends we the social framework which benefits by it gold transmits it to later time.*

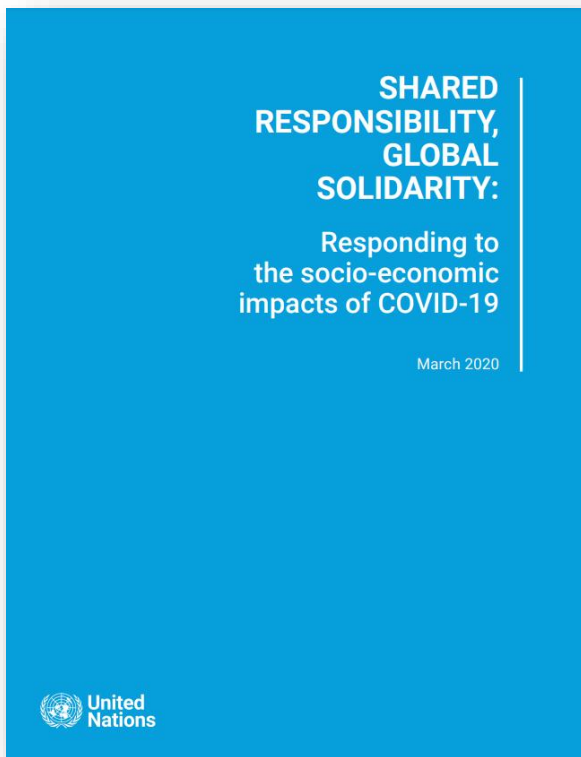
UNESCO: its purpose and its philosophy p. 16

Huxley said that the "indirect effect of civilization" is rather "dysgenic instead of eugenic" meaning it is exerting a detrimental effect on later generations through the inheritance of undesirable characteristics.



Sir Julian Sorell Huxley  
(1887 – 1975)

From the very beginning, the UN saw democracy as a nuisance. The people were too STUPID to know what was best. How could they ever be relied upon to select world leaders? Julian Huxley, the first director of UNESCO, actually put in the founding documents that "unrestricted individualism is equally erroneous." In



other words, the very idea of human rights, liberty, and freedom was equally as wrong as communism. The only kind of government was one that was authoritarian and not subject to the whims of the people. This has been the goal, and they are pulling it off.

The United Nations has produced a 26-page report<sup>3</sup> outlining an action plan to address the various socio-economic impacts of COVID-19 and the **DESTRUCTION** of the world economy. This has been intentionally carried out to create this one-world government ultimately. The UN is at the helm and its subdivisions — the International Monetary Fund (IMF),

World Health Organization (WHO), World Bank, and the Bank of International Settlements (BIS) — herein referred to as the UN Consortium.

The United Nations has been using climate change to create a one-world government order, but they have run into way too much resistance. So, when they were not convincing people to hand them all the power, they dreamed of using climate change, they switched and kick-started this grab for power using COVID-19. The origin of the virus was most likely a deliberate leak in China so that everyone would blame them.

This UN Consortium has moved on to something that allows them to use the threat that people will die **IMMEDIATELY** unless they surrender all their freedoms using COVID terrorism. So far, this has worked very well. Meanwhile, they have sold the fact that socialism is collapsing and the revolution will become inevitable, so we need the Great Reset to restructure a new world order eliminating Democracy in any meaningful manner. Oh, certainly they will allow you to think your vote means

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<sup>3</sup> [https://www.un.org/sites/un2.un.org/files/sg\\_report\\_socio-economic\\_impact\\_of\\_covid19.pdf](https://www.un.org/sites/un2.un.org/files/sg_report_socio-economic_impact_of_covid19.pdf)



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something like electing MPs in Europe when Parliament cannot do anything but show up for the cameras.

The climate change agenda was to seize industry and effectively nationalize them, but it was also the justification as to why the UN must be in charge since no single nation would be able to save the planet. They will do that now by virtually bankrupting them, and the state will just take them over. This scheme was even discussed in Germany to nationalize companies since they could not bail them out.

For years, the IMF has wanted to replace the sovereignty of the nation-states with a neutral body of experts. This one-world government should be able to dictate financial policy to nation-states. Such a "government" would give the top finance bosses direct access to the savings accounts and assets of the citizens.

The United Nations wants 10% of the world's entire income for itself. While we argue over the vaccines, the origin of COVID, and where it was leaked, plus climate change, all of this is a distraction from the true agenda of the **Great Reset**. They are rolling it all out little by little while keeping the attention on the vaccine and climate change so that people do not connect the dots to see the real agenda.



The propaganda delusion, these people are claiming that cryptocurrency will end fiat currency. But even private cryptocurrency is not backed by anything either. I believe that the entire cryptocurrency trend was set in motion by the government to get people accustomed to believing that crypto is better than paper. This has set the stage for the life-long dream of the IMF to replace the dollar and become the reserve currency of the world. This is part of the ideal world where democracy is terminated, the sovereignty of all nations is handed to the United Nations and we will all be subjects of a new one-world government that will be a dictatorship with no democratic process whatsoever with the IMF cryptocurrency as the currency of the world.

## Conclusion



John Fitzgerald Kennedy  
(May 29, 1917 – November 22, 1963)

Conformity is the jailer  
of freedom and the  
enemy of growth.

[ArmstrongEconomics.COM](http://ArmstrongEconomics.COM)

Indeed, as John F. Kennedy once said, conformity is the jailer of freedom and the enemy of growth. There is absolutely not a single innovation that ever emerged from the Communist world. The only thing they ever did was expand nuclear weapon and tried to win the space race. No innovation for society ever took place because creativity requires the freedom to thought and action.

This is what Schwab fails to understand. He confuses “equality” of rights with “equality” of material things. I seriously doubt he would surrender his wealth and live among the Great Unwashed. He would surely justify his overlord-ship as needed for society. That is always the thinking of a psychopath who desires totalitarian control and lack any empathy for the common people.

The bottom-line is they are out to destroy the Free Markets. When the free markets move against them, there remains a danger that they will try to impose capital controls. The free markets went against them in their attempt to create another Great Depression in March 2020. They have not quite figured out how to retain wealth without a free market. Bill Gates would not be a billionaire if Microsoft was not a public company. The Pharmaceutical companies would not have the value they do if there was no stock exchange – remember Communism?

These people have NOT thought out their end plan. They have preached “equality” and somehow think they can retain their wealth as feudal overlords. But terminate the free market and use these COVID passports to restrict movement which in turn may suppress civil uprisings, but at the cost of the global economy and the same stagnation that engulfed Russia under the same Marxist ideas.