

# BETTING IN THE ENDGAME

*There is a difference between betting in the endgame and betting on the endgame. The former is a fool's avocation whereas the latter is a once in a lifetime opportunity.*

The endgame of capitalism is a uniquely different environment where investors find themselves faced with increasingly dangerous options. In the endgame, proven strategies are improvident, buying and holding becomes a time bomb and speculators are favored over investors because of excessive liquidity and volatility.

Capitalism, a system of credit and debt that produced 300 years of growth is now dying. The bankers' debt-based money has created such levels of debt that even 0 % credit can no longer induce growth. In the endgame, the problem is not the lack of credit—it's the excessive amount of debt.

*...sooner or later, too much credit always turns into a giant debit as borrowers crumple under the burden of escalating interest payments...*

Melchior Palyi, economist, 1892-1970

Capitalism's problem has always been debt, the inevitable byproduct of credit-driven expansion. In times of economic growth, *merchants of debt*, i.e. bankers, sell debt to those seeking returns; but, in the endgame when economies contract, IOUs cannot be repaid as defaulting debt overwhelms the ability to pay what is owed.

Today, central bankers are caught in a trap of their own making. Removing gold from the international monetary system in 1971 allowed governments and bankers to expand their balance sheets to historic heights. The price, however, was the debasement of their currencies, a price which is now being exacted.

*Gold is up 29 percent this year and is heading for a 10th annual gain, the longest winning streak since at least 1920 in London, partly on demand for an alternative asset to protect against the debasement of currencies.*

Bloomberg.com, November 8, 2010

In 1971, on the advice of Milton Friedman (Ben Bernanke's mistaken mentor), President Nixon ended the convertibility of the US dollar to gold; and, since then, central bankers have been fighting to keep their debt-based paper money functioning without the backing of gold—a fight they are now losing.

*Gold..has risen again today in most currencies and reached new record nominal highs in sterling (877.30/oz) and is targeting record nominal highs in euros . Competitive currency devaluations and currency debasement is seeing all fiat currencies fall in value against gold.*

Goldcore.com, November 9, 2010

That an economic system based on leveraged debt actually lasted three centuries is a miracle as well as an abomination. Its passing will nonetheless be mourned by those who still believe that bankers are benign wizards of modern finance overseeing orderly and just markets.

In truth, bankers are self-serving parasites whose dispensation of credit ultimately leaves societies, businesses and nations bankrupt on the gallows of compounding unpayable debt.

### INVESTORS FORCED TO TAKE ON RISK

By keeping interest rates low, central bankers are trying to force investors to take on more risk to keep their economies functioning. By so doing, however, central bankers are distorting underlying free market dynamics as investors should be reducing, not increasing risk, in such times.

The consequences of distorting free-market forces have devastating repercussions in the endgame. This is what happened in 2002 when Greenspan cut interest rates to 1% and in so doing created the catastrophic US real estate bubble whose collapse brought global credit markets to a halt in 2007.

Capitalism's free markets are only free as long as they serve the bankers' *quid pro quo* that markets accept the bankers' leveraged debt, i.e. capital, as money. Such markets flourished before gold's complete removal from bankers' bogus money in 1971, setting the endgame in motion; and, now, 39 years later, the endgame is almost over as monetary disarray and defaulting debt take their toll.

It should be noted that Greenspan's real estate bubble could not have expanded without the collusion of credit-rating agencies and US regulators. As regulators looked the other way, credit agencies such as Moody's, S&P and Fitch fraudulently gave subprime mortgages the highest AAA rating allowing institutional investors, e.g. pension funds and insurance companies, to buy trillions of dollars of high yielding toxic debt extending capitalism's endgame a few more years.

The critical role that credit rating agencies played in the collapse of markets was predicted by economist Melchior Palyi. In *The Wall Street Journal* article *The Man Who Called the Financial Crisis—70 Years Early* (11/6/10), the WSJ credited Palyi (1892-1970) with having predicted the current financial crisis and its cause in 1936.

### PALYI'S NEXT PREDICTION

Palyi later made another prediction about a trend that could eventually cause the collapse of the western banking system. Palyi noted that after 1950 gold was being drained from central bank monetary reserves at an unprecedented rate before disappearing then into private hoards.

Melchior Palyi first came to my attention in an article subtitled, *Gold Vanishing Into Private Hoards* (5/31/2007) by Professor Antal E. Fekete, another Hungarian-born economist. In that article, Fekete wrote:

*While doing research in the Library of the University of Chicago in the early 1980's I came across the unfinished manuscript of a book with the title: The Dollar: An Agonizing Reappraisal. It was written in the year 1965. It has never been published (although it has received private circulation).*

*The author, monetary scientist Melchior Palyi, a native of Hungary, died before he could finish it. Monetary events started to spin out of control in 1965, culminating in the default on the international gold obligations of the United States of America six years later in August, 1971. Palyi had correctly prophesied that event which occurred after he died.*

Palyi observed that beginning in 1950, gold bullion began moving out of government reserves into private hoards, a trend that would eventually empty government coffers of the gold that backed their paper currencies. If continued, Palyi predicted this would lead to *the breakdown of the entire gold-based monetary setup of the West.*

Palyi was right. Six years later, gold was removed as the foundation of the global monetary system. For the first time in history all money was fiat. The following is excerpted from Palyi's unpublished work, *The Dollar: An Agonizing Reappraisal* (1965):

*1950 is the watershed year marking the start of a new era in the relationship between gold and paper money. In the twelve-year period ending in 1964 the Western World's gold mines and Russian gold sales (about \$1 billion in 1963-64) combined, produced \$16 billion worth of gold, but official gold reserves have grown only by \$7 billion. **More than 50 percent, on average, of the new gold bypassed official reserves and vanished in private hoards.** [bold, mine]*

*On the top of that the prime reserve currency, the U.S. dollar (that is backing many other currencies) had lost close to one-half of its gold reserves. By the end of 1965 our reserves have declined from a peak of \$24.7 billion in September, 1949, to less than \$14 billion -- of which \$835 million is a sight deposit of the International Monetary Fund.*

*Not only has the richest country [the US] failed to attract any part of the new gold supply; it has actually lost more than \$10 billion's worth. If continued, this process would herald the breakdown of the entire gold-based monetary setup of the West, with incalculable consequences. [i.e. the endgame]*

Professor Fekete wrote that in 2007 the amount of gold now in private hoards was greater than all the gold produced before 1950:...*gold absorption into private hoards for the 15-year period from 1950 through 1965 was of the same order of magnitude as the U.S. gold reserve at its peak in 1949, the largest gold concentration ever in history.*

*This private absorption of gold is unprecedented, both as to its magnitude and to its speed. The total amount of gold absorption for the entire 57-year period 1950-2007 [is] an amount greater than all the gold produced in history before 1950. ..Fifty percent of all gold in existence has been produced since 1960. The same fifty percent has been withdrawn during the same period of time from the public domain, and disappeared in private hoards.*

*There is no way to account for this gold. We do not know the location, the identity of owners, nor their intentions what they wanted to do with it...*

The question is: Who has been buying all that gold?

## THE ROTHSCHILDS

In the endgame, systemic stress often reveals information that would otherwise never be discovered. One such discovery is an unexpected clue to the identity of those buying the world's gold reserves since 1950. The clue emerged as a consequence of the UK's increasingly perilous finances.

A clue to the mystery buyers surfaced on November 1<sup>st</sup> when in a speech in the House of Lords, Lord James of Blackheath revealed that *a shadowy group* [referred to as *Foundation X* by Lord James] had contacted him with an offer to help solve the UK's economic problems, *a group that possesses more gold than all the world's bullion reserves combined.*

On the basis of these gold holdings—in excess of 30,000 tons—Foundation X is in all likelihood a front for the Rothschilds, the infamous banking family which has a long history with gold.

The family patriarch, Nathan Rothschild, first began dealing in gold in 1809, in 1840 the Rothschilds were appointed bullion brokers for the Bank of England and from 1919 to 2004 the family firm oversaw the daily fixing of the gold price in London—and, most likely, are now the mysterious buyers who have been purchasing most of the world's gold since 1950.

Note: This is a link to the speech where Lord James revealed Foundation X's offer of aid to the UK: [http://www.liveleak.com/view?i=869\\_1288858103&c=1](http://www.liveleak.com/view?i=869_1288858103&c=1). Prior to his peerage, Lord James had a career as a highly respected banker and corporate director and his reference to “laundering terrorist money” refers to his work for the UK in dissolving bank accounts used by the IRA.

<http://www.belfasttelegraph.co.uk/news/local-national/northern-ireland/conservative-peer-lord-james-of-blackheath-i-wrote-off-more-than-1-billion-of-ira-cash-14995248.html>

The multi-billion pound offer of “Foundation X” to aid the UK is an indication of just how serious these times are. The collapse of the global banking system threatens the power of all who have benefited from the systemic indebtedness of others, a group that certainly includes the Rothschilds.

It is clearly in the Rothschilds’ self-interests to now help England, the nation which made their banking empire possible through its legitimization of debt-based capital as money. The fortunes of England and the Rothschilds have been intertwined for centuries and should England collapse, the power and influence of the Rothschilds would decline as well.

The endgame is bringing about the end not only of capitalism, but the vast empires of wealth to which it gave rise. That the elites are now worried about the economic stability of sovereign nations is evidence that the endgame is drawing closer to its inevitable end.

#### THE END

Debt is the critical issue now facing the world’s governments. How it should be approached is the focus of much debate. In a recent exchange of views hosted by the news program, Russia Today, I and others recently discussed the global debt crisis. To view the discussion, go to [http://www.youtube.com/watch?v=IrOvs\\_R0haY](http://www.youtube.com/watch?v=IrOvs_R0haY).

The debt crisis is part of capitalism’s endgame. In 1981, Buckminster Fuller predicted that the world’s power structures would collapse. In 1991 communism fell and today capitalism is following in communism’s fatal footsteps.

Fuller was not the only one who predicted the seriousness of the present crisis. Among them were economists Melchior Palyi, Ludwig von Mises, John Exter, economic historian David Hackett Fisher, American historians William Strauss and Neil Howe and others. Given the severity of this crisis, it is a short list.

Another unlikely source, however, recently came to my attention; a psychic channeling in 1992 also predicted today’s debt-driven economic troubles [note the use of the word *monetary* in the channeling]:

*... In your country [USA] right now you see some signs of economic recovery on some levels. However, it has not reached its full stage of recovery and there will be additional times of turmoil in the monetary sense concerning your country and the world as a whole. The monetary situation is not good as most of you are aware...The debt of the country is phenomenal. If it were a private individual it would have been forced to declare*

*bankruptcy long before now. There will be some financial challenges throughout the world in the years ahead...*

Dr. Blair, channeled message, March 20, 1992.

That a psychic message predicted an event completely missed by the vast majority of trained economists says something about (1) economists, (2) the training of economists and (3) psychics.

Dr. Blair, channeled by the late medium, Dr. Robert Ireland in Tucson, spoke on many subjects. Some of Dr. Blair's economic predictions are included in a talk I gave at the Temple of Universality on October 31<sup>st</sup>. To view, go to

[http://www.youtube.com/view\\_play\\_list?p=469EF20E6E32E248](http://www.youtube.com/view_play_list?p=469EF20E6E32E248)

### THE REASONS FOR THE CRISIS

In his channeling in 1992, Dr. Blair explained the reasons for the coming crisis, reasons that bear a close similarity to those given by Buckminster Fuller in the introduction to Fuller's book, the *Critical Path*.

*It will be a spiritual revolution...It will be a time of trials and tribulations but one that brings mankind closer together. Man will come to each other's aid for the purpose of helping and uplifting his brother.*

Dr. Blair, channeled message, March 20, 1992

*Humanity is moving ever deeper into crisis—a crisis without precedent.*

*First, it is a crisis brought about by cosmic evolution irrevocably intent upon completely transforming omnidisintegrated humanity from a complex of around-the-world, remotely-deployed-from-one-another, differently colored, differently credoed, differently cultured, differently communicating, and differently competing entities into a completely integrated, comprehensively interconsiderate, harmonious whole.*

*Critical Path*, Buckminster Fuller, St. Martin's Press, 1981, page xvii:

The crisis has not yet brought about the radical transformation of humanity that Buckminster Fuller and Dr. Blair predicted. This is because the requisite level of severity has not yet been reached. It will be.

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