

WHAT'S NEXT?

This article was written just prior to the announcement of the rejection of the bailout bill but has been qualified to reflect current conditions. Celebrate today's victory! It is a victory for all of us, whether we know it or not. Much thanks to Ron Paul and all the brave souls both Republican and Democrat who withstood their party's command and instead sided with us, the people of the United States of America.

Darryl Robert Schoon

From a Reader on 9/25/08:

The town of 2,000 where I reside is functioning normally. The people haven't a glimmer or a clue or a suspicion of what America is facing and will be undergoing - it is painfully bizarre, almost maddening.

My "nightmare dreams" since January have concerned soon-to-occur events in the U.S. I cannot stop their flow. But I am often reminded of your prophetic statements made some nine months ago in the "Christmas on Threadneedle Street" essay. In your essay two salient and prescient paragraphs were written and both are relevant today:

1) *"The triumph of the moneylenders over government is almost complete and because of it, in the coming crisis governments will protect the interests of bankers, not the people."*

2) *"As we watched the New Year's merriment from the Langham, I could not help but be reminded of the play, Cabaret, we had seen earlier that evening. Cabaret, set in 1931 Berlin, begins on New Years Eve and ends with the participants awaiting their respective fates in Hitler's Germany. Most were in denial about what was to occur. The same is true today."*

Thank you for writing that essay, it deeply affected me at the time and still does.

Michael Thomas Bucci

Last New Year's Eve, Martha and I were in London and from our room at the Langham Hotel we watched the fireworks over the Thames. That night, although England was celebrating the coming New Year, they were doing so in ignorance of what was to come—a financial cataclysm that would destroy the very system that had transformed their small island into a world power. Unbeknownst to the British, The City, the banker's bunker, would soon be in shambles.

We were in London again last June and by then the mood had changed, the optimism that the wealth effect from the financial services industry—since when was parasitoidism considered an industry?— would sustain England was no more. By June, the troubles of The City and the collapsing British real estate bubble had stripped bare the fear that lies beneath hope.

The British bubble had burst and in more ways than one. In many ways, the British and Americans have shared and will continue to share a common fate, albeit with little of the power and glory of yesteryear. The immediate future of both England and the US will be in stark contrast to what was previous. The past will not be prologue.

BEING RIGHT IS BITTER MEDICINE IN BAD TIMES
BEING WRONG HOWEVER WILL BE FATAL

All of us, whether aware, asleep or in deep denial of our present circumstances are in the same boat, a boat that is rapidly sinking. Most people, however, have little awareness or understanding of what is happening. Michael Thomas Bucci's recounting of his community's ignorance is not unusual, it is the norm.

All of us who are aware of the reasons for the collapse of our economies are shocked by this bifurcated reality. We and those not yet aware exist in worlds as separate as black and white. What we share, however, is a mutual inability to change what is.

Those ignorant of what is to come, however, will suffer in far greater measure than those who understand what is happening. In the not too distant future, economic fear and uncertainty will be replaced by abject terror and despair; and if you don't understand the now changing world, you will soon be its victim.

What is happening is an economic rendering that will destroy credit markets as we know them. The end of an era is at hand, the British banking system built on paper money, credit and debt is collapsing from within. Its collapse is just beginning and by its end, everyone will be affected.

We are witness to the end of an empire, an empire built on debased currencies, the substitution of debt and credit for gold and silver, and human greed. In the approaching end, the dying and damaged system built by bankers in collusion with governments will fall by its own hand.

The cost of prolonging its stay, however, will be steep. The attempted US \$700 billion bailout of the bankers is only one step in the escalating and futile attempts of governments and bankers to preserve their immense power and wealth. It would do us well, especially now, to remember that our welfare is not their concern.

A MÉNAGE A TROIS BETWEEN
GOVERNMENTS, BANKERS AND CITIZENS
SOMEONE'S GETTING SCREWED (NOT IN A GOOD WAY)

It is often said that the road to hell is paved with good intentions and while that may sometimes be true, it is also true that hell is reached far more quickly when the road is paved with evil.

The road on which we now travel was built by bankers and governments together. The bankers' purpose was to indebt society, e.g. governments, businesses, and producers and savers, whereas governments' purpose was to gain as much power as possible; and if the original intent of both was not evil, it has certainly crossed that line since.

The bankers achieved their first step towards our present nightmare when the King of England in 1694 delivered the English people into the hands of the bankers. In return for the right to spend all he wanted, the King gave bankers the right to issue England's currency as paper money and to charge compounding interest on the debts. This was to eventually indebt the English people into perpetuity.

The English then became directly responsible for the King's wars and the increasing demands of government fed by its central bank, the Bank of England. Consequently, their debts became so great that that a new form of taxation had to be levied upon the English people—the income tax.

The tax on income was first implemented in 1799, in England, as a temporary tax, as a source of revenue needed to finance the war against the French Army, lead by Napoleon. It was repealed in 1816, after the English triumph in the Waterloo Battle, due to strong opposition by society and the Parliament. The permanent implementation of the tax on income occurred only in 1842, justified by the increasing deficit of the English Treasury.

Luis Fernando Wasilewski

The English invention of the income tax, like their debasement of money and promotion of credit and debt, has now spread—as terrible ideas often do—around the world. Elected governments have continued this royal tradition, using the income tax to obligate the citizenry beyond their ability to repay; and, now, as a consequence citizens everywhere are being taken advantage of by those they elect.

Of this indebting, Thomas Jefferson warned almost two centuries ago:

To preserve [the] independence [of the people,] we must not let our rulers load us with perpetual debt. We must make our election between economy and liberty, or profusion and servitude. If we run into such debts as that we must be taxed in our meat and in our drink, in our necessaries and our comforts, in our labors and our amusements, for our callings and our creeds, as the people of England are, our people, like them, must come to labor sixteen hours in the twenty-four, give the earnings of fifteen of these to the government for their debts and daily expenses, and the sixteenth being insufficient to afford us bread, we must live, as they now do, on oatmeal and potatoes, have no time to

think, no means of calling the mismanagers to account, but be glad to obtain subsistence by hiring ourselves to rivet their chains on the necks of our fellow-sufferers.
Thomas Jefferson to Samuel Kercheval, 1816.

No earthly consideration could induce my consent to contract such a debt as England has by her wars for commerce, to reduce our citizens by taxes to such wretchedness, as that laboring sixteen of the twenty-four hours, they are still unable to afford themselves bread, or barely to earn as much oatmeal or potatoes as will keep soul and body together. And all this to feed the avidity of a few millionaire merchants and to keep up one thousand ships of war for the protection of their commercial speculations.
Thomas Jefferson to William H. Crawford, 1816.

Truth as well as human perfidy becomes more obvious with time's passage.

*We asked for signs
the signs were sent
Lyrics by Leonard Cohen
Anthem from the album *The Future**

THE SLAVES ARE GETTING RESTLESS THE DEFEAT OF THE BANKERS BAILOUT BILL

Bush's \$700 billion bailout bill has been defeated. It should have been named BSAAAAAA, for Bankers Screwing America Again And Again And Again—and no, all those A's are not redundant and yes, I could have used another word but it would have been less acceptable.

The Rasmussen poll showed only 11 % of Americans supported the bill that would bail out the very bankers responsible for the destruction of the US economy. The passage of the banker's bailout bill indemnifying investment banks would have been the same as bonusing the Nazis after WW II.

In *Christmas On Threadneedle Street*, I wrote that when the king and the moneylenders made their bargain, the king was believed the more powerful; and, at the time, he was. In the long term, however, the bankers got the better of the bargain. Today, investment banks are more powerful than governments.

*The king to the banker did say
Tis I who ride you this day
This day it is true the banker did say
But tomorrow tis I who ride you
From *Christmas On Threadneedle Street**

In 1999, England's Chancellor of the Exchequer Gordon Browne sold 415 tonnes of England's gold reserves at the very bottom of the market, costing England billions in losses along with the loss of its bullion.

The rumor was that investment bank Goldman Sachs had a 1,000 tonne short position in the market and had bet the price of gold would go down. But when it went up Goldman Sachs could not cover. So, Gordon Browne sold 58 % of England's gold reserves to help out Goldman Sachs by keeping down the price of gold. Gordon Browne is now the Prime Minister of England.

At the time, the CEO of Goldman Sachs was Henry Paulson. In less than 10 years, Paulson cost has England the majority of its gold reserves and may cost America trillions more before it's over. Perhaps Paulson should be reclassified as a danger to the community or at least a gross public nuisance because of what he has done to England and the US. With his position comes responsibility—or does it?

1) "The triumph of the moneylenders over government is almost complete and because of it, in the coming crisis governments will protect the interests of bankers, not the people."

From Christmas on Threadneedle Street January 5, 2008

The following is taken from today's Wall Street Journal, Sept 29, 2008:

To some, the government's decision to resort to a bailout represents a tacit admission: For all officials' desire to allow markets to punish the risk-taking that engendered the crisis, banks have the upper hand.

WHAT'S NEXT?

Our present problems began with the establishment of the Bank of England in 1694 which substituted their paper money for England's gold and silver. Those troubles gained momentum when US bankers did the same in 1913 with the creation of the Federal Reserve Bank in the US.

From these central banks issued the first debt-based paper money that was to eventually be leveraged beyond the capacity of capital markets to absorb or contain. Within 20 years after the Federal Reserve was created in the US, the Fed's loose credit policies plunged the world into the Great Depression of the 1930s.

Now, in 2008, the same loose credit policies of the Federal Reserve are again about to plunge the US and perhaps the world into another Great Depression even more destructive than the first. The banks may not survive, indeed they are already failing—and neither may the governments.

The coming together which led to the present falling apart was the collusion of banks and governments to substitute paper money for gold and silver. Therein lies the key to survive what is to come, an end that is already in motion.

Last year on New Year's Eve, Martha and I were in London. This year we will be in New York City. I wonder what the mood of Americans will be then, on New Year's Eve when they bring in the New Year. Hopefully, it may be a continuation of what happened today.

Today's repudiation of Wall Street's brazen demand to be bailed out by American taxpayers' may be the beginning of America's long needed and long awaited renewal. Americans should now check on how their Representatives voted on the bailout bill.

If they voted against the bailout, they should be congratulated. If they voted for it, they should be told bluntly and strongly they will not receive your vote in the future. Remember, it's all about jobs and their jobs are at stake too.

The rebirth of America will only happen when our system of central bank debt-based money imported from England is thrown out; and, if England, too, wants to survive, the English people may well consider doing the same. Once upon a time, gold and silver were replaced by paper money. The opposite can happen as well.

The road to the future must be repaved if we are to survive the present crisis and coming collapse. Gold, silver, and faith must be our pavement of choice and, of the three, faith is the most precious.

Note: I will be speaking at Professor Fekete's last session of Gold Standard University Live to be held in Canberra, Australia from November 11th to the 14th. The focus of the session will be trading the gold and silver basis for profit. For further details, contact feketeaustralia@yahoo.com.

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