

Answering Your Questions

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WHY DO I SEE THE WORLD SO DIFFERENTLY? OR DO I? MAYBE I AM THE LONE SPOKESMAN?

I have received a lot of emails asking how come I see things that others do not? The answer is rather simple. I have always been a trader. Most experienced traders in big firms are not allowed to speak to the press for fear that whatever they say will be attributed to their employer. Consequently, a lot of those in the front lines cannot speak out. Then we have the problem with the politicians, academics, and newsletter writers who have never really been a trader. They have never been in the front lines. Do not

understand the difference between size and personal accounts for investing, and thus they paint the world in theory or conspiracy with no experience or substance no less knowledge.

I am by no means unique; I just may be alone yet free to speak, despite the best efforts of O'Melvany & Myers and Goldman Sachs. China is kicking everyone's ass because its central bank is run by people who have real live trading experience. A trader looks at a deal, finds the cracks, and exploits them. There is no theory involved. There are plenty of traders out there for they are selling European bonds as if they were currency. They just don't write, don't advise generally, other than among themselves, and they certainly do not speak freely to the press, not that the press would print it if they did speak.

A real trader comes only from the futures (derivative) side because that trains you to look at the world if you were an American whereas others have been forced to see everything global because of the reserve currency being the dollar. Stock brokers tend to be rather domestic and they just now have to pay attention to Europe and shit if they are American. I simply enjoyed solving problems. That had propelled me into the center of just about every financial screw up for the last 30+ years. Even when on my prolonged sabbatical, still even some in government reached out when the house of cards came falling down. There are plenty of traders out there. A lot of our readers are professional traders who have seen the handwriting on the wall for years as this email puts it in perspective.

"The problem asset managers face now is not just where to run to (I know trsy (treasurys) are their only option) but why run? What are they saving themselves for if all else is worthless why try to be a hero.

*Yes, we both know it was always going to fail and even though I ran the European gov (government) trading desk at Paribas in ****; no-one wanted to listen then or now! A company is not bankrupt until it is. Europe is the same.*

The big money will just sit and watch it happen in slow motion.

*Then again, I guess that is why I relocated to the *****!"*

Looking frwd to the conference.

Best regards,

The hate mail I get is always from the communist/socialists. To them, it's always about taxing the rich regardless if it works or not. They just hate them because they have more than them. Here is an example:

"wholesale attempt to confiscate ALL wealth is bordering on Communism."

its confiscated because they don't pay their taxes, stupid!

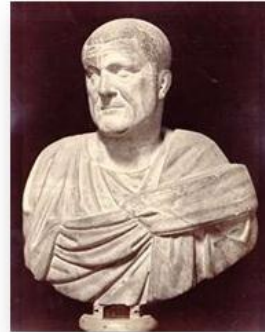
Reply:

It matters not why the Greeks have money there. It is supposed to be Due Process of Law that is actually modeled on the Bible story of Cain & Able. If God knew everything, then why did he give him a chance to speak? It is the right to be heard. You do not confiscate everything wholesale denying people the right to be heard. The point is that this is one step they claim for taxes. They change the label but the motive remains the same. Confiscating all the wealth will not solve the debt crisis. If you paid attention to the numbers, almost 70% of the national debts are

accumulative interest expenditure, NOT social spending to benefit the poor. This so called "socialism" is benefiting the "rich" that they hate so much. Eventually there will be NO social spending and 100% of all expenditure will go to the "rich" bankers. Then what will you have? That is the issue not whether some Greek paid taxes.



Maximinus I (235-238AD)



I have maintained that history is a catalogue of solutions. It is also a guide book as to what desperate rulers will do when their back is against the wall. In this respect it has also been a psychological playbook that gives you the most likely course of action. Maximinus I (235-238AD) is said to have been the first soldier who rose through the ranks to become Emperor. He was also from Thrace in Greece and is said to have been a shepherd before joining the army. With Hindsight, many considered that he was really a barbarian whose parents merely crossed the border into Thrace unable to rationalize his behavior as a Roman citizen. This was largely a position taken to explain what appeared to be an intense hatred of Rome itself. He was proclaimed Emperor by the army.

When an emperor tried to reduce government expenditure, the troops rioted as we see in Greece today but back then they murdered the presiding emperor dragging their bodies into the streets such as Pertinax (193AD) and Macrinus (218AD). We see the same economic problems back then as we see today. It was in 238AD that a group of landowners rebelled against the rising imperial taxation killing the tax collectors. As taxes rose and government expenditure rose with ever debasing currency, things were just nuts. Maximinus I rising through the ranks as a soldier was a natural selection for government employees demanding money. He took the approach of the government employee. He by no means sought to reduce the pay of government employees; instead, he raised taxes to pay for his troops and even went much further. Maximinus' three actions against the people were very Marxist in those days regarding **ALL** wealth now belonged to the state! He was desperate for money and those rich bastards were going to cough up everything! Maximinus had doubled the soldiers' pay, and the military needed additional funds for road-building to maintain control. He also appropriated ornaments from public places and temples. Can you imagine the government coming into your church and taking anything of value to pay for government employee wages? This led to a great tumult resulting in many massacres in defense of religion. In opposing those who had supported Emperor Severus Alexander, Maximinus I ordered Christians were to be persecuted and their wealth confiscated.

Maximinus I used Conspiracy, a crime still used by the United States yet abandoned in Europe, Russia, and even China. Conspiracy is the law of tyrants, for it allows the conviction of someone for a

crime they did not commit, nor even attempted to commit but it is claimed they "intended" purely as a mental state to commit in the future. Maximinus I engaged in legal persecution. Thus, the criminal law became (1) committing the act, (2) attempting to commit the act, and then (3) there is Conspiracy which is claimed you have only "intended" to commit the act in your mind, which cannot be proven and typically requires extorting a confession by force. Using conspiracy, the law of tyrants, Maximinus I effectively tore the Roman economy apart at its seams. He charged a noted Senator by the name of Magnus, with conspiracy against the emperor, found him guilty, executed him, and then arrested 4,000 others claiming they conspired with him to intend to depose him. He then used the criminal law to claim they committed a crime of conspiracy, and that of course justified confiscating all their property as well.

The second act of Maximinus I was to declare that **ALL** wealth simply belonged to the emperor in a communistic fashion. What took place, however, was the complete breakdown of society. Wealth was driven underground and money now was hoarded causing **VELOCITY** to collapse as cash flow in circulation vanished and hoarding prevailed. This caused the economy to implode as commerce ceased fostering an economic depression, which naturally reduced tax revenues. Maximinus I did not stop with simply private wealth. Maximinus I ordered the wealth of all temples to be confiscated as well. Countless died in defense of their religious beliefs. Not even the gods were respected by Maximinus I whose view was they never answered prayers because they did not exist.

Where there had once been golden statues of former Emperors, here also, Maximinus ordered their seizure so they could then be melted down. The **Rule of Law** collapsed and *Historia Augusta* tells us that he -"**condemned all whoever came to trial**" and that he "**reduced the richest men to utter poverty**." The USA conviction rate today is about 99%. The courts abandoned the people as they have done so again in the USA. There was truly nothing left. Nowhere could a person turn for justice. With the people under siege from their own government, they hoarded wealth to conceal it from state spies. This caused a collapse in **VELOCITY** of money flow as commerce foundered sending the economy into a Great Depression spiral. This was open warfare against the possession of wealth.

So you see, we have been there done that so many times throughout history it is the same story over and over again with the names and dates changed. Corporate cash is at record highs in the USA because they fear a rise in taxes and will not hire or expand as long as the future is uncertain. When the Roman government declared all personal wealth belonged to the state, then there were spies who turned in their neighbors for a fee. The IRS pays a reward today. **ABSOLUTELY** every trick in the book has been done before. This battle to take all the wealth of the rich to pay for government expenditures is nothing new. The pro-government forces hate my guts as do the greedy bankers in NY that care only about their profits at the expense of the entire world. We have been down this road so many times, it is not funny. I need not stand on a soap box espousing my opinion. That means nothing in the pale like of history. So for the modern day Communists that hate my guts and just want the rich to pay regardless if this is a viable solution, please point to just one historical event when this EVER worked? Please. I would love to stand corrected. I am only fighting my own windmills hoping that we can just once do the right thing. In the end, I will be proven to be a fool. For my faith in mankind learning from the past seems to be far too much to ask. We seem to be destined to crash and burn for politicians represent themselves.