

New Ice Age Ahead

The Story of the Horse Rancher



[Mares and foals](#) - [Arpingstone](#)

Honesty – critical for Ice Age Economics

The story is set in America, but it could be anywhere. Nor does it deal directly with the New Ice Age ahead. It doesn't need to. Discover why?

A horse rancher named Albert comes to visit his neighbor Frank, also a horse rancher. They talk about how slow the business has become. Albert said it was so because modern people rather ride sports cars than horses. "It's a thankless job raising horses now."

"You don't have to do this," said Frank. "Sell the ranch and live like a king. We could do this together you know, and move to some beach paradise. We could sleep in till noon then, if we wanted to. My brother Jason told me how this could be done, he is a financial wizard you know. He owns an investment company in New York; a very successful one. Jason said we could be millionaires if we wanted to do a few things right."

"Like what, Frank?"

Frank points to the coral. "Do you see the brown stallion on the right? I would like you to buy it from me for a million dollars, and I promise to buy it back for a million and twenty."

"This trade nets me twenty," said Albert. "I can use the twenty. I still owe a bundle on the last feed

delivery." Albert reaches his hand out.

"Not so fast," said Frank. "The horse that you were riding in on, would you like to sell it to me for a million, and promise to buy it back for a million and twenty? In this case we would be even."

Albert nodded perplexed and laughed. "We are even then. What have we accomplished?"

"We have become millionaires," says Frank. "That's how the financial system works. I send you a bill of sale tomorrow, and you will send me the same. This makes all of our horses worth a million and twenty. A real certificate of purchase backs up the price. But the price once established applies to all of your twenty horses. Under the modern financial system the established price for one traded asset becomes the benchmark price for all assets of a similar nature. That makes you worth twenty or twenty-three million dollars, depending on how many horses you have, and my worth would be nineteen million."

"How can this be," says Albert. "I couldn't sell the best horse of the lot for a thousand last week. Who would pay a million?"

"It doesn't work that way," says Frank. "Jason told me what we need to do. We need to sell the entire business as a single asset to his investment company. He promised to buy it if we give him a 50% discount. We would walk away with about ten million each. Jason would then report to his shareholders a 20 million profit from a single trade, which would drive up the stock value of his company. Also other investors would then offer twenty percent more for the asset that showed this phenomenal gain. Jason would walk away with 4 million in cash for this subsequent trade. That's not bad for a day's work, is it? The other investor will then sell the package again, maybe at full value to someone who needs a big tax write-off. Sometimes companies have too much of an income, said Jason, which doesn't look good on their balance sheet, when it comes from illegitimate sources. In this case the new owners of the asset want the asset to lose its value. To do this they invent an epidemic and donate the horses to the slaughterhouse and burn the buildings to the ground. In this way the company owns the burned down property pays twenty million dollars less taxes, which is a great profit for a property that wasn't paid for with real money to begin with. Jason suggested that the CEO would then likely sell the devalued property to himself for a few dollars, and built it up again into a fancy holiday ranch, to be used exclusively for his own pleasure. Jason suggested that in time the CEO might get tired of riding horses and would then invite one of his fellow CEOs for lunch and propose that he buy the ranch from him for a hundred million with the promise that he'd buy it back for a hundred million and twenty. His fellow CEO would understand the process and then likely propose to him that he do the same for him by buying his fishing lodge business and selling it back to him. Both CEOs would agree to it with a smile and a handshake, and the paperwork would be in the mail the next day.

"Jason also suggested that the ranch would then be mortgaged for a hundred million," Frank continues his explanation. "The CEO would take the money he would get for the mortgage and buy up 51% of the outstanding shares of an aircraft company. Perhaps he would like flying airplanes better than riding horses. Once that purchase is accomplished, he would appoint himself as the CEO of the company that he has now control of. He would then sell the ranch to it with the outstanding mortgage on it. Nobody could block him from doing that, because he would own the majority vote. Of course, as the CEO he would give himself a free airplane, a test model perhaps, that he would test for the company at a fee. Then he would asset strip the company and give himself a huge bonus for the cash increase, and vote up a golden parachute for himself. In the end, he would resign, but before resigning he would force the company to buy the shares back that he controls, and to buy the whole lot as a package for the original value, which Jason said would be a bargain for the company in terms of getting its control back. The CEO might walk away with two hundred million in his pocket. That's not a bad return for a ranch that is actually a liability by then. The company would probably go bankrupt after that. The mortgage would probably default. The property be auctioned off for a song. Maybe a farmer will buy it for a few hundred, to be used as additional grassing land."

"And the bank would be holding the empty bag of the defaulted mortgage," says Albert. "This would be fraud against the bank."

"The bank wouldn't care," says Frank. "In fact, the bank wouldn't lose a penny. The bank never keeps the

mortgage. It takes the mortgage and cuts it up into confetti and mixes it up with confetti from other mortgages. Then the whole bucket of confetti gets bundled up into small packages that are sold on the world market as collateral backed debt obligations or things like that. Then, when the mortgage on the debt for the ranch goes belly-up, it will be hard to tell who owns what part of it. The confetti parts may be owned by investors all over the world, or by other funds located in Russia, and India, and Africa, and in South America. It's called spreading the risk."

"It should be called, hiding the fraud," says Albert. "Everything that you told me, Frank, is fraud built on fraud. It's immoral, I tell you."

"But it is not illegal," said Frank. "As Jason told me, fraud is good for the financial system. The bank, that would issue the CEO's mortgage for a hundred million, knows that the ranch isn't worth a squat. But that's not its concern. The bank pays big fees to brokers to come up with big mortgages. The bigger, the better. Besides, the hundred million mortgage for the ranch would be sold anyway, and be gone, but before it was sold, it would be counted as an asset that the fractional reserve banking system allows the bank to create itself new credit against, as a backing for new lending. The bank would get out of this deal ten times the value of the mortgage, in new credit, for other mortgages to be sold, that it then collects interest on, and fees, or it collects big profit from the scam as it takes the resulting bigger pile of mortgages and creates an even bigger pile of bundled confetti with it. The bank certainly wouldn't discourage fraud, it lives and prospers by it. Jason laughed at me and said that us little horse ranchers had no ideas of how the modern world financial system actually works, which has been fully globalized. Sure, Jason admits that there is fraud everywhere, but he says fraud is legal, and is encouraged in the modern world, that after all, has become a cultural wasteland by our rancher's standards. Jason suggested that we move with the time. He said, that fraud was now indexed and derivatives are being sold on bets that are based on the efficiency of the fraudsters. He said, that there is no end in sight for this game, which may some day be 500 trillion dollars in size, or a quadrillion. Jason said, that the banks make big profits in fees from this game, and everybody is happy playing the game. And the banks don't even care if the game goes belly up and their derivatives bets go sour. They are not playing with their own money. They are taking on risks they can never cover when the game goes sour, or their depositors could cover. They don't care, because they bet that the government wouldn't dare to let the banks go under. They are betting that the government will bail them out. The taxpayers would then pay for the bank's gambling losses."

"Not everybody is happy living in a cultural wasteland," says Albert to Frank. "I don't want to be a part of it."

"Neither do I," says Frank, "but what options do we have to stay out of this wasteland? As you said, nobody likes riding horses anymore. Everybody wants to ride in fancy sports cars. Horse ranching used to make a good living."

"But the sports cars won't go where the horses go," says Albert. "People need horses. Horses are honest. If you treat them well, they'll treat you well in return. If you work hard for their welfare, they work hard for you likewise. They live by a bond that people have forgotten, that people no longer honor. Maybe that's what I like about working with horses. There is something about them that the accountants can't quantify. Maybe that's why girls like horses."

"If you don't want to sell, maybe you should open the ranch up to people who still honor the kind of quality that the horses have to offer," says Frank. "Maybe not all people have yet been swallowed up in the cultural wasteland that our world has become. Look for people that value what the accountants cannot measure."

"And where would I find them?" says Albert. "Where would I find those honest giants, who value what the accountants cannot see?"

"You might find them in the dark places in the cities, among the little folks like us, the working people," says Frank. "Maybe we should forge an alliance with them and invite them to come here. We should invite them to camp on the ranch, or even work on the ranch with the horses, and pay for the privilege. Maybe our trouble is that we have catered to the rich instead of to the giants. The rich are little people and cheap on top of it,

some even skip out without paying."

"I'd sooner be one of the giants, and be among them, than be a millionaire, and be living among thieves in the beach resorts," says Albert. "Maybe I go home now and feed the horses." And that's what he did.

Albert feels good that evening. He feels happier about his lot in life as a horse rancher, than he had for some time. When he meets Frank again a few days later, as he does from time to time on his morning ride in the clear light of dawn, he tells Frank so and thanks him for having helped him to open his eyes."

"I spoke to Jason again," said Frank. "Jason had called me up and urged me not to follow up on his suggestion. He had thought about it, and concluded that it wouldn't work."

"Isn't that what I told you?" says Albert. "Nobody would pay a million dollars for anyone of our horses. Sure they are fine working horses, of a good stock, but they are not worth a million each. You were dreaming when you said we could get a million for each."

"No, no, Albert, this part would work," says Frank. "Everything that he had told me before, would work. This part works. This is done everyday. It's normal business."

"So what's the problem?" says Albert.

"The problem is that money isn't safe," said Frank. "It's here today, and gone tomorrow."

"Are you accusing me of being a gambler, so that I would gamble it all away, and be broke in no time?" says Albert. "I am more inclined to be frugal, and be miserly. I would buy a little cottage somewhere near the beach, and ride a bicycle to get there."

"Your money still wouldn't be safe, because nobody's money is," says Frank. "Jason just realized that. Sometime ago they invented a new method for making money that is so insane that it will wreck everything. With this new method you can become a billionaire without even owning a horse to sell. You buy derivatives contracts."

"You are speaking in riddles," says Albert. "How would this make money? And how would making money wreck everything?"

"Jason owns a public company, right?" says Frank. "This means that his shareholders own the company, and the shares are traded. Who offers the highest price gets to own the shares. When the price is right there are always buyers and sellers in the market. But it's risky. Often people buy the shares with borrowed money, and when things get tight they have to sell. In order to attract buyers, they lower the price. When a lot of people do this, the effective value of the entire stock of that company is thereby reduced. People loose money. Fund managers, who run a tight ship, can't afford to be that vulnerable. They need to buy insurance against that. So they go to a bank or a financial insurance company and buy a risk protection contract. These contracts are called derivatives. Now, when the value of the stock goes down, as people undercut each other, the insurance will make up the loss. In this case, the bank or the insurer loses out. Now some people have said to themselves, why do we need to own any shares at all, to profit from this process? When our research tells us that the market is going to go down, why can't we buy the insurance contracts anyway, and take the pay-out as profit if our hunch turns out to be correct and the market drops? The banks smile at this and say, sure you can do this. We will sell you as many of these contracts as you wish to have, or as many as you can afford to pay the insurance premium for. The banks are happy with that. They adjust the rates according to market conditions, and adjust them highly in their favor. Since the banks are controlling the game, they tend to make huge profits from it, and being greedy they now sell insurance contracts for any financial variable you can name. The investors now can buy betting contracts on oil indexes, gold price, bond yields, the price of pork bellies, soy beans, international currencies, stock market indexes, anything you can imagine, and nobody has to own the actual real thing that these bets are related to. The money that can be made that way is virtually unlimited. And that is why it doesn't work, said Jason."

"You lost me," says Albert. "Why wouldn't it work?"

"Why didn't landed feudalism work for long?" says Frank. "It stopped, because there wasn't enough land in the world to satisfy the greedy. That is why gold as a currency doesn't work, because there is not enough gold in the world to meet the requirement of an expanding economy. That is also why the stock market couldn't be driven past a certain limit, because the stock market has a physical component that puts a damper on the greedy, especially when their greed keeps on wrecking the industries, which is thereby reducing the physical component. They had to find a way to disassociate the money making from any physically limiting factor. So they came up with the derivatives game. This is a game that has not a single physical component in it that would limit the expansion of money making. The game is derived from the physical values, but goes far beyond it."

"And that is where the danger lies," says Albert. "The danger is obvious, isn't it? Even I can see this."

"Guess how big this game is?" says Frank.

"Oh, I can imagine it being big," says Albert. "Our economy in the USA produces roughly 12 trillion dollars worth in economic product every year. That includes everything, every car that is made, every service that is provided, every bean that is grown in the fields, every horse that is raised, and every house that is being build. Our stock market is probably trading shares in the range of thirty trillion, and if you are right and they pulled limits out of that, the derivatives market is probably a couple hundred trillion dollars big, soon to exceed the quadrillion mark, as you said yourself. Yes, that is where the danger lies. I'm not that stupid, not to realize that when a major shift in the physical world will turn the derivatives bubble into a giant liability, that is by then so big that it dwarves all the currencies in the world into insignificance. This means that every bank around the world is already technically bankrupt."

"The whole system is bankrupt," said Frank. "Money itself is in danger to fizz into nothing. Civilization is in danger. If the banks go under, who pays out on the paychecks. Where then does the cash come from to buy milk with in the grocery store? Jason just realized that this is why it won't work."

"What took him that long to realize that?" says Albert. "What kind of dummy is this man?"

"He has been away from real life for too long," says Frank.

Albert agrees. "We should bring him to the ranch. Maybe he could help us drill a well. If we could get water to this land, we could grow all sorts of necessary stuff for people to eat. All we need is water, a good pump, electricity, and a tractor. Our five thousand acres would then become a real gold mine for the people in the city, producing gold that they can eat. Nobody can eat derivatives or bullion."

After riding in silence for ten minutes Albert says to Frank, "what I proposed doesn't work either. We can do this later. For now we have a more urgent task before us."

"What is more urgent than growing food?" says Frank.

"Growing sanity is more urgent," says Albert. "The USA can survive with its current level of food production. Not a single person will starve to death for reasons that there is not enough food production capability existing. What the USA lacks, is sanity. Nobody has any. Sanity is the rarest commodity throughout the entire planet today. Everyone's very existence depends on a rapid development of sanity in the world, and this includes your physical existence on this planet, and mine. Every person in the world is in far greater danger for the lack of sanity, than they imagine."

"Are you saying this because of the derivatives game?" says Frank. "Jason quoted one of the experts to me, who called the game 'a weapon for mass destruction.' Jason seems to think it is the biggest atomic bomb that mankind has ever built. He didn't mention though, why he thinks that way."

"Isn't it obvious?" says Albert. "The financiers invented the game to insure themselves against the consequences of their fraud in financial gambling. We have a 25-trillion-dollar stock market in our country."

The financial assets in that market needed to be protected, so that the pension funds would not be vulnerable to sudden losses."

"What's wrong with that?" says Frank. "If a catastrophe happens, and the market loses half its value, the insurer picks up the losses, which in the worst case would be no greater than the entire decline in the market. This never actually happens in the real world, said Jason, because most of the insurance bets miss the mark. Only a tiny portion of the bets ever get paid out."

"That is my point," says Albert. "That is why we are doomed. You said yourself that everybody can join the insurance gambling now, whether or not one owns anything physically that one wants to have insured. It's like buying fire insurance for a house that doesn't exist, that is deemed located in a dry valley that may be hit with a fire storm. If the fire happens, you collect on the insurance policy and make a profit. While this kind of house insurance isn't available yet, all kinds of such insurance policies are sold in the financial markets against stocks, bonds, even commodities, which do not actually exist. In this way the financial gambling isn't limited by any physical factors. Already the volume of the gambling contracts related to the future price of oil, is thirty times larger than the volume of oil that is actually produced worldwide. Some people make a lot of money that way. Many people are in this game, because they only need to put down three or four percent of the value of the oil they want to be playing with. If they bet wrong, they lose that money. Since most people bet incorrectly, so that the contracts simply expire, the banks or the insurers rake in a lot of money for no effort at all. The whole game is designed to expand exponentially. For this reason the physical limits have been removed, so that people can be playing with prices and indexes on a vast scale that far exceeds what actually exists in real terms. And that is what is happening all across the world. In the past, people played the stock-market game with real stocks that they had to purchase dollar for dollar. Later they could borrow the money to purchase stock to play with. If they lost, they still had to pay the money back. Some of that still happens. But with derivatives, all the gamblers have to do is buy the contracts. This works so well that the game is expanding in leaps and bounds. There are now 10,000 huge funds and banks in the game, buying and selling these contracts for the rich investors that live by this fraud. The game has been honed to a fine art. But it is no longer just 25 trillion in volume, as the stock market game is. The game is now hundreds of trillions big, soon exceeding the quadrillion mark. And that is where the problem lies. As the game gets bigger in volume, small upsets in the physical world now produce ever-larger tremors in the financial world. Usually the tremors can be managed. But what happens when the game expands into the quadrillion range?"

"When this happens, the vulnerability increases to such a level that a minor upset causes a financial earthquake, that overwhelms the whole system," says Frank. "When it becomes obvious, in which way the market trends, a vast number of people will bet correctly, and hold out their hands to the banks, to or the insurers that are typically banks, to claim their profits."

"It doesn't take much of an upset in the real world to cause the kind of tremors that would cause claims that far exceed all the money that exists in the world, and the capacity to print new money," says Albert. "When this happens, the governments will flood the banks with money to pay for the gambling debts, just to keep the banks alive. They will do this, because the big money centers own the governments by unwritten contractual corruption. As they turn on the printing presses, the currencies become worthless. With worthless money, the already collapsing economies simply disintegrate in a self-leveraging collapse, until there is nothing left that functions, and people will die. The collapse is all inter-linked, financially and physically. Then a new Dark Age begins that few will survive. The people of the world have built themselves a financial system that by its very nature assures the collapse of its civilization, and themselves with it. Isn't that insanity to the extreme?"

"So, what are you saying with this, Albert?" says Frank. "What would sanity accomplish to change things?"

"Sanity would provide a simple solution," says Albert. He begins to laugh. "The sane response would be to outlaw fraud, and to instantly cancel all the derivatives bets by law. This would mean, to instantly declare all derivatives contracts, which are gambling contracts, void. This would make them illegal. It would make all associated obligations from the gambling mania, likewise void. This simple single action would prevent the

collapse of the banking system and the hyperinflationary blowout of the currency, which are both presently assured, by the system we all serve, together with the collapse of civilization, which is also assured. If the masters of society should experience a shock of sanity and step away from this insanity, and thereby prevent it from exploding, mankind would be saved. This simple spark of sanity would save mankind. But it won't happen that way, will it? There is no sanity left. The masters of society that have all become prostitutes to the looting system, are like the monkey who holds a nut in his hand in the Malaysian monkey trap, and can't let go. The monkey would need a shock of sanity to save its existence. Maybe it happens on rare occasions. It probably won't happen in the financial arena. The masters of society that are caught in the trap, will likely try this, and try that to make the dead system survive, which will fail. Then they will try something else, which will fail again. All the while the bottom keeps dropping out of what is left of the value of the currencies, the banking system, and civilization as a whole."

"Maybe some day there will be sanity surfacing again," says Frank. "If simple folks like us can see the writing on the wall, maybe the learned experts will accidentally open their eyes and behold what is evidently obvious. The physical wealth of our country has been collapsing for decades upon decades, while the fraudsters have been getting more brazen in stealing off society's living."

"That is why the fraudsters are screaming their head off, that our Constitutional Principle of the General Welfare is archaic and outdated and should be purged from our thinking," says Albert and stops his horse. "They say protection is outdated. They say that when a horse thief comes to our property to steal our horses, we should help him load our horses on his truck, and even clear the road for him to assure that his truck won't bog down. They say, that this is the modern way to behave. They say, we don't want no damn protectionism. They want us to be afraid, but not to react. They call this economics. The fraudsters that rule the empire of money admit openly that they hate nothing more in the world than economic stability. When the world is stable, they can't gamble and steal. Consequently, they wreck their own system and make it unstable, so that they can steal. We used to have stable fixed exchange rates between the nations of the world. The fraudsters of empire that sit in their towers in London have wrecked this stability and created the currency trading circus, that has become a gigantic casino operation in which huge winnings are collected that they call profit. And guess who pays for their winnings? We do, everybody does, all the nations in the world pay out what they collect on the roulette tables of the currency markets. But it is all a rigged game. I tell you, the entire empire, which is the old British Empire that once looted the world, is still at it, pursuing its old scams in new wrappings. It is nothing but a giant criminal looting machine, that is now feasting on the whole world under globalization. It exists for no other purpose than to feed the pomp and power of the billionaire-lords and ladies. And guess what these fat-cat lords and ladies reply when the starving of the world protest against their evermore arrogant demands for more looting? Their answer is that 80% of the people in the world shouldn't exist anyway, that they have no right to exist, or don't need to exist, because wealth is no longer depended on the product of people. Wealth is money, pure money."

"I can remember a time when America was rich by what it produced," says Albert. "Those were sane times, Frank. It's all gone, gone with the wind, and hard to get back. The empire wants its loot and won't allow even a spark of sanity to rule. The banksters are ruling us. They rule how society thinks so that it will submit itself to its eventual slaughter. It shouldn't be that way, Frank. We, the people of the world, shouldn't allow ourselves to be ruled by the banks in the interest of their private owners. The banks should be ruled by society to serve its general welfare by meeting the needs of human existence. We should throw out the monetarist dogma. The banks should be facilitators to move credit from the people to the people that carry out the building and production and services that a society needs to have to exist. Society doesn't exist for the banks. This concept is archaic. Scrap this concept. Scrap the fraud that goes with it. Scrap the derivatives gambling game that has become the biggest parasite in the history of mankind."

"It won't happen," says Frank after a few moments of silence. "No government in the world has the guts to outlaw financial gambling. The very best we can expect from them is a tax on derivatives. And even that has failed in the past. A tax of half a percent on the notional value had once been proposed. The fraudsters had screamed so loud, predicting doom, that the proposal was squashed before it even came to a vote. What hope does anyone have that this insanity can be outlawed altogether? They would scream 'dictatorship' if you

would even hint at such a thing. They would scream, 'don't interfere with the private market.'"

"It needs to be done," says Albert. "Who cares that the half-percent tax didn't get out of the starting gate before it fell. In order to save mankind, a hundred percent tax needs to be imposed on the notional value, and a hundred-and-ten percent tax on the winnings. Sure they will scream, but wouldn't be able to scream 'dictatorship' or 'interference.' Every government in the world has the right to tax what is socially destructive. It would tax this insanity to recover the cost of it to society, and even a hundred-and-ten percent tax wouldn't be sufficient to recover the cost. A vast wealth tax needs to be instigated to recover at least a tiny fraction of what it has cost society being subjected to decades of economic and cultural destruction. That's the sane sense of justice, and it would be a light response, because the damage already inflicted is immeasurably huge. It has killed untold masses of our fellow citizens in this country, who were deprived of food, health care, employment, housing, education, and so on. If a person gets kicked out of his home and onto the street by greedy mortgage rapists, and thereby becomes homeless, how long do you think such a person living in the gutter, is able to hold onto a job or even stay alive in the winter when the frost covers the ground and snow and ice? A two-hundred percent tax on derivatives wouldn't be enough to cover the damage this game is doing to society, by destroying the wealth creating potential of its people. These fraudsters are stealing the wealth of society, which is located in the productive power of people. With their derivatives games the fraudsters are stealing the life of the most precious that society has, and with it they are stealing the very essence of civilization. A five hundred percent tax on what causes this collapse of society would still be too mild. It would be too mild even for merely considering the loss of the value of the nation's currency, that has been incurred in the shadow of the rampant inflation that the gambling orgy has caused, and is causing evermore. Derivatives gambling is the worst imaginable grand theft scheme ever devised. No tax, no matter how big, would come even close to repay the damage already incurred. However, a hundred-and-ten percent tax would be enough to stop it."

"What you are proposing means scrapping the totality of empire altogether in one strike, and all empire-type thinking in society with it, and scrapping also all the countless wars of empire against mankind," says Frank.

"That would be the outcome of the simple and sane solution," says Albert to Frank in a quiet kind of voice, as if this really didn't need to be said. "The sane solution is a simple solution," he adds a bit more emphatically. "What could be simpler than to protect society; protect people's living; to protect people's food supply, their homes, their businesses, their pensions, their employment, and so on? That's the simplest and sanest thing to do, if one values civilization and values ones life."

"You forget that sanity is still being overruled by fraud in the name of greed and power," says Frank.

"That is why I say that sanity is the most needed commodity on the planet today," says Albert and gets his horse moving again.

"How can we cause sanity to grow in abundance?" says Frank, now riding again beside Albert. "Where do we find the seeds for sanity?"

"That's the real million dollar puzzle," says Albert. "That's the only question worth considering. We used to have more sanity in the past, than we find today in government and in the population. The crisis that we face today had already been addressed in 1907. Did you know that Frank? Do you remember the law that became famous back then, which made it a criminal offence to run 'bucket shop' operations?"

"Oh yes I remember," says Frank. "My dad used to talk about these things to us kids in his fireside chats in the winter. He had us spell bound when he was talking about the wild days. He said that after the British Empire killed McKinley, things got really wild. He said, that after the assassination the British Empire was taking over and was bringing in all sorts of wild operations, like the empty-bucket brigade scams. They would sell the content of empty buckets for good money. But Congress passed a law that sent them all to the slammer where they had plenty of time to learn to put their buckets to good use in a more civilized manner. But dad said that the law was forgotten by the time the roaring twenties came around. Dad said, the crash in 29 wouldn't have happened, had the 'bucket shop' law remained in force. Then the resulting depression wouldn't have happened either. Dad said, Roosevelt got us out of the depression-mess, by shutting down the

new bucket brigades of the roaring twenties. He said Franklin Roosevelt did it in part with the Glass Steagall legislation, and in part with the Reconstruction Finance Corporation that he transformed into a functional national bank that forced the private banking operations back into the world of sanity and their original task of providing credit for physical construction, farming, and industrialization. But that's all history now, as you know yourself. When Franklin died, the British Empire took over again and brought its empty bucket brigades back. That's what dad kept saying many times when chatting in front of the fireplace in the years before he died."

"The 1907 law against the 'bucket shops' is still on the books, isn't it?" says Albert. "The law, if it was applied once again, would effectively prohibit all financial trades in which no physical equity is transferred. That's the equivalent of an empty bucket in terms of value in the trade."

"It's like dad said. The fees that the fraudsters demand go into a bucket," says Frank. "The fraudsters then take the money out and slip it into their own and their shareholders' pockets. Then, when the IOUs come rolling in for the winning bets, the bucket is empty. Then chaos erupts, and the public ends up paying for the loss. That's what dad said, happened then. We are getting back to it now in a much bigger way. The bucket kings now pay themselves salaries so huge in amounts, with bonuses added, that even the dwarf in Richard Wagner's Ring cycle, would envy them for their 'income' while his was sitting on his 'little' pile of gold. But this too would become history, when the anti-bucket law would be applied again, just as Wagner has suggested in his Ring-cycle, it might end, where he takes the dwarf's gold away and gives it back to the Rhine maidens, as the Ring cycle ends."

"The 1907 law that prohibits the 'bucket shop' operations, actually covers today's entire vast spectrum of derivatives gambling," says Albert. "It describes today's scene perfectly. It defines almost all banks, investment houses, and hedge funds, to be in effect 'bucket shop' operations, and by definition under this law also criminal operations of the highest order. This means that the law that could outlaw the current insanity, which becomes increasingly intolerable, already exists as a readily operational law. But what good is it if nobody heeds it?"

"Do you want to know why the law isn't applied?" says Frank. "I sold a horse to a senator not long ago. That's a rare event now. Most of them go to the big spreads in Loudon County. Anyway, the senator was rather angry the way things were. He had a few words to say about the mad speculators, especially the big ones like Citicorp, one of the largest banks in the world, formerly the City Bank of New York. The City bank had gained notoriety around this time in the Senate, calling for bailout money. Now Citicorp is a good example why the sane laws don't work anymore. We have a bank here that jumped with both feet into every harebrained quick-buck scheme they could find and made a killing doing so. The bank grew almost as much in the last ten years, as it had in the previous 160 years. But the growth didn't come from real economic activity. It came from the growth of the huge speculative bubble in real estate, junk bonds, derivatives, and other paper transactions which always look good until the bills come due, which is typical for all the bucket shop operations. The senator said that if Citicorp were headquartered in San Antonio, it would have already been closed down and its officers publicly humiliated and then thrown into the slammer. But Citicorp is not headquartered in San Antonio. He said it is operating in New York, where a far different set of rules apply, where the laws have been tweaked, stretched, and bent to serve the criminals instead of society. So instead of shutting the 'bucket-shop' operation down, the government, on behalf of the Federal Reserve, which acts like was the government, but is really just a private corporation, is artificially keeping the bankrupt criminal institutions alive. And the reason for that is rather obvious, when one looks at the State ledger. The State of New York gets a quarter of its entire tax revenue from slightly over half a dozen of the big gambling houses on Wall Street, of the banking and investment industry, so-called. So you see Albert, the law no longer serves justice, it serves to proliferate crime."

"If the existing anti-bucket-shop law was applied, it would shut down all modern derivatives operations and prevent the quadrillion-dollar bubble from forming," says Albert. "Of course this won't happen. The bubble is needed to prop up the current World Empire with evermore loot, and this in such a way that the USA becomes economically ruined thereby, and the American tax-payers are put on the hook to pay the bill for it

all."

"Some day the law will be applied," says Frank quietly as if he doesn't really believe that society would ever wake up to seriously consider its self-protection. "Right now the fraudsters are crying 'you cannot interfere in the private markets, but give us your money and fast.' And they will still cry the same song when they stand at our door dead broke with their palms turned up demanding to be bailed out with public funds in amounts far beyond what any nation can afford. And the bailout will be provided until the golden goose dies. In the end, when we stand in the ashes, sanity will prevail, for nothing else can rebuilt the world, and it will be the whole world that dies with us."

"When the quadrillion-dollar mess breaks down, society has to react," says Albert. "If a slight tremor in the system causes a larger than expected number of investors to place winning bets, so that maybe twenty percent of the contracts are exercised, which is not out of the range of possibilities, society will face a \$300 trillion pay-out to the winners. In this case the entire quadrillion big derivatives gambling casino will explode with unpayable IOUs. Society gets wiped out in this avalanche, which it lacks the wisdom now to shut it down while it still can. Even a much smaller winning streak, coming out of the quadrillion bubble, would instantly bankrupt the entire world. It would break the world-system. It would bankrupt the banks and all the currencies, and civilization would end."

"Maybe civilization wouldn't end," says Frank. "How can civilization destroy itself over something that has no intrinsic value? Bucket-shop contracts have no intrinsic value. Not the slightest bit of physical equity has been attached to them. Nothing would be lost if society would simply let it go, since it is fictitious anyway. And even in the most extreme case, society would still have the option to walk away from the mess and start anew." Frank begins to laugh as if he was to crack a joke. "We in the USA should walk away from the empire's monetary system right now, shouldn't we? It is not our system, is it? It is a private system. We can legally walk away from it and put it into bankruptcy. That's a ready-made possibility. America can do this, because the American dollar is not owned by the nation. The American dollar is a private currency owned by the Federal Reserve, which is a private corporation. If the corporation is bankrupt, so is its currency, and vice versa."

"We should have done this already," says Albert. "Our American dollar is a bankrupt currency, because the Federal Reserve is bankrupt." Albert begins to laugh now too. "The dollar is a Federal Reserve note. We don't owe it anything. And on top of that, a bankrupt currency, is a currency without value. Is this not the reason why it would be possible for us to sell a horse for a million dollars on the investment market in a trade that would then actually have an infinitely greater equity attached to it than 99.9% of all the world's derivatives contracts currently have, which contain not a single speck of equity at all. The empty-bucket casino is proof that the world has already accepted the fact that the U.S. dollar has no actual value in itself. Indeed, as a private Federal Reserve note, the American dollar represents probably far less equity in the financial market than our million-dollar horse would. Once this lack of attached equity in the dollar is recognized, society will just let the Federal Reserve notes go and create its own currency once again to replace it. The whole world would then do the same. It would have to resort to this same sane act out of necessity."

Frank coughs and begins to laugh. "It's ironic, isn't it?" he says. "The owners of the Fed are hell-bent in bankrupting the only asset they have, which is their currency, which they are turning into toilette paper by supporting the mad gambling mania. In the process, they render themselves as criminals under the 'bucket shop' law, to be indicted for potentially the greatest crime against humanity that has ever been devised. It's insane what they are doing to themselves, and to us, isn't it? But this isn't going to change, is it? The senator who bought a horse from me, made it rather plain why nothing is going to change until the whole house comes down, because the Fed owns the thinking of the entire field of economists. They own all the publications and professional journals that have anything to do with finance and economics. The senator said that the Fed doesn't own them directly, it doesn't have to. It owns the publications by having most of the members of the executive board of these publishing companies on its payroll. This means that nothing is published in professional journals that doesn't 'harmonize' with the Fed's song, meaning being approved by it. That's how the Fed, a private company operating for looting America, owns the thinking on economics and

finance in our country, right across America, and possibly also in other countries. The senator was frustrated by his inability to do anything about it. He said, this game of super-leveraged derivatives has already mushroomed past the quadrillion mark, and may soon be counted in the quintillions in the face value of contracts floating about that nobody has any control over."

"Isn't this another aspect of grand fraud that is on the Fed's account of treasonous crimes, fraud at the very top?" interjects Albert.

"Fraud?" says Frank. "No, fraud is too soft a term. It is fascist mind control in the extreme, that would have made Hitler envious."

"Yap!" says Albert, "that just about sums it up, doesn't it? The national mind control with insanity was Hitler's security. Nobody could touch him. So, Frank, when do we start sowing the seeds of sanity? Shouldn't we start soon?"

"Yap!" says Frank. "I think we have already begun. We are out of the starting gate."

The story is from Chapter 9 - "Dimensions of Dreaming", from the novel, [Discovering Love](#), by Rolf A. F. Witzsche

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