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The Public v Private Waves

and Switzerland's Fate
along with the rest of us



The William Tell Tax Rebellion

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A C K N O W L E D G E M E N T S

I would like to thank the many people who have been writing from around the world. It is encouraging to know that there are so many people who are interested in uncovering the truth. I have also special thanks for so many providing valuable insight into trends around the world from China, Soviet Republics, South Africa, Brazil, Australian, and India. I believe we can survive the folly of governments even if they refuse to listen. The key is understanding the nature of events, and that allows us to correctly make the decision to be on the opposite side.

I would like to also thank all my old friend and former clients for their support and to know that they have continued to gather information that serves us all in times of crisis.

We are standing on the precipice of a new era in global-social-economics. How we enter this new age is of critical importance. Government is incapable to doing anything for any reform of its own abuse of power is not up for negotiation. We must weather the storm, and to do so we need to understand its nature. Just as the 1930s Great Depression set in motion profound changes that were even manifest in geopolitical confrontations, we have now reached such a crossroads. A debt crisis has its tentacles deeply embedded into every sector right into government. This is the distinction from a mere stock market crash that never alters the economy long-term. We are seriously still over-leveraged and some banks are still trying to be hedge funds and have to speculate to make a profit. That is a key warning sign that the worse is yet to come.

Comments, Suggestions & Questions

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This Report may be forwarded as you like without charge to individuals or governments around the world. It is provided as a Public Service at this time without cost because of the critical facts that we now faced economically. The contents and designs of the systems are in fact copyrighted. At a future date, a new edition of the 1986 The Greatest Bull Market In History will be released and a new book will soon be published on the model itself - The Geometry of Time. It is vital that we do not forget this is a world economy and the arrogance that any nation can dictate to the world is just insanity. Every nation affects all others no different than if one nation were to pour all its toxic waste into the ocean. Everything is interlinked and solutions are never isolated events.

The Public v Private Waves and Switzerland's Fate

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The William Tell

Tax Rebellion



by: Martin A. Armstrong

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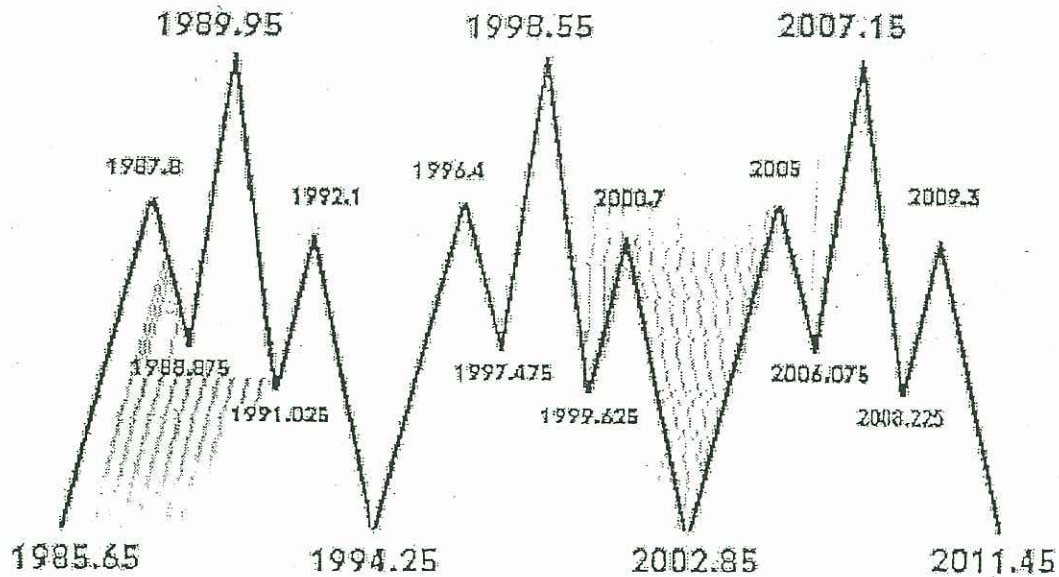
I have attempted to illustrate throughout the course of my writings in 2009, that the true meaning of the battle between **Public** and **Private Confidence** has historically been the struggle for freedom from tyranny of the ruling class. It matters not the form of government, for **Thrasymachus** was correct that "justice" is nothing more than the self-interest of the government.

We are truly in the **end times** for **Marxism**. Its central theory has been that **Marx** justified the control of wealth by the state to protect the people. Various forms of government followed this proposition to varying degrees. China and Russia took it to the extreme confiscating all wealth. Then there was the version of Fascism as in Japan where the state is supreme and autocratic while allowing private ownership, the state dictates what may and may not be done. Under **Socialism**, the United States and Europe have still followed **Marx**, yet while allowing private ownership, they use severe regulation, criminally prosecute those they claim violate their laws, and then the United States confiscates all their wealth as Russia followed in Yokos oil.

The assault upon Switzerland is part of a historical cycle that never changes. This battle between **Public** and **Private** has been noticed for centuries, and it does not in the least appear possible that we can stop it if we tried. All we can do is understand what happens and prepare for the consequences that are always the same. The secrecy laws in Switzerland came into existence in 1934. They were a response to the growing wave of **Marxism** that swept the world on the heels of the Great Depression in 1933.

The year 1933 was truly a watershed event politically. That was the year that changed the face of human society and set in motion as did 2007, a domino effect of events from which there was no return. It was the year that brought both Franklin D. Roosevelt to power with his socialistic **New Deal**, but it also brought to power Adolf Hitler. Switzerland's secrecy laws were born in 1934 in the face of this trend. Adolf Hitler's government passed in 1933 making it a crime for Germans to have money in foreign bank accounts anywhere.

Fall of Japan & Fall of Communism Fall of The Russian Economy Fall of Our Western Socialism



What we are seeing with the desperate attack on offshore banks is by far nothing new. I explained that it was the 1720 bubble in speculation that manifested in the **South Sea Bubble** in England with proposals to take the national debt and swap it for equity and the French **Mississippi Bubble** that created a stage for another series of dominos that had set in motion the **French Revolution** just 72 years later.

The French Crown was deeply involved in the **Mississippi Bubble** and they did a bailout like the US just did with TARP. They assumed all the debts for the defunct shares and that set in motion the **French Revolution** for the state created oppressive taxes to pay-off the debt to the nobility. This was the opposite of the English equity for debt, debt for equity.

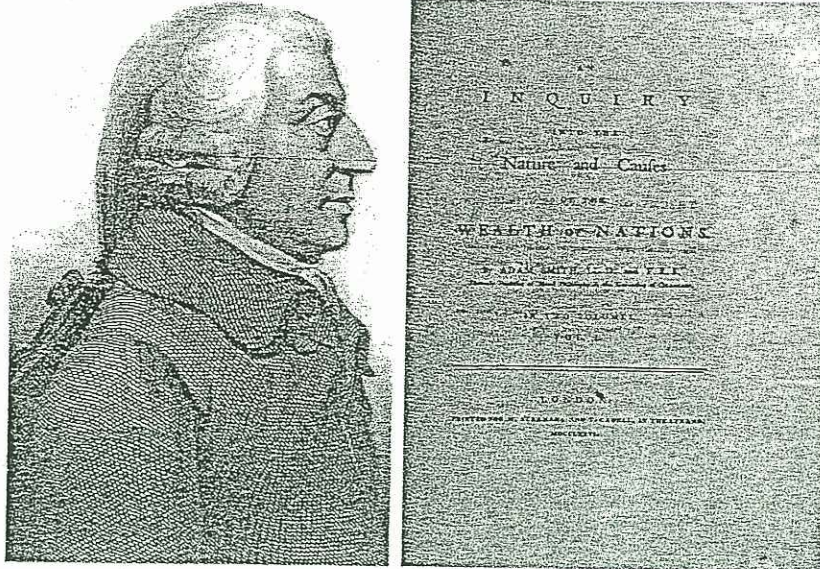
The **French Revolution** set in motion a vast tidal wave of debt defaults. Not only did **Napoleon** confiscate the property of the church and imprisoned the Pope seizing all property held by monasteries that were about 10% of the land, but all debt given in the exchange for shares in the **Mississippi Bubble**, held by the French nobility, were also defaulted upon.

It was the **French Revolution** that had created a flight from France and moneyed refugees fled to exile in Switzerland, which is why Geneva is predominantly French today.

Switzerland became the 18th century destination for exiles seeking economic freedom. This was part of this trend of which I write - the eternal battle between **Public** and **Private Confidence**. If we add 224 years to 1792 (1720 + 72), we come to a **Event Horizon** in 2016, where even gold appears headed like a magnet rising on two 8.6 year cycles back-to-back from the 1999 low (17.2 years) taking us also to 2016.

As illustrated above, each 8.6 year wave has been creating a domino effect that we can see by stepping back and recognizing the same patterns over and over again from history. What has been set in motion, I do not believe we can prevent. There is too much corruption and too much self-interest at stake to prevent the disaster that lies on the distant horizon. I wish deeply that government will wake up and see the light before it becomes that white light that only is seen as the brain shuts down in the last seconds of remaining life. Yet history tells me that **hope cannot triumph over experience**. Our politicians will not pull back and see only their political future of self-interest. What they are doing, **they are compelled to do by the Invisible Hand of Adam Smith**.

The **Geometry of Time** is so flawless, you will recall that 224 years ÷ 26 Panics between 1683 and 1907 produced 8.6 years. Now add 26 years to 1989.95 = 2015.95.



Adam Smith The Wealth of Nations 1776
The First True Glimpse of the Complexity in The Economy

" But though the profusion of government must undoubtedly have retarded the natural progress of England towards wealth and improvement, it has not been able to stop it. The annual produce of its land and labour is undoubtedly much greater at present than it was either at the Restoration or at the Revolution. The capital, therefore, annually employed in cultivating this land, and in maintaining this labour, must likewise be much greater. In the midst of all the exactions of government, this capital has been silently and gradually accumulated by the private frugality and good conduct of individuals, by their universal, continual, and uninterrupted effort to better their own condition. It is this effort, protected by law, and allowed by liberty to exert itself in the manner that is most advantageous, which has maintained the progress of England towards opulence and improvement in almost all former times, and which it is to be hoped, will do so in all future times. England, however, as it has never been blessed with a very parsimonious government, so parsimony has no time been the characteristic virtue of its inhabitants.

It is the highest impertinence and presumption, therefore, in kings and ministers to pretend to watch over the economy of private people, and to restrain their expense, either by sumptuary laws, or by prohibiting the importation of foreign luxuries. They are themselves always, and without any exception, the greatest spendthrifts in the society. Let them look well after their own expense, and they may safely trust private people with theirs. If their own extravagance does not ruin the state, that of the subject never will. "

(Wealth of Nations 1776, Chapter III)
(Of The Accumulation of Capital or of Productive and Unproductive Labour)

PARSIMONY was not ever a virtue of the English kings. Nor has it been for American politicians. They promise the moon, do not prepare for the funds, and like **AIG**, just don't worry about the future, for there will be no such thing a **Last Judgment**. **Marx** emboldened the Western Politicians into the belief that power can dictate the economic outcome. But power is inherently corrupt and in the furthering their personal careers, they have defrauded us and our children and their children, of the decent and respectful ideal government that we had all been led to believe protected our future. The attack upon Switzerland today is caused by their own greed for power and lack of any **parsimony** whatsoever. What they have done is promise pensions to state workers that were not funded any more than they have funded Social Security. Their inability to manage their own buget, is now manifesting into an economic war against our own people that is engulfing the entire world. This is why gold is rising and in its rise is the fate of nations.

The history of Switzerland is tied to this very battle between the greed of states and the liberty of the people that **Thomas Jefferson** characterized as an inalienable right given to the people by God himself. If all of mankind are created equal, then who the hell are politicians to say otherwise? **Smith** was correct: "Let them look well after their own expense, and they may safely trust private people with theirs. If their own extravagance does not ruin the state, that of the subject never will."

Switzerland was born as a nation of resistance to taxation ever since taxes had begun to reappear after the **Black Death**. It was the tax revolt of Wat Tyler in 1381 in England that arose when direct taxation of the people began. But he was preceded thus by at least the legend of **William Tell**.

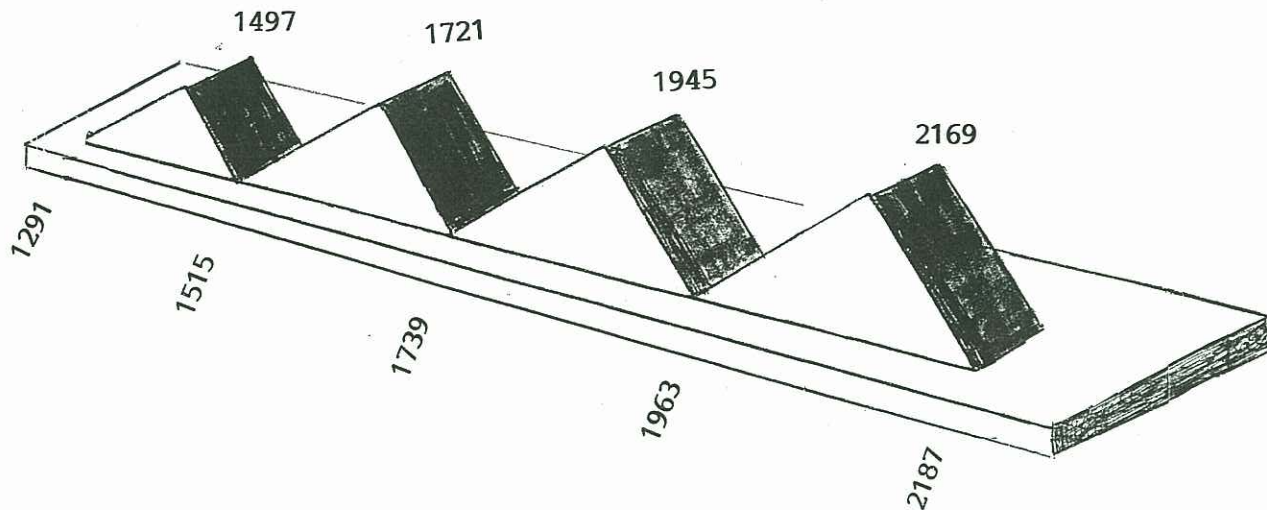
William Tell is remembered for being a great marksman who shot an apple off the head of his son. But the true legend is much deeper than that. It was a Tax Revolt against the Hapsburg tax collector that ended up in the breaking away of what became the Swiss Confederation in 1291. **Tell** was a peasant from Bürglen in the canton of Uri in the 13th to early 14th centuries. He defied the Austrian authority over taxes. He and his family were seized and he was forced to shoot the apple from his own son's head. He was arrested for threatening the governor's life, yet saved the same governor's life in a raid en route to taking him to prison. **Tell** did escape and he was ultimately then

forced to kill the governor whose relentless pursuit of wealth knew no bounds. These are the legendary events that led to the full scale rebellion against the Hapsburg Empire and gave birth to Switzerland. **William Tell** remains to this day, a national hero of the Swiss people. This is the classic legend that appears in the **Chronicon Helveticum** published by Gilg Tschudi (1734-36). This gives the date of 1307 for the deeds of **Tell** and 1308 for the liberation of Switzerland.

The name "Helvetia" was given to the region by the Romans who under Julius Caesar has garrisoned strategic Alpine passes in 58 BC to block any Germanic invasion. Yet, when the debt crisis of the 3rd Century hit the Roman economy, their defenses in the region collapsed. Helvetia was taken by the German tribes. The Franks took it in the 9th Century, the Muslims came and were followed by the Austrians in the 10th Century. In the 11th Century the Holy Roman Empire controlled it.



Switzerland's
224 Year Cycle of Political Change



In 1291, the Forest Cantons of Uri, Schwyz, and Nidwalden formed an anti-Hapsburg League. They were later joined by the Canton of Obwalden, and this new league that was bent upon liberty and freedom from the tax oppression of the Hapsburg Empire, is what became the core of the Swiss Confederation. By 1353, the Confederation had added Luzern, Zurich, Glarus, Bern, and Zug. In 1481, Solothurn and Fribourg joined. Then in 1501, Basel and Schaffhausen joined who were followed by the Appenzell in 1513 that was therefore completing its first 224 year political cycle.

Switzerland became perhaps first a new land for religious freedom that blended in many ways with its Tax Revolt origins. As the 224 Year Cycle of Political Change came into focus in 1515, we see this second wave of political dissent emerge. In 1517 the call of the Augustinian monk Martin Luther (1483-1535) began to rise. There had been widespread corruption within the Catholic Church largely due to (1) constant inference of various states, and (2) the corruption of the inferior clergy who became the con-men of the day. There was widespread discontent with the conduct of the clergy, but Rome did not take action, just as our politicians now

allow their own inferior officials to claim absolute immunity, and they refuse to even investigate corruption that is again very widespread among all the agencies and the courts. Those in power always protect their own and thus subject society to revolution for access to the courts to seek redress that is supposed to be the alternative to force. But absolute power corrupts absolutely compelling society to repeat the same performance as if this were a Shakespearian play.

This very same widespread corruption was dominant within the ranks of the church. These con-men were selling indulgences that were to be God's forgiveness. These con-men pretending to be priests lived scandalous lives and certainly did not practice celibacy wearing the garment of clergy, but were no different than the snake oil salesmen of the 1800s.

Martin Luther's voice caught the wind of the times and was carried far and wide. His vision was that salvation was in the heart and not controlled by the clergy. But this threatened the entire establishment of organized religion in the minds of the time. The political intrigue was beyond belief. The Holy Roman Emperor's aunt was wife to Henry VIII, and the imprisonment of the Pope prevented Henry's request for divorce.

Henry VIII was strangely a devoted Catholic. He by far rejected Luther. Nevertheless, because of the fear of not having an heir, and realizing that the imprisonment of the Pope by the Holy Roman Emperor that was used to coerce him to the will of the state, led Henry to break with the Church but not really from a religious reform view. He was also broke. His currency was being debased. And the seizure of the Church lands and property helped to refill his treasury no different than Constantine's conversion to Christianity empowered him to raid the temples of the pagans that stored vast amounts of wealth.

Henry VIII's (1509-1547) seizure of the Catholic Church in 1532, had the effect of supplementing the reform movement that was first nailed to that church door by Martin Luther. Where this sets in motion the new second wave of 224 years in the history of Switzerland, it's tied to this new religious reform movement and it become Geneva that takes the lead under the direction of none other than John Calvin. Under Calvin, the city of Geneva became a new theocratic state after about 1541 from which not merely the spread of Protestant Reformation began, but capitalism.

John Calvin (1509-1564) and his very strict sense of religion, had declared in the Protestant Reformation when he arrived in Geneva in 1537, that the charging of interest as long as it served the public good, was permitted. Of course, this was contrary to Catholic doctrine and Arab doctrine, and this is what began to transform Geneva into a banking center.

As the Protestant now embraced banks that Catholics were banned from running, here is where the line is drawn for the birth of Capitalism. As the Protestants were discriminated against in France, they fled to Geneva. Therefore, through these series of European wars and conflicts, jews were fleeing Spain, Protestants were fleeing as well, and Switzerland emerged as a refuge for moneyed wealthy exiles. The **French Revolution** and the confiscation of wealth sparked another wave of French to seek the safety of Geneva.

Consequently, our second 224 year wave that began in 1515, was a wave of

religious reform that under the ideas of John Calvin, set Geneva in line to give birth to capitalism through banking. As this wave led to also the rebirth of speculation, we begin to see at the peak of this wave in 1721, the first "**contagion**" that wiped-out much capital and set the stage for the next wave when the speculative bubbles broke. In France, it was as the **Mississippi Bubble** in 1720 that was a state bailout of share holders no different than TARP so to speak today since it is the state that assumes the debt. Yet in England we have the **South Sea Bubble** of 1720 that had also burst, but at least England did not bail-out the share holders.

The collapse moved into 1739 (2 x 8.6yr cycles = 17.2 years) and thus the debt absorbed by the French Government bailing out the nobles, led to widespread taxation and the oppression of the people. This sets in motion the dawn of Revolution in both America and in France. However, just as the United States became rich during World War I and II for it was the arms dealer and supplier of food to Europe resulting in the US gaining 76% of all of the world gold reserves by 1944, this same trend of a flight of capital from the French Revolution creates the next big wave for the Switzerland economy.

The emerging new banks in Geneva by the dynasties of the Mirabauds, Pictets, and the Odiers, got their foothold in the finance of trade. This was not a consumer type of banking but one that sparked economic expansion and international trade. This aided ocean voyages and that laid the foundations for America and migrations.

The major low dates on the 224 year Cycle of Political Change, 1291, 1515, 1739, 1963, have all marked important capital dates for Switzerland where we begin to see influx of people and money. Switzerland clearly was a refuge for moneyed exiles fleeing **Marxism** over the decades and the wave of **Public v Private Confidence** over the past several hundred years.

The rise into 1945 and the birth of the Bretton Woods system of the dollar being the reserve currency of the world, has been a wave driving once again as a flight to preserve capital. We see capital fleeing both the French and English revolution. Where this then subsides, we see the rise of Marxism and a new

cause for the flight of capital - **INCOME TAX** is born in 1913, in the United States.

However, we also see the rise of World War I in 1914. By Switzerland maintaining a policy of neutrality, they became the safe port for capital even in times of war that competed with the United States.

There is a capital outflow after the War is concluded, but Switzerland is now starting to earn its reputation as a safe port. It is not one of fleeing taxes as much as it is providing a sound and secure place to store one's wealth.

It is the Great Depression that now creates the political windstorm of change on the horizon. It is 1933 that sweeps the theories of Marx into virtually every corner of our economy globally. The entire Swiss Secrecy Laws on who has bank accounts even there, was caused by legislation of Adolf Hitler who in 1933 made it illegal for any German to even have an account outside of Germany. This is what prompted Switzerland to now institute its Secrecy Laws in 1934.

If we take the 1934 date and now just add 1 Pi cycle of 31.4 years, this brings us the the precise low on the **Economic Confidence Model 1994.25** that marked the precise day of the low for the US S&P 500, and began the secondary shift in global capital flows. The model high in **1989.95** was the peak in capital concentration in Japan. Thereafter, capital poured into the Southeast Asian nations creating another big boom. But the **model low** in **1994.25** was the low for the United States and Europe, but it was the high for Asia. The capital concentration in Asia peaked and reversed. Now the focus was the possibility of a new European order that did lead to the **Euro**.

From Switzerland's perspective, this **1994.25** target began the nightmare that has led to the assault that is unfolding now as the debt crisis compels government to seek every penny they can find.

The trend was set in motion by the Jews seeking unclaimed accounts of the victims of the Holocaust. The efforts to compel Switzerland to turnover moneys of victims not to their lawful heirs, but to other Jews, was the beginning of the end. Of course in the real world if someone dies

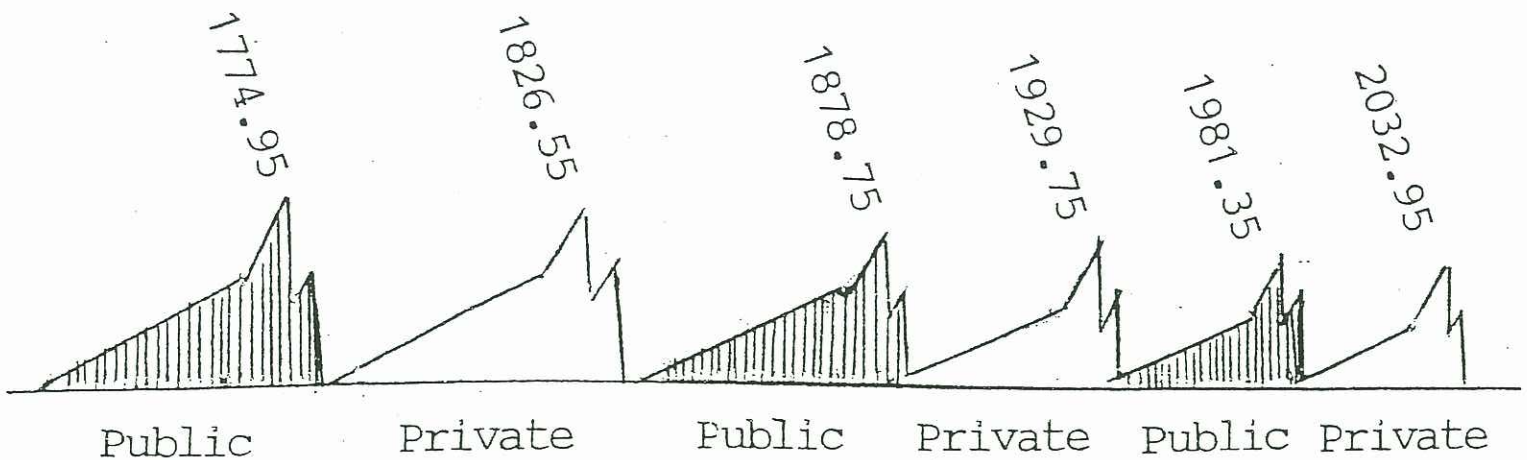
and their are no heirs, the government confiscates the money in such accounts. By allowing unrelated Jewish groups to now claim rights, was a legal departure that gave the green light to the confiscation of wealth for all sorts of reasons.

There were Jews who were murdered in Germany, but had at least moved capital to Switzerland. Obviously, they were in fact criminals under the law of Germany just as those with offshore accounts are being indicted today by the United States in the same manner as the policy of Adolf Hitler.

The pressure continued from 1994 into 1996 to compel a return of Holocaust money. The Swiss secrecy law was thus waived and this started the beginning of the end. In 1998, **UBS** and **Credit Suisse** agreed to pay \$1.25 billion to the group of survivors. In 2001, the Swiss Banking Association then published a list of 21,000 dormant accounts who had possible links to the Holocaust victims in Germany. The once secure shield was now broken forever.

We have two primary dates from which to review the future of Switzerland. The **FIRST** is of course the birth of the nation in 1291. From this date we can ascertain the swing back and forth between **Public** and **Private Confidence**. However, our **SECOND** date is 1934 for the birth of the secrecy laws that was in response to Hitler on the back of Marxism.

When we look at the 1934 series, we find the beginning of the attack of the old style barbarians at the gate demanding money on the first 31.4 year PI frequency - 1994.25. Adding 72 year to 1934 gives us **2006**. This is also in line for this is actually when we begin to see the early complaints rising in Europe about Switzerland being an enclave inside the center of the new **Euro** economy. This has intensified just 3.14 years that is 2009. We should expect this trend to remain very tense for 8.6 years bringing us to about 2015. The economic implosion appears for the the next big wave into 2016 for the global economy as a whole. The more the Marxist states of Europe and the United States cannot pay their debts, they will blame everyone else for their utter and complete failure to just once manage their own affairs - the greatest spendthrifts within society who always ruin the state and cause war - man's greatest sheer curse - government.



Switzerland is the very essence of the perpetual swing between **Public & Private Confidence**. It has been like a ground-hog. He comes out of his underground den and then looks around. If it appears safe, he exists and hunts for food. But as soon as he sees you come out, he runs as fast as he can back to his den and pokes his head out to see what is going on outside.

Humans are no different. We will act in our self-interest and flee oppression in our primitive fear to survive no different than that ground-hog. Some of us may be stupid and act like the kangaroo that hides its head in the ground thinking what he does not see cannot hurt him.

There are those who just refuse to ever believe. That is because society can never agree. There were Jews who saw the rising hatred of the rich on the heels of Marxism in Germany and left when they could. Others believed the storm would pass.

This is human nature, and it is always diverse. That is what makes the cycles even unfold because there must be two opposing sides. You can't play poker for money with just yourself.

An old professor once told me. Two people are standing on the top of tall building. Both are blown off the top over 100 floors up. The Pessimist starts to pray for he looks down and see his death. The optimist as he passes the 4th floor says: "Well so far so good!"

Herbert Hoover wrote about the Great Currency Crisis of 1931. He said capital acted like a loose canon on the deck of a ship in the middle of a torrent. They knew not which currency would be hit next. For capital was rushing from one currency to the next as nations defaulted or were suspected of going to default. They could not form a committee fast enough to even figure out what was going on, no less solve it. Most historians omitted this event, because it did not support their Marxist views that our government is our salvation.

The Marxist views are called upon to try to create a moral high ground that these are rich capitalists who deserve being thrown in prison and stripped of all their assets if not shot to save the people spending almost \$35,000 a year to house them. We find this even argued in Switzerland where it is just a cover-up for breaking one of the very promises why people even trusted them.

The view of the United States from outside the United States will never grace any page in a domestic newspaper. But the USA is portrayed with spectacular duplicity for it has been seen as the most aggressive of all nations in the world who has fought more wars mostly without UN mandates than any other nation post 1776. It has broken the international laws of war and maintained secret prisons. The USA is seen as a country that changes with the wind and does not honor what it demands of others. This has been the counter-argument to the great moralizers. It is why some nations count their fingers after shaking hands with Uncle Sam.

There are those who just hate whatever I write because it conflicts with their own self-interest or what they want to believe about the world. My views are shaped by the research, not vice versa. We must understand that **taxation** is in effect part of **Marxism** in the sense of income tax and proportional redistribution of wealth. This is more about punishing someone for what they have, not any sound economic policy that furthers the progress of society. If anything, it causes capital to rush around the globe and to a large extent, highlights the difference of capital and labor. Capital can flee, while the owner does not have to leave his home, but labor cannot flee without leaving home. Thus taxation is often just a tool to only further political power, not to honestly address some social wrong. That is the bullshit to lull the people into turning over the profits of their own labor.

There are those who instinctively know they are being treated like pawns lied to at every possible moment and legally treated no different than slaves. The United States in fact taxes worldwide income. That means a very profound legal distinction. It means by being born in the United States, you are the property of the state and your entire income for life is owned by the state. Just like the humans in the movie **MATRIX** are fed bullshit and kept in a dream state while the government fuels their economy by tapping into energy produced by the human body, we are not much different. Americans owe the state any income earned anywhere in the world. That is a very unique position to Japan and the USA alone.

Taxation was to be paying your fair share of the cost of providing public services. In the USA, it has become a duty owed to the state regardless of the services. This is a substantial different position from being a person who contribute because he uses the services and one who is a subject of the state no different than being born into slavery. There may have been the emancipation of the slave trade thanks to the Civil War, but then Marx enslaved all people thanks to the real threat to our liberty - federal judges. This is the group of people who have taken your liberty, enslaved our posterity, and most definitely, gave the green light to politicians to ruin the state and our future. It is now our destiny to undergo a economic collapse of tremendous consequences.

DID YOU KNOW THINGS CAN ALSO VIOLATE THE LAW UNDER "IN REM" THEORY?

I would like to hope that is we truly understand what is going on, we can somehow either wake up from this Marxist dream or at least rebuild the next world just for once with profound safeguards to prevent this sort of insane stupidity from taking hold again and preventing society from ever truly progressing to the next level of being actually enlightened.

This concept that we are actually all slaves of the government, is reflected in the corrupt theories of law that everyone including the Supreme Court have commented is a legal fiction in the mind of the state, but what the hell - as long as it allows for the confiscation of wealth without even once having to prove you even conspired to commit a crime, your mere possession of the object is sufficient for its confiscation because the object has legal standing of its own as if it by itself could offend the law. It is worse than that school excuse "my dog ate the homework" where the dog is at least living, here it is like saying "my homework just spontaneously burned on its own!" That is a good distinction of "**in rem**" theory that allows the confiscation of your wealth without any proof you did anything.

Inheritance taxes are substantially different between Europe and the United States. On the Continent (excluding Britain and Anglo-Saxon cultures), it is assumed that the family prevails over the state. Under continental inheritance law, there is a forced heirship search whereby the estate is left to the closest relatives regardless if the person died without a will. Hence, it was difficult under such system to even see where there should have been a tax.

In the last issue, **The Collapse of the Rule of Law**, I pointed out that our greatest problem is the English Kings were just so damn ruthless, they were incapable of ever living within their means much as the fate of our current government in the United States. They weaseled every possible event in an endless quest to separate their own subjects from their wealth.

In England, if someone did not make a will, the King threw his heirs out and then confiscated all the property. Thus, to this

day, there is no forced heirship under the Anglo-Saxon law including the United States and thus the king developed "**in rem**" legal principles in contrast to "**in persona**" that meant against the person.

The English king twisted the religious concepts of ancient tradition also into a source of profit. In ancient times, if a man was killed by a sword, a horse, or say a cart, then the object that caused the death was given up and sold with the funds going to pay for prayers and for the funeral services.

This ancient tradition was usurped by the English king and became his second means of taking the wealth of the people that is still in great use today in the United States. Now instead of the object being given up to pay for the funeral and prayers, the king deemed that the object was now forfeited to the state giving birth to "**in rem**" theory of law - meaning "**against the thing.**"

For example, just recently, a man who boarded a train in Chicago, was approached by two AMTRAK police. They asked to search his brief case. He declined, but told them he had \$50,000 in cash inside. They searched it anyway without a warrant, and brought in dogs to sniff the money for drug residue. They then confiscated all the money claiming the dog smelled drugs. He argued he was illegally searched, and the court of course as always rules in favor of the state. They called it the **inevitable discovery rule**. The court held that had the officers followed the law where even the prosecutors admitted he was illegally searched since they failed to get a search warrant first, the court held the government was entitled to confiscate the money anyway since the dogs reacted to residue that could not be seen nor tested. Of course, you could use the same theory and say you are guilty so why even bother giving you a trial by jury since it is **inevitable** that they would have found you guilty anyway. Why bother with rights?

But this recent case demonstrates more than the collapse of the rule of law. It also illustrates the "**in rem**" abuse of law. The man carrying the brief case was not charged as a drug dealer. There is no proof that the money was a payment for drugs. Just that there is some residue on the notes that studies now show at least 1/3 of all currency possess. So it is not the person being charged "**in persona**" but that the money offended the king

or the state and thus it is now seized and forfeited not to the gods for a funeral expense, but because it has offended the "**King's Peace**" and he is now entitled to take it under Anglo-Saxon law.

Hence, it is not the heirs whose rights are being denied, the property "**in rem**" has its own living status in Anglo-Saxon law for it served the purpose of confiscating any wealth from the people. Former Representative, Henry Hyde, enacted the **Citizen's Protection Act** and the reform of the **Civil Asset Forfeiture Act** after listening to the horror stories of people whose assets were being confiscated. Farmers who lost their entire farm because someone planted some marijuana on their property in a remote corner. The state does not alleged he planted it. Nor that he cultivated it. Nor did he even sell it. But under "**in rem**" the property has offended the king and he can now confiscate everything.

One of the worse stories at the time was the owner of a small hotel found his entire property confiscated because a person renting the room used it to cook some drugs. Again, the owner of the hotel knew nothing but under Anglo-Saxon law, the state is now offended by the property "**in rem**" and is entitled to seize everything and throw you out on the street with nothing - not even a tax deduction.

The so called war on drugs is a huge business for the state. They portray drug lords with vast wealth to justify their actions. Yet you will never know about the main source of revenue. I have seen people whose alleged proceeds from a crime given as a gift to someone else, clearly not in any way connected with drugs, have their property confiscated not under any theory that they "should have known" the source, just that it is the property that offends the state.

Now you can see that inheritance tax is "**in rem**" at its core. It goes to the property. If the estate is US securities, then they are liable to tax, regardless of the final domicile or main place of residence of the deceased. US securities are defined not as government bonds, but anything issued by an American or entity. This is an extension of the slavery idea that everything just belongs to the state. Then they impose a 45% plus tax rate on the "**thing**" in pure ruthless tyranny & then the states hump in as well.

Unless you study L A W, you have no idea how truly corrupt the entire system has simply become. It has nothing to do with God, justice and fairness. It is all about winning and how do the judges as "word-smiths" justify the desired end result. LAW has become an art-form of how to lie with impunity. When Bill Clinton was under deposition in the White Water affair, he asked in response to one question:

"What is the definition of is?"

In legal circles, they can redefine the words you speak and transform what a reasonable man would think you said, into the exact opposite. The LAW has devolved into the legal practice of liars, pretending they are being so righteous. This is how the government uses the law and their attorneys are trained to benefit the state at all times. Even Alberto Gonzalez, head of the Department of Justice as Attorney General, lied before the Congress and was forced to resign. Now if the head of the whole department tries to lie to Congress, what does that say for the rest of the lot? It is just standard-operational-procedure.

AGAINST THIS SORT OF BACKDROP

It is against this backdrop that we now must place this thirst for revenue in full perspective. This is not just the fate of Switzerland, it is the fact of Western Society for the attack upon Switzerland is a symptom of the problem. If we invaded and stole all the money there and sold all inhabitants into slavery like the good old days, it is still not enough to balance the budget or solve the debt crisis. But it makes government feel better because they can blame Switzerland and those who have accounts there pretending just like Alberto Gonzalez that **BUT FOR** their very existence, there would be no debt crisis and the policies they have pursued were never at any time wrong.

Now let us look at the new Obama tax guide for government and how they intend to assault the private sector to exonerate the government. The attack plan is so devastating to the global economy, it presents a serious risk of truly pushing the US currency itself off the status of being a reserve currency and into the world of some banana republic headed by a dictator. These measures have destroyed the very essence of a free form of economy and risks total collapse.

The Obama Administration

In May of 2009, the Obama Administration issued what has become known as the "green book" - "General Explanations of the Administration's Fiscal Year 2010 Revenue Proposals." This is clearly targeted at not merely offshore tax ports, but at going after both corporate and estate taxes far more aggressively.

- 1) He changed the definition of a US security expanding it to equity swaps or any type of borrowing against US securities and now a 30% withholding tax is to be applied and thus attacks the OTC markets. This will be expanded further in my opinion as we see things get far more desperate and it will be applied to derivatives that even just replicate a US security (options ie).
- 2) It also imposed a mandatory 30% withholding tax on any US securities held by non-Americans. To get the refund, there will be now a requirement of full ownership disclosure. The only exceptions are to be pension funds and listed corporations. We can expect this to drive capital away from the dollar and will aid in its demise as the world reserve currency.
- 3) Americans are now required to report all earnings and gross revenue from non-American sources, so this will prevent those who avoid buying US securities from even escaping based solely upon your birth.
- 4) A new 20% withholding tax is applied to any government that does not tax the transactions at issue.
- 5) The \$10,000 mandatory reporting by US banks on any transaction you do extends now to offshore & anyone who structures several deals to avoid it is jailed 3yrs.
- 6) Americans must now seek permission by the notification to the IRS of any acquisition or founding of an "offshore entity" by any citizen anywhere in the world. This is directly out of Hitler's play book and you will never find a single federal judge in the United States who will declare this to be unconstitutional when Daniel Webster won in the landmark case **Dartmouth College** that the right to associate and form companies was the essence of a free state and that it needed no such approval.

We can see that these measures are blaming everyone but government. How about just once cutting the size of government

and stopping the corruption not to mention the vast waste. When a company is in trouble it lays off workers and shuts plants - it does not raise its prices expecting consumers to just pay more.

It is no excuse that the government may claim that the people want their services. The services we are paying for could be in all reality provided by the private sector at a far less cost to the consumer. People are being driven from their homes because of taxes. You may no longer be able to retire in the home you raised your children because of the inability of the state to ever manage a budget just once.

What we are looking at is the death spiral going into 2016 of what appears to be a economic meltdown of vast proportions. By pointing out what is taking place, we really could avoid this mess if we only tried to work as a people. But politicians love their power and will never give it up even for the benefit of their own family. So I am under no delusion. Hope cannot triumph over the experience of history.

As Goes Switzerland There Goes the Rest of Us.

At the Tower of London in England, they had a legend that if the ravens ever flew away from the Tower, England would fall. So to ensure that does not happen, they clip the tips of their wings so they cannot fly. We, unfortunately, have no such option. As goes Switzerland, there goes the rest of Western Society for in our own pursuit of wealth due to our inability to manage our affairs, we are committing economic suicide. As Margaret Thatcher said - "**Socialism works until you run out of other people's money!**" That day is obviously here.

The 224 Year Cycle of Political Change in Switzerland you will notice peaked in 1945 with Bretton Woods. Its bottom came in 1963 that coincided with two very important trends - (1) tax reform in US in 1964, and (2) the beginning of the end for the dollar insofar as the gold standard starts to crack. The year 1964 marked the removal of silver from the coinage worldwide. By 1968 the new economic pressure forces a two-tier gold market (public/private pricing in London) and then the complete collapse of the old gold standard finally in 1971.

The 224 Year Cycle of Political Change lined up with the beginning of the English Revolution that had its origins when **John Lilburn** stood up at his trial in 1637 before the **Star Chamber** and demanded the right to be free from torture and extracted pleas that became the Fifth Amendment privilege to the American Constitution. By 1641, the **Court of the Star Chamber** was shut down and Parliament handed the king the "Grand Remonstrance" and executed his minister Strafford on May 12, 1641. The Scottish were not pleased by King Charles' insistence that the Scots use the English prayer book in 1637. So that is the year that the first dominoes fell. Adding 224 years to that date, brings us to 1861 and the American Civil War. When we add 72 years to 1637, we come to 1709 and the dawn of the emergence of Great Britain being the unification of England, Scotland, and Wales under Queen Ann. Add 72 years to 1861, we come to 1933 with FDR and his new deal that changed the formation of the United States and it was the watershed year for Marxism with the rise of Adolf Hitler and the birth of Swiss secrecy in 1934. This warns us that the cycle of civil unrest hits next in 2013 for its birth (1861+112+31.4+8.6) but this is not likely to produce a complete civil war for that is off into 2085.

However, if we take 1861 - 72 years, we come to the birth of the United States in 1789. If you take 1637 - 72 you arrive at 1565 where on September 8th, the **FIRST** permanent white colony in America was founded at Saint Augustine, Florida by the Spanish. Likewise, the next target of 2085 - 72 brings us to 2013. This is where we are going to see the beginning of political unrest that will begin to demand reorganization of government. It is interesting, I warned when writing on Iran, I wrote that governments around the world were shaking in their boots over how the people used the interest to organize and get the truth out. Obama has the new bill that allows the government to shut down the internet to protect us against cyber attacks. Right! You don't shut off the whole internet for one hacker. It is to prepare for the same rising of the people against the powers that be. Welcome to **1984**. It may be a little late on its timing, but its warnings I had to read in high school English class, are fairly on target. So the next wave into 2016 is shaping up to be something far beyond what many may think is even possible. Watch gold. For it is the canary in the cage used by coal miners as the early warning system to deadly gas.