



PHILOSOPHY
OF
METRICS

SDR

AND THE

NEW BRETTON WOODS

VOLUME ONE



SDR and the New Bretton Woods

Volume One

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Introduction

When starting Philosophy of Metrics (POM) on December 31, 2013 I had no real idea what to write about. There were some general ideas which assisted in coming up with the name for the site, but outside of that I viewed it as an opportunity to get some thoughts out.

Within a few weeks it became self-apparent that my focus was leaning towards the transformation of the international monetary system. Outside of a few older articles and vague references it appeared that no one was aggressively researching and presenting information on this transformation and the use of the Special Drawing Right (SDR) of the International Monetary Fund to achieve the evolving objectives.

On January 21, 2014 I published the first of what became a ten part series titled SDR and the New Bretton Woods. It was this series more than anything else in those early days which contributed to the success of POM.

With each instalment the readership grew and more sites reposted and linked to the material. The success caught me by surprise and gave me a sense of responsibility to ensure I presented accurate and knowledgeable information so POM wouldn't become just another site spewing absurd and unprovable truths and fear mongering.

Volume One accounts for the ten part series which was published between January 21, 2014 and April 7, 2014. It represents the early days of Philosophy of Metrics and can still be considered the foundation upon which the whole site was built.

The seeds of the more complex and intricate trends which we now review and discuss can be found in these first attempts at deciphering the international monetary transformation and the associated geopolitical ramifications. Long-time readers will also recognize the esoteric theme developing throughout.

Philosophy of Metrics has evolved according to its name. The associated nature of economics (metrics) and esoteric patterns (philosophy) are what provide POM with its unique perspective and insightful conversations which take place in the comments sections.

Most of the predictions and long-trends which have been discussed on POM have proven extremely accurate. As the site continues to evolve and transform this accuracy will continue.

The site itself is built upon truth and the application of wisdom and patience. The audience grows in slow increments as more readers recognize the truthfulness of the information and revisit when world events unfold as predicted within the long-trend discussions.

There are untold years ahead of us which will provide endless material for further analysis and discussions. The evolution of POM will continue and this original ten part series will always be the cornerstone upon which it was built.

JC Collins
April 15, 2017.

PART ONE

BRICS Inject Capital into IMF Basket of Currencies

Originally published on January 21, 2014.

“The legislative process is underway right now. We want the reforms to be adopted expeditiously. It's really the U.S. Treasury, Jack Lew and his team that's taking the lead on getting these measures through the U.S. Congress that are required to implement the 2010 reforms.”

“Just to remind you what those are, the 2010 reforms do a couple things. One, they bring four dynamic emerging market countries into the top 10 shareholder ranks or what we call quota ranks of the institution. China, Brazil, Russia, India. It also doubles our permanent capital, the quota. And it also creates a fully elected Executive Board.”

- William Murray, IMF Deputy Spokesman, Jan 9, 2014.

G. Edward Griffin's mind altering “The Creature from Jekyll Island” introduced many of us to the somewhat hidden history of the U.S. Federal Reserve. It told of how the Federal Reserve Act was passed in Congress during the Christmas break in the year 1913. It was insidious. And it changed the course of human history, as it planted the seed of what would slowly grow to become the world's reserve currency.

Though the U.S. dollar didn't become the official reserve currency until the Bretton Woods Agreement of 1944, it is commonly accepted that the dollar had already usurped the British pound of this title well before it was officially acknowledged. As I believe the U.S. dollar has now already been usurped by another. We'll get back to that in a while.

There was another event which took place in the year 1913 which has been little understood or known at all in the western world today. After the collapse of the Manchu Dynasty in 1911, the remaining Government of the Chinese Republic issued bonds to foreign investors for the purpose of raising capital to rebuild the country. These bonds were titled the 1913 Chinese Government 5% Reorganization Gold Loan. Emphasis on the word gold for later reference.

These bonds were pegged to the price of gold as a hedge against future inflation and were denominated in four currencies. The underwriting banks for the bonds reflect the four currencies which the bonds were interchangeable with at the time, which are now known as HSBC, Deutsche Bank, the Bank of Tokyo-Mitsubishi UFJ, and Cylon – Credit Agricole Corporate and Investment Bank.

Keep in mind that these bonds were issued in the same context as the U.S. Treasury Bonds which the world's central banks have been gobbling up since 1944. These bonds had a yield. These bonds have never fully been acknowledged by the Chinese government. As a part of the deal with the British government for the return of Hong Kong, the People's Republic of China did

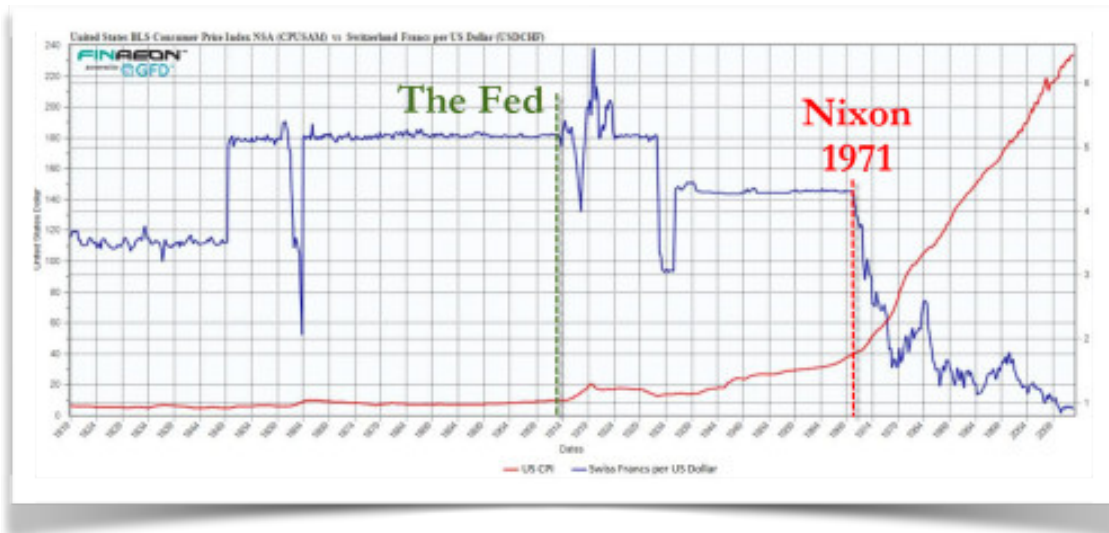
honour 10% of the outstanding bonds at about 62% of the face value. And what I can say at this time is that there is in fact a deal in the works for a final payout on the remaining bonds. We'll get back to that in a while.

(Edit: Since the original publication of this article I have come to the firm conclusion that there is now zero liquidity to these bonds and no deal will be forthcoming for those who have held on to hope that it would. In fact, there are many groups out there who are using the history of these bonds, and the Hong Kong trade, as the platform for a well-scripted scam.)

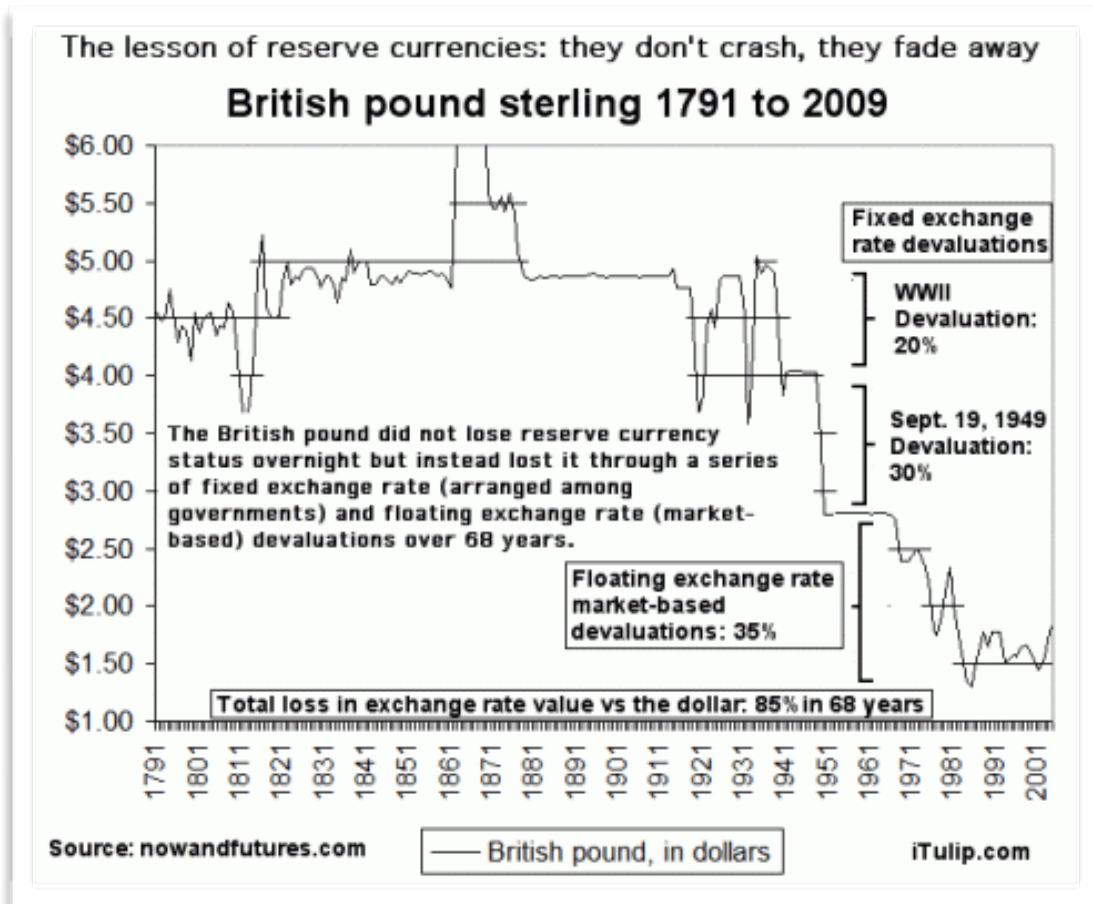
In 1944, as a part of the Bretton Woods system, the International Monetary Fund and the World Bank were created. These were western dominated institutions whose sole purpose was organizing foreign markets for the acceptance of U.S. dollars. We will leave the full explanation of these institutions and their role in structuring our current debt based system for another essay series, but for our purposes here, it's important to understand that they propagated the exporting of dollar inflation to what we now call the "emerging markets", or the BRICS countries.

Since the initial printing of the Federal Reserve Note (U.S. dollar) in 1913, the "dollar" has lost 95% of its value. We see this devaluation of the dollar as inflation, or the increase of costs for items we buy. This devaluation of the dollar has had a few milestones. One is after the Bretton Woods Agreement when the dollar became the primary reserve currency of the world. The second came when President Richard Nixon uncoupled the dollar from its peg with gold. This was in 1971. A third milestone can be argued to be in 1973, when the so called "petrodollar" was created with agreements between the U.S. and Saudi Arabia, and later all the OPEC countries. This "petrodollar" scheme ensured that all oil trades were completed internationally in U.S. dollars. This was a slight-of-hand from the Bretton Woods arrangement to the "petrodollar" arrangement.

A fourth milestone was obviously the onset of Quantitative Easing after the financial crisis of 2008. The chart below clearly shows how with each milestone the amount of debt (money printing) by the U.S. Treasury and Federal Reserve tag team has been multiplied dramatically leading to inflation. This is shown by an increase in the red line, which represents CPI – Consumer Price Index, the amount you pay for stuff.



The only end to this pattern is an end to the dollar as the world's primary reserve currency. Just like the British pound before it. In the chart below you'll notice the same gradual downward pattern as the U.S. dollar.



The central banks of the world were buying up U.S. treasuries before the British even accepted that there was a problem with the pound. The same is happening today with the dollar. In fact, most of the world outside the United States has already accepted the demise of the dollar as fact. But the idea is unfathomable to the average American.

The International Monetary Fund issues a currency called SDR – Special Drawing Rights. The SDR's are valued on a basket of currencies. In essence, it's a true to life multiply reserve currency system. It has been slowly built up since the early 1970's, at the same time the U.S. dollar started its serious devaluation. Could the plan have been in place since 1971 to end the dollar system through hyperinflation before implementing the SDR as a true world currency? Perhaps.

On January 9, 2014, IMF Deputy Spokesman William Murray was giving a press briefing. With zero coverage of this briefing in the western media, it's important to relay what happened when the question was asked about the implementation of the 2010 Code of Reforms, or Governance Reforms. Mr. Murray answered by stating:

“The legislative process is underway right now. We want the reforms to be adopted expeditiously. It's really the U.S. Treasury, Jack Lew and his team that's taking the lead on getting these measures through the U.S. Congress that are required to implement the 2010 reforms.”

It seems both the U.S. Treasury and the I.M.F. are very anxious about these reforms. So what are they?

“Just to remind you what those are, the 2010 reforms do a couple things. One, they bring four dynamic emerging market countries into the top 10 shareholder ranks or what we call quota ranks of the institution. China, Brazil, Russia, India. It also doubles our permanent capital, the quota. And it also creates a fully elected Executive Board.”

This tells us a few important things. One, the influence of the BRICS countries within the structure of the I.M.F. is going to be greatly expanded. As stated, they will be in the top 10 shareholder ranks. These are positions previously dominated by western financial and U.S. dollar interests. The gravity of this statement cannot be understated.

Second, it's telling us that the BRICS countries are bringing capital with them. Enough capital in fact, to double what the I.M.F. presently holds on reserve. The BRICS countries will be injecting a huge amount of capital into the SDR system. One only has to research the amount of gold being exported to the BRICS countries, especially China, to understand where this capital, or worth, will come from. We'll get back to that in a while.

Thirdly, expanding the influence of the BRICS countries within the structure of the I.M.F. also “creates a fully elected Executive Board”. The Executive Board of the I.M.F. is responsible for SDR allocation. Let that sink in for a moment. The BRICS countries are going to have an equal say on SDR allocation. The SDR is being built up as the world's reserve currency. The value of the SDR will be based on a basket of currencies. And the U.S. Treasury is pushing congress to make this happen.

On August 5, 2013, the Peoples Bank of China called for a “New Bretton Woods” system where the U.S. dollar would be removed as the world's primary reserve currency. It also called for an expanded usage of the SDR and for the new system to be supported by gold.

In Part Two, we will explore how the U.S. debt, being the liabilities of both the Treasury and the Federal Reserve, will be consolidated with the treasury bonds held by China and rolled into the new SDR system.

PART TWO

The Renminbi SDR Composition and the Great Consolidation

Originally published on January 23, 2014.

“The creation of an international currency unit, based on the Keynesian proposal, is a bold initiative that requires extraordinary political vision and courage”.

– Governor of the People’s Bank of China

The father wiped the dirt from his hands and reached into his pocket. Keeping his hand inside for a few moments, he knowingly glared down at the boy. The air was still, the boy eager, eyes wide, dancing back and forth on his feet.

“Come on Dad, my friends are waiting”, explained the boy.

Slowly the father withdrew his hand and paused before dropping a few coins into his sons waiting hand.

“Are you going to spend it all at the corner store?”

“Yes,” said the son.

“Money isn’t easy to come by boy. It takes hard work to make money. You kids don’t know the value of money. “

“I just want some pop and chips Dad, and maybe a comic book if I have enough.”

“When I was you’re age I could buy all that for a dime and a nickel”, said the father.

The boy, perplexed, thought for a moment, “Why does it cost so much now Dad?”

The father leaned down and picked his shovel back up. “I don’t know boy. Things just keep getting more expensive. I work harder but get less for my money. I’m tired.”

The boy shrugged his shoulders and ran off to meet his friends. The father, disturbed deeply by something that he couldn’t quite put his finger on, stared off into the distance. The faraway clouds were dark. It hurt his heart not to be able to answer the boy’s questions. He pushed the shovel into the pile of dirt with a grunt. This dirt wasn’t going to spread itself and the day was getting short.

The father in our brief story need not feel bad. What it is he doesn’t understand is in fact a very complex system of social and economic engineering designed to maintain the most functional equilibrium between the balance of nature and desire, or brain and consciousness, logic and dreams.

The absolute board upon which reality is drawn has borders, and until such a time as consciousness is capable of expanding those borders (think of a balloon expanding) we are left with a system that can and will maintain the status quo, which is the system represented by the father above, spreading the dirt with a shovel, over the board of his reality. He senses a much bigger reality and bigger possibilities, but his limited capacity and reference point keep him from understanding the full scope of what surrounds him.

The system that surrounds all of us is still a mystery. Yet the economic portion of that system is slowly revealing itself. And it reveals itself through patterns. There are patterns everywhere. For the sake of argumentation, let's call them philosophical patterns. The obvious example in our lives of a philosophical pattern would be the connection between two of the largest events in our lives. These events are the birth and death of each one of us. We are born. We live a life. And we die.

This pattern is very similar to another pattern in our life. And that is sleep. We wake in the morning. Go about our day, and go back to sleep at night. This is why death is referred to as the great sleep. Sleep is the micro pattern of the macro death.

I will be expanding upon these sort of philosophical patterns in the future essay series titled the Grand Man. But for our purposes here, this example will suffice.

The patterns are everywhere and in everything. The complex system of economic and social engineering is no different. Remember the saying, "there is nothing new under the sun". It's true. There never is anything truly new. Everything in reality (and non-reality) is in transition, or motion. One thing gradually becomes something else.

Let's take the fall of the Roman Empire as our example here. There is no one specific time or date which can be defined as the moment the empire ended. Like the U.S. today, Rome degraded their currency through a slow process of minting contamination until full debasement of the Gold Aureus led the regions outside of Rome to use other forms of exchange. Once this happened, the barbarians slipped through the gates of the former empire one at a time, slowly debasing the population of the regions once controlled by Rome, before moving on to Rome itself.

Can we not see this same pattern with the increase of immigration in the western world? There are more than just philosophical patterns visible regarding this as well. Such as the inflation of the western world currencies being exported to the countries from which we import people back. Logically, there is a balancing of accounts taking place here.

So when we are attempting to understand the economic system that is being built up underneath the structure of the old one, we only need but look at what exists today to discern what is coming our way shortly.

The first thing to understand is how the Federal Reserve System actually works. There are many resources on the web to help you understand this if you don't already, so I will not explain it in detail. This is not a book, only an essay.



So in brief, the U.S government decides on a debt limit. They then issue Treasury Bonds of different yields to meet that limit. These Treasury bonds are purchased by the Federal Reserve (and China, Japan, etc..) and the money used to purchase them is created out of thin air and lent back to the government at the interest rate as defined on the yield of each bond. The government then prints the money and puts it into circulation.

So, say you were the government and you needed money to run your household. You go to the bank and borrow \$10,000.00. The bank lends you this money at a yield, or interest rate. You have a predetermined number of years to pay this loan back. Your real money, being your labor and time, pays this loan back by creating the “energy” from which the value of the loan is extracted. Think of the human resources department at your local corporate office.

So in essence, the Federal Reserve System is the macro of your micro local bank. It works the same way.

Since there is nothing new under the sun, it can be reasoned that any new economic system will be the macro of, what now becomes, the micro Federal Reserve System. So for clarity, the Fed has been the macro pattern since 1944. But, like Rome, it has slowly been converting into the micro since 1971. Now we are in the final stages of this transition and the new macro is becoming visible for those with the eyes to see.

The new macro is of course the SDR (Special Drawing Right) issued by the International Monetary Fund.

So, we will attempt to keep this simple. Before the Federal Reserve there was still a system of debt creation. What the Fed system did was consolidate the debt in the country into a new system by which bonds were created and issued to banks, insurance companies, etc... After the Bretton Woods agreement of 1944, the Fed went international. It's this process of becoming international (becoming the primary reserve currency for international trade) that is now transitioning into the larger pattern through the I.M.F. and the SDR's.

Not only the Federal Reserve, but all central banks of the world have created too much debt. And like before, the I.M.F. will now consolidate this sovereign debt into a supra-sovereign reserve currency by way of SDR securities, or otherwise SDR bonds.

Let us investigate this further.

The present value, or composition (get use to this term) of the SDR is determined by only 4 currencies. They are the U.S. dollar, the Euro (think basket of currencies micro pattern), Japanese Yen, and the British Pound (the old girl just won't quit).

With the implementation of the 2010 I.M.F. Code of Reforms discussed in part one of this series, this composition is about to change. The currencies of the BRICS countries will soon be added to this composition, along with other major economies. Perhaps Vietnam will be added to the composition.

The weights used to determine the value of each composition will also change. These changes will consist of the economic fundamentals, such as GDP, as well as other metrics, like human development, ecological sustainability, concentration and diffusion of assets and income, as well

as the demographics of populations. Research each of these and apply what you learn to the overall social and humanity programs being injected into school curriculums. Remember the micro and macro patterns which endlessly weave through everything.

Also with the 2010 Code of Reforms, there will be no more western veto power within the Executive Board of the I.M.F. The geopolitical world will be balanced in preparation for the "great consolidation". SDR allocation (get use to this word also) will be controlled by those with the largest interest in the system. This large interest is no longer the micro Fed.

We know that through debt creation we are subjected to inflation. The more currency we print the less valuable that currency becomes. Like the father at the beginning having to pay more for goods and services. Like each micro to macro pattern before it, debt eventually needs to be consolidated and repackaged as new securities instruments - bonds. Sovereign debt will be consolidated and repackaged as SDR bonds. These offer new potential for energy storage. And remember energy (your time and labor) is real money.

But before these bonds can be issued, accounts require balancing. This is what we are seeing in the world right now. The gold is going east to China. New oil and gas deals are being brokered. Wealth is on the move, shifting and splashing around upon the sea of international understandings. Inflation is being sent back from whence it came. Currencies and commodities which have been artificially suppressed to support the now old micro will be expanding to reflect the new macro realities.

Debt balances will settle into new account holders before the system is locked down. Those with greater capacity for composition will swallow the old sovereign debts. The U.S. owes a great debt to China and because of this China is allowed to import all the gold. This gold will ensure the transfer of Fed liabilities to the Renminbi composition. The Renminbi will be international, the Yuan in house. Just like the dollar will be split into an international exchange and an in country exchange. The Treasury being severed from the Federal Reserve. The micro being severed from the macro.

All old sovereign debts, including historical bonds, like the Chinese 1913 Gold bonds, will be balanced before consolidation. All the countries of the world have been explored and their resources catalogued. Processes have been designed to produce those resources and bring them to market.

Central banks are increasing their holdings of Canadian and Australian dollars. These are two resource rich countries. Foreign reserves can also add to the composition of any one currency. In Part 3 we will venture into the pipeline mechanics of SDR compositions, including historical bonds, resources and commodities, and the inevitability of the great consolidation. We will see how the U.S. market is beginning to open itself to the idea of SDR denominated bonds. It simply has no other choice. And we will learn how the SDR bonds will be issued by the Federal Reserve, the World Bank, the European Central Bank, and what will become the monster allocator of the Renminbi SDR composition - the BRICS Development Bank.

PART THREE

The Real Global Currency Reset

Originally published on February 4, 2014.

Have no doubt about it, the so called Global Currency Reset is already happening, and it's happening by the International Monetary Fund restructuring the world's wealth through the emerging markets. Sovereign debt is at a 200 year high. Fiat currencies are on the verge of collapse. Stock markets are hovering over nothing but the illusionary ether from which they climbed. And if you listen carefully you'll notice that all countries are speaking from the same script.

So how did we get here?

Though this is a multi-part series, all the other essays on philosophyofmetrics.com have something to do with the process which has come to be called the Global Currency Reset or the Great Consolidation. Such a complex process is not easily understood or easily explained.

Revolutions are ideal methods to exact transformation upon a civilization. The banking powers which still control the world today gained that control through revolutions such as the French Revolution, the Bolshevik Revolution, etc. They are working within the same methodology today.

We are seeing mass protests against governments for the sovereign debt problem which is threatening the world with total collapse. What is little understood by the majority of the people is that the sovereign debt problems are being caused and facilitated by the very same banks that will stand to gain from any global currency reset. The reset will be the solution offered in response to the reaction of the people, being the protests and revolutions, which stems from the problem of sovereign debt and currency collapse.

Can we not see through the smoke and mirrors too observe the obviousness of the Hegelian Dialectic at play? The banks take control of most of the countries of the world through revolution, war, famine, economic sanctions, and then set up central banks in these countries. The central bank of each country quickly gets to work on lending the government of their respective countries the debt money it needs to function and maintain the carefully engineered economic equilibrium of the population.

Eventually sovereign debt becomes too large and the whole system is threatened with collapse. Once again, how did we come to be here?

What we are witnessing is a carefully worded script to effect the problem, reaction, solution of the Hegelian Dialectic. This script is being written by the Bank for International Settlements. The B.I.S. decides and disseminates all central banking policies and regulations for the central banks of each country in the world.

Today's "problem" began, for the most part, with the 1988 Basel Accord. This accord was engineered by the BIS through its main location in Basel, Switzerland. The Basel One regulation set minimum capital requirements for the central banks of the world. This policy was trickled down to the chartered banks within each country. On the surface Basel One appeared harmless.

It wasn't until the Basel Two regulations came out many years later that the first red flag should have been noticed. This regulation, along with the minimum requirements of Basel One, allowed the banks to increase their risk by way of leverage and investments. It can be argued that Basel Two regulations were directly responsible for the subprime mortgage crisis of 2008. Therein the "problem" is given full birth.

From then on the "problem" develops into corporate bail-outs and eventually onto the sovereign debt crisis we are facing today.

The solution is found in the Basel Three regulations. In brief, these regulations force banks to increase assets and lays out the structure for currencies to become commodity supported. It is in this regulation that the Bank for International Settlements puts forth the final stage to the great consolidation, of which the global currency reset is but one part.

It's interesting that many on the internet are saying that the banking powers of the world are about to be overthrown because of the Basel Three regulations and the economic reset which will come as a product of its full implementation by 2018. Isn't it recognized that the Basel Three regulations are a product of those same banking powers? They're certainly not overthrowing themselves.

What is happening is the tightening down of the bolts, the closing of loopholes, and the streamlining of processes. When it's all said and done, the Bank for International Settlements will have more control than they do today. Period.

With that being said, there is evidence of negotiations taking place behinds the scenes. Let's not rely on rumour and internet conjecture for this evidence. Let's go directly to the International Monetary Fund itself.

In the IMF press release dated January 23rd, 2014, it states the following:

"The Executive Board reiterates the importance and urgency of the 2010 Reforms for strengthening the Fund's effectiveness and legitimacy. This includes ensuring that, as a quota-based institution, the Fund has sufficient permanent resources to meet members' needs and that its governance structure evolves in line with members' changing positions in the world economy."

What they are saying here is that the implementation of the new Executive Board, which includes China and other BRICS countries (See SDR's and the New Bretton Woods – Part One) needs to happen as soon as possible. These new members will make much needed capital injections into the quota fund to meet overall member needs. Here we need to consider the sovereign debt of all the countries of the world and the consolidation of this debt through the IMF as it was designed to be. It also makes clear that the governance structure of the Executive Board will reflect the *"members changing positions in the world economy"*.

Let's continue with the press release.

“The Executive Board proposes that the deadline for the completion of the Fifteenth Review be moved from January 2014 to January 2015. Furthermore, the Executive Board recognizes that the immediate priority is the effectiveness of the Fourteenth Review and Board Reform Amendment. Accordingly, the Executive Board proposes that the Board of Governors adopt a Resolution expressing its deep regret that the Fourteenth Review and the Board Reform Amendment have not become effective and urge the remaining members who have not yet accepted the Fourteenth Review quota increases and the Board Reform Amendment to do so without further delay”.

So in the first sentence the IMF is clearly suggesting that the deadline for the economic reset be pushed out to January, 2015. On top of that, it's calling for a “resolution” expressing their disappointment that some members have yet to accept the new quota regulations and are pushing those members to implement the changes “*without further delay*”.

Don't let the “*quota increases*” term fool you. What they are talking about here is surrender of the economic sovereignty of member countries. In this simple term will be found the passage of ownership over the Federal Reserve System to foreign powers. And remember, as we learned in Part One of this series, Jack Lew of the Treasury is pushing Congress to pass legislation which will support what the IMF is requesting.

As we move through the year and get closer and closer to the Great Consolidation it will be important to remain focused on what is really happening. The Great Consolidation will be the relinquishing of sovereignty and the Global Currency Reset will be one of the major steps towards this end.

We will hear more of the sovereign debt issue. We will witness the turmoil of the currency exchange markets. Revolutions will take place on the television right before our eyes. The people of the world will be told daily that the collapse of the whole system is imminent. At some point, the negotiations hinted at above will be concluded. The currencies of the world will be revalued and the debts of the world consolidated.

Make no mistake about it, the Global Currency Reset and the Great Consolidation will mean the end of sovereignty, including the sovereignty of the United States.

And at the same time, all the countries of the world continue to develop police state procedures along with the implementation of technologies to ensure successful management of the “reaction” stage of the Hegelian Dialectic Triad.

This is the real Global Currency Reset. Order out of chaos.

There were other matters which I wanted to cover in part three of this series. But I felt it was important to set a few things straight about the reset first. In the next instalment we will get back on track and delve once again into the structure of SDR compositions. We will take a closer look at specific regions, including Canada and the Keystone XL Pipeline, agreements between Iraq and Iran on oil strategies, and how all sovereign debts, including historical bonds, will be included in the Great Consolidation.

PART FOUR

Archaic America and Oil Wars

Originally published on February 6, 2014.

“This is really an old lesson for a new era. At such a momentous time as this, we need to choose the ethos of 1944 over 1914. We need to rekindle the Bretton Woods spirit that has served us so well.”

- Christine Lagarde, Managing Director of the IMF Feb 3, 2014.

As young boys my brother and I delivered newspapers in our neighbourhood. There was one house in particular that always stood out to us. In this home lived a man with no legs. The house was your standard suburban build of the 1970's and had a ramp running up the width of the front. The man in his wheelchair would often be parked at the small area at the top of the ramp. It was a short landing from which he could enter the house.

Bad feelings always came over me every time we delivered the newspaper there. My memory tells me that the man wasn't very nice, though I'm sure he was and that's just how I remember it based on my own feelings of uneasiness.

When we see a man in a wheelchair we often think of war vets. In this case the man had lost his legs in a mining accident. There is a giant mining machine called a bucket wheel. It's exactly what it sounds like, a large wheel made up of many buckets which dig into the earth as it turns. This man had the unfortunate accident of being in a pickup truck that came into contact with the mining machine.

Our father also worked at the same mine and over the years of our childhood there were many such accidents, some ending in deaths and others causing life altering trauma like the man on the porch. Fear was something I often felt as I stared out the window and watched my father walk off to catch the bus which transported all the workers to the mine site. The thought of my father being one of the men who didn't come home was unbearable.

As dangerous as it was, my father worked hard and provided for his family. We had a good childhood. A good life. Though I didn't understand it at the time, the world needed energy and my father helped provide it by exacting his own energy. My brother and I didn't put out as much energy delivering newspapers because we were lazy, as children are want to be, but we would eventually get paid for what little energy we did exert. That's how it works right, exert first and earn after.

Along with listening to ABBA songs for the better part of the early 1980's, I also watched the endless Iraq and Iran war on television. The ability to fully comprehend what it was all about only came to me when I was much older. The concept of the petrodollar was kept out of the media at all costs. The fact that the American military would support one oil producing country to attack another oil producing country was too complex a thing to grasp while the song Waterloo spun on the record player.

For those who don't know, the petrodollar was an agreement between the Federal Reserve and Saudi Arabia to price and sell oil in U.S. dollars. This scheme came about after the dollar was disconnected from its 30% gold peg in 1971. By 1973 the scam was on and most of the oil producing countries fell in line. Unfortunately Iran didn't get the memo.

We'll avoid a long history of oil shenanigans and military occupations. Please feel free to research and filter all Middle Eastern conflicts through the petrodollar smoke screen. I would include the Caspian Basin and Bosnian conflict in this as well.

Two nights ago Christine Lagarde of the International Monetary Fund was giving a speech in London. In that speech she made many references to the outdated system that has been in place since the Bretton Woods agreement of 1944. She explains how that agreement has served us well for the last 70 years but it is now time to move on with a new multilateral system, a "financial system for the 21st century". Near the end of her talk Ms. Lagarde boldly states that a new multilateralism is "non-negotiable".

What she is saying is that both the old Bretton Woods arrangement and by default the petrodollar scheme are dead and over. Like the British Pound before 1944, the reserve status of the American dollar is over. It's just that American's have not accepted it yet because the leaders of the country have not told them about it.

There are too many currency swap agreements which have been made over the last few years to even mention. The function of these swap agreements have been to avoid using the dollar in trade. The emerging economies have planned their counter to QE tapering like a general strategizing a flank maneuver. If it was not for these currency swap agreements the emerging markets would be suffering more right now.

But let us kept our eye on the moving ball here and remember the problem, reaction, solution technique we have been discussing in previous posts. Since we are suggesting that all sides are reading from the same script, I will put forward that the script is in fact the 2010 I.M.F. Code of Reforms.

The United States is the last hold out on the Reforms. The Congress has to pass the legislation in order for the 2010 Code of Reforms to be fully enacted and the required changes to the Executive Board of the I.M.F. completed. As some of you may have already guessed, and not to put too fine a point on this, the Reforms will allow for the following things to happen:

- 1 Restructure U.S. sovereign debt. (other countries as well)
- 2 Final payout on historical bonds.
- 3 Revaluation of currencies.
- 4 Preliminary SDR bond agreements.
- 5 Soft landing for stock markets.

From there the real work will begin as SDR allocation sites are strategically located. As stated previous, the "restructured" Fed will issue SDR securities along with the World Bank, European Central Bank, and the BRICS Development Bank. There will be others but those are the core institutions.

SDR compositions for each country and economic zone will continue to be analyzed and negotiated as trade shifts and settles to the new paradigm. Gold will obviously be a vital component of most SDR compositions, especially in Asia, where strategically located gold vaults are now being set up in China, Vietnam, Indonesia, etc. This was explained with more detail in “America’s Karma and World War Two Gold Theft”.

Commodities other than gold will also factor into SDR composition weights. One of these is oil. With oil comes different challenges than some of the other weights. Let’s take the relationship between the United States and Canada as an example. Oil is pumped or mined in one place and after initial processing, is shipped elsewhere for further processing for a market grade product.

This is where the Keystone XL Pipeline comes in. The purpose of the pipeline is to transport semi-processed oil from the Canadian Oil Sands to the refineries in the gulf region of America. There is much to do about nothing over this “proposed” pipeline. Just as there is about the Oil Sands in general. Why do you think this is? It’s a negotiation over what percentage of the produced oil will be applied to the SDR composition of each country. Should Canada get more for mining and partial processing? Or should America for bringing it to market?

All along, even with the delays and drama over both the pipeline and the oil sands, Keystone is in fact moving ahead with major portions of the line already completed. The so called Obama drag on this is only for show.

In addition to Keystone, Canada is also building what is called the Northern Gateway Pipeline to transport oil from Northern Alberta to the Pacific coast for shipping to the Asian market. This is why China is becoming heavily invested in Canadian oil and its related infrastructure.

Intangible SDR trading is already going on outside of the U.S. dollar. The exact same thing happened to the British Pound in the years leading up to its official demise as the reserve currency of the world.

Let’s move on to Iraq and Iran. It was reported on January 30th that Iraq and Iran were planning on joining forces and cutting world oil prices as a form of economic warfare on Saudi Arabia. The purpose is to destroy OPECs control over the world oil market. As usual, things are not as they appear. OPEC is already dead for the most part and Saudi Arabia is aligning itself with China.

This is major news that is lost on not only Americans but many other regions as well. With the shattering of OPEC who will dictate the price of oil? There are a few different exchanges which price oil and I would suspect that eventually there will be just one in order to facilitate more accurate SDR compositions for oil producing nations.

The bigger question to ask here is how do two countries that fought a war with each other for almost a decade suddenly decide that they will become the dynamic duo to fight the evil Saudi sheiks? There’s a micro problem, reaction, solution taking place here. I propose that the Middle East will be split into two economic zones with the Lower Middle East encompassing oil production from Saudi Arabia and Northern Africa, while the Upper Middle East will consolidate

not only Iraq and Iran but most likely the Caspian region as well. Remember, civilizations are transformed through revolutions. There is more to the Arab Spring than many realize.

Though the world's countries will maintain their individual autonomy, their economic sovereignty will be passed to the Executive Board of the I.M.F. under the 2010 Code of Reforms. As such, the oil produced from the economic zones will not apply directly to the individual countries SDR composition but to the regions composition. Both Iraq and Iran are oil rich in resource but the ability to bring it to market, especially in Iraq, is still fraught with challenges. The world will not wait for stability in Iraq before implementing the Code of Reforms which will in turn lead to the Global Currency Reset and the Great Consolidation.

Iraq's currency, the Dinar, will be revalued, of that there is no doubt. But not anywhere near the exchange rate that many are predicting. Like my brother and I delivering newspapers, we could not get paid until the papers were distributed and payments collected. The dinar will not be revalued at a rate that cannot be supported by the actual production of the oil. Both Iraq and Iran are looking forward to 2020 to even come close to the barrels per day production that Saudi Arabia has now.

In addition, I would suspect that a regional dinar currency will be developed to support the economic zones SDR composition. And that is good news for many that hold dinar. It will be revalued sooner rather than later and it will offer a great return, but only as the micro of a larger macro and regional dinar scenario.

I encourage everyone reading my blog posts to educate yourself and research as much as possible. Everything we need to know in order to understand what is coming is published and available. The reset is real, as is the consolidation. The centralization of economic power is worrisome but I fear the alternative at this point in history offers a less desirable outcome. How we handle ourselves as human beings will dictate how we challenge that centralization. Do we fight as desperate and divided buffoons who are lost in the ignorance of the past? Or do we become knowledgeable and stare the system in the face and challenge it to become better?

The latter is much preferable as far as I'm concerned. And we accomplish this by challenging ourselves first. Like I wrote of in my post "The Failed Alchemical Process of America", the failure of America is the failure of us all. The journey from base metal to gold is the responsibility of each one of us. How do we expect a system based on greed to change when we ourselves are consumed with our obsession over matter? It matters not what the I.M.F. or any other organization does. We are the solution we've been looking for. Exert your energy for the wealth of knowledge.

In the next part we will continue with the SDR compositions but also start to touch on some of the cultural ramifications of the Great Consolidation.

PART FIVE

Pattern Recognition and Rent Seeking Limitations

Originally published on February 12, 2014.

At first there was nothing but an absolute whiteness. It was an endless emptiness of infinite possibility. With a whisper there appeared a single black dot in the middle of the white vastness. The dot was less than - but would become more. The whisper echoed throughout the absolute and the dot smeared outward from both sides becoming a line. The single line filled the void with purpose and direction.

The line eventually duplicated itself followed by the two opposing ends turning inwards and outwards until they touched each other forming a letter “L” shape. The whisper sound returned but louder this time. The “L” shape also duplicated itself with only one of the two turning itself opposite until all four ends of both shapes connected forming a square.

The square sat in the whiteness of the absolute. It was both large and small at the same time. An impossible translucence that was almost solid.

My first thought was one of curiosity as I studied the square. Time was of no relevance so I do not know how long I stared at the shape before it also began to transition into something more than. I watched as the square duplicated itself five times. This made a total of six squares which floated in the absolute. All seemed to change size from small to large before finally positioning themselves into a conjoining shape.

The cube solidified in my mind’s eye as I began to differentiate patterns in the sound of the whisper. Some patterns made me feel sad while others brought feelings of security and comfort. As the whisper became a voice, and the voice a language, I felt the cube pull me into its centre. There in the centre of the cube I waited and watched as other shapes and colours formed outside the cube.

One by one the cube pulled the other shapes into its confined vastness. All the shapes of varying sizes and colours became a blur of motion. The motion also took on patterns which I slowly began to recognize as things of importance. The sensation of heaviness enveloped me. There was hunger and tears.

Seeking out pleasure I roamed around in my heaviness, grabbing at objects, touching, smelling, and hearing distant sounds of satisfaction. Always one object became another until there was a chorus of material piling up around me. But always the pattern repeated. Endless, back into the infinite possibility from which it came.

In my early years I knew on a deep level that the world was not as it was presented to me by others. Giants walked around inside my world planting seeds from which truth would eventually blossom. But the truth would never come. The giants became smaller and smaller as I grew

larger and larger. And the truth seemed to be lost within the geometric shapes that made up the material world around me.

It would take many years for the truth to be extracted from the patterns. And at times the truth would hide itself within false truths and sink back into the patterns. Many would waste valuable time and energy to pull forth false truths while the true truths lay embedded deep within the subconscious of our minds. The greatest true truth of all is the infinite possibility of the absolute just before the black dot materialized.

Like the black dot, fiat currencies are a false truth. Yet they are what we collectively gravitate towards in times of massive centralization. History proves this pattern. So what will it take for the world to back away from the fiat currency and transition to a more stable shape?

In the other parts to this series, we have discussed the 2010 Code of Reforms as agreed upon by the members of the International Monetary Fund. Though the agreements were made, the United States Congress has yet to pass the supporting legislation required to restructure the Executive Board of the I.M.F. The obvious reason for this is that once the reforms are passed and the board restructured the quotas for each country will change and the dollar will be stripped of its reserve currency status.

Congress knows this all too well and is pushing negotiations into dangerous territory as the world is threatened with currency collapse and sovereign debt defaults. As such many countries have been developing workarounds to the dollar by way of currency swap agreements.

The intention is not to repeat what we have already stated in previous posts. A quick refresher on some of the information will help as a lead in to the additional information contained within this part.

In part one we were introduced to the 1913 Chinese Gold Reorganization Loan bonds. A final payout on these bonds is indeed in the works and is one part of the overall 2010 Code of Reforms process. Every time a deal was to be finalized with the bonds it corresponded to the debt ceiling debate and Code of Reforms within Congress. They hopscotch each other onward until we find ourselves here today with no resolution on either.

It's important to know that by China honouring the 1913 bonds, they will be able to access their full gold reserves, including the portion that was used to support the 1913 bonds. This is the same gold the Chinese government after the communist revolution denied having. They couldn't now all of a sudden materialize said gold without explaining where it came from, or honouring the bonds which they supported.

With that being said, the bonds will not be honoured at their full face value. These bonds will be considered a part of the overall sovereign debt of China and will be integrated within the SDR composition of the renminbi and re-allocated as securities through the BRICS Development Bank.

Like any debt consolidation, all sovereign debt must be included. The owners of the Chinese bonds will get their payout. The payout itself, is based on a flat amount already set for the historical bonds. This amount is specifically valued within the renminbi's SDR composition. The more bond holders that come forward will decrease the individual payout for each bond holder.

This is what has been agreed and implementation of the buyback program is simply waiting for the 2010 Code of Reforms to be passed through Congress.

Since most countries have sovereign debt and outstanding historical bonds, it stands to reason that other situations like the Chinese bonds will be handled in a similar fashion.

Another pattern that emerges as we study the history of reserves currencies is that with each reserve currency the centralization has become tighter and tighter. The reserve status of the U.S. dollar has brought this centralization to a whole new level. In simple terms the dollar has exported inflation to other countries. But when we realize that inflation is in fact a mechanism for further centralization the more complete picture comes into focus. Through increased centralization the countries of the world have sunk deeper into sovereign debts from which even more centralization will be offered as the solution.

The SDR solution, with a focus on further centralization, may have been the intended plan back in its inception. Hard to imagine, but perhaps the collective mind of the rent seeking small elitist group of organized special interests has unknowingly pushed forward on this path.

The International Monetary Fund is riding fast and hard on getting these reforms passed through Congress. Even to the point where Christine Lagarde is calling a new multilateral economic system non-negotiable. Sovereign debt restructuring is something the IMF is taking extremely seriously.

Within America the Treasury is in favour of the reforms and is also putting pressure on Congress. The important question to answer here is why is there a division between the Treasury and Congress on the 2010 Code of Reforms? The Treasury is saying yes to the dollar losing its reserve currency status and Congress is saying no. Make no mistake about it, the power the United States has experienced since 1944 and the Bretton Woods Agreements has come from the reserve status of the dollar. After the reforms are passed and the Executive Board restructured, the U.S. will become a regular country like every other country in the world.

This of course will leave a huge void in the geopolitical world which will be filled by a consortium of foreign countries. We can see the anticipation of this opportunity by measuring the military buildup in other regions of the world. Especially in China.

But it's not only geopolitical ramifications. There are profound cultural consequences to America as its stature in world affairs is minimized to that of a regular participating country. It's a humble pie that perhaps some members of Congress, and other industrial and banking interests, are yet prepared to suffer.

Moving forward the potential threats posed by delaying the implementation of the SDR system are real and measurable. The reforms could come too late for effective sovereign debt restructuring. Or the debt restructuring, when finally implemented, could be insufficient to meet the expanding debt contracts under which the economies of the world toil. Banks exposed to debtors could see the confiscation of their assets. We are already seeing this as China has and will continue to purchase banks within the United States.

The rest of the world will not wait for Congress. But it's my prediction that Congress will in fact pass the 2010 Code of Reforms and allow for the restructuring of the IMF Executive Board. Its

matter of timing, planned or unplanned. From the moment the reforms are implemented, the dollar will see multiple devaluations staged to coincide with a multi-staged restructuring of the debt.

It's important to mention that with the passage of the reforms, the world will not see an overnight immediate response. The new system will take time to fully integrate. The Global Currency Reset will happen in levels as currencies are allowed to free float within the parameters as set forth by the SDR composition of each country.

As stated previously, this composition will include the following economic fundamentals:

1. GDP – Self Explanatory
2. Human Development - Research how China engineered a middle class to fill the empty cities they built over the last ten years.
3. Ecological Sustainability – Programs through the United Nations make more sense now.
4. Concentration and Diffusion of Assets – Investigate precious metal price manipulation.
5. Income – Examples include the growing middle classes of not only China, but also Vietnam and other emerging economies.
6. Demographics – Immigration and the mass movement of people are directly related to the planning of the new system.

The economic system as it stands today is out of balance and will be corrected by a supra-sovereign reserve currency by way of the SDR mechanism. Between the time the reforms are implemented and the year 2018, the currencies of the world will slowly adjust and fluctuate as their true SDR composition weight settles out.

As another pattern of note, the Basel 3 regulations from the Bank for international Settlements are also set to be fully implemented by 2018. They were originally scheduled to be completed by 2014 but also had to be pushed out because of the delays within Congress in regards to the IMF Code of Reforms. This is not a coincidence.

As we touched on in a previous post, the SDR compositions will be segmented into different regions. Based on what I've learnt and what information is publicly available, it is my best estimate that these regions are going to be as follows:

1. Asia and Pacific Region
2. Europe
3. Lower Middle East and Northern Africa
4. Upper Middle East and Central Asia
5. Western Hemisphere
6. Southern Africa
7. South America

Right now the Ukraine is the hinge between Central Asia and Europe. Syria is the hinge between the Upper and Lower Middle East. The border area between both will become major trade zones with Lebanon regaining much of its past glory.

The hinge between the Western Hemisphere, comprising Canada, Mexico, and the U.S., along with some Central American countries, will find its hinge in the Nicaragua region as the Chinese funded alternative canal project takes form. This new canal through the centre of Nicaragua will include two international airports, one at each end, oil and gas pipelines, and a shipping lane almost ten times the length of the Panama Canal. It will take eleven years to complete and is considered the largest construction project in the history of the world.

The SDR compositions themselves will be based on both macro and micro weights and measures. The macro breakdown of each country's currency composition will be as follows:

1. 25% Production Commodities (such as oil, gas, rice, wheat, iron ore, etc...)
2. 25% Foreign Reserves and Precious Metals
3. 50% Fiat – Pegged to increase and/or decrease based on the fluctuating values of the above 2 factors.

How the SDR composition system is setup will in essence work as a form of self-limiting rent seeking for the purpose of economic balance between the small elite organized group and the larger worker disorganized group. For a more detailed explanation of rent seeking and what is being proposed here, read the post "What Are Conspiracy Theories?".

It was my intent to also discuss the cultural impact that the New Bretton Woods will have on the world. But I have stretched this post out too long I'm afraid.

In parting, I'd like to close this essay off by saying that every manner of concept and design can be implemented into the world economy. Like the black dot which limited the possibility in the white world of the absolute, all systems will invariably self-corrupt and begin anew the process of centralization or the movement towards decentralization, which is collapse. The world has seen complete decentralization on all levels, both macro and micro, before in the era of the so called dark ages. This came after the gradual collapse of the Roman Empire. There was nothing organized and semi-centralized to take its place. Though there were "pockets of prosperity" sprinkled throughout the world.

What I ultimately propose is a system of balance between micro decentralization and macro centralization. The New Bretton Woods which I have been attempting to describe could be such a system. It's an opportunity for regions and economies of the world to earn a composition value through local energy expenditure and production while safe guarding a new method of energy storage from rent seeking groups. It is my belief that the SDR composition system holds the potential for such energy storage and economic efficiency. We can be more than.

PART SIX

Consolidation or Collapse, and Conspiracy Theories

Originally published on February 18, 2014.

“In recent decades, emerging and developing economies have become bigger players in the global economy. However, their representation at the IMF has not kept pace with these changes. The G20 will continue to pursue reforms to the IMF during 2014 to ensure that country representation at the IMF better reflects the economic weight of its members. These changes will build greater confidence in the IMF’s ability to respond to global economic instability.”

- Statement on Reforming Global Institutions on the G20 Website

There is a unique game of chess taking place on the global economic scene. And like all good games of chess against worthwhile opponents it takes patience and calculation to strategize every move well in advance. This particular game began in 2010 when the G20 countries all agreed to enact the International Monetary Fund’s Governance Reforms (or Code of Reforms) to change the quota amounts for member countries and restructure the Executive Board to more accurately reflect the changing dynamics of the world economy.

With the full implementation of these reforms we will see all the currencies of the world that are now pegged to the value of the U.S. dollar shift to a more balanced system of weight values and be pegged to the value of the SDR (Special Drawing Right) as issued by the International Monetary Fund.

The SDR was originally meant as a form of credit but since the collapse of 2008 has been slowly transitioning into a form of money, or currency. Some of the reasons for the expanded use of the SDR can be found in sets of problems and remedies. Which are:

Problems in the international monetary system:

1. Persistent Global Imbalances
2. Large and Volatile Capital Flows
3. Unstable Exchange Rate Fluctuations Not Based on Fundamentals
4. Insufficient Supply of Reliable Global Assets

Remedies for the international monetary system:

1. Global Policy Collaboration and Stronger System Surveillance
2. Enhanced Systemic Financial Safety Net
3. Financial Deepening in Emerging Markets
4. Development of New Reserve Assets

It’s the last item, development of new reserve assets, which we will focus on in this instalment of the SDR and the New Bretton Woods series.

But first let us address the issue of corruption and rampant conspiracy theories which are overshadowing the real process and strategies which are taking place on the global scene. Next week the 2014 G20 Summit is taking place in Australia. Two of the many priorities for the G20 this year are anticorruption and reforming global institutions.

The reforming of global institutions is a clear reference to the IMF Code of Reforms which have been held up in the American Congress since 2010. And we are seeing anticorruption tactics and procedures playing out every week as more and more government officials and top bank directors are being arrested or executed for fraud and crimes against the people.

The problems with the international monetary system as listed above create opportunities for corruption and for rent seeking elite groups to transfer wealth from the larger disorganized groups with no addition of new wealth to the system. This has caused severe imbalances in the system and can no longer be allowed.

In “What Are Conspiracy Theories” we defined this rent seeking elite and described how one of the tools of the larger disorganized subordinate group (the middle and lower classes) to combat the smaller elite was referred to as “weapons of the weak”.

One of these weapons is gossip. It is my proposition that conspiracy theories are in fact the unofficial and disorganized structure of this weapon of the weak. When we are left with no official source of valid information in regards to what is happening in the financial world, we are prone to analyze and function on the lowest common denominator of information sources, which are conspiracy theories.

Some of the black and white or good guy and bad guy definitions of these conspiracy theories are laughable and do nothing but create confusion and misdirection away from a real understanding of the economic situation which the world faces in our modern era.

From mystical beings to secret informants, the ridicules angles and propositions run the gambit of the most profane amongst us. Nowhere is the truth more hidden than in the midst of the absurd stories and so-called enlightenment of these secret sources and “top men”. It is a system of maggots feeding on the hopes and dreams, not to mention confusion, of the large mass of disorganized subordinates.

True enlightenment comes from the realization that helping others is helping ourselves. When you feed off others you are in fact feeding on your own life. Whether intentional or not, this bottom feeding on each other only helps and encourages the small rent seeking elite to continue in its wealth transition from the masses to itself.

I will pay no further attention to the absurdities of the profane and absurd. Good and evil exist in the minds and fairy tales of children. And there they shall remain.

With that being said there is an organized structure or process attempting to bring rule of law and a balanced system to the international monetary system. This system of change is based on the fundamentals of self-limiting rent seeking elites from large transfers of wealth which only serve to deepen economic recession. We are seeing this system of self-limiting being successfully implemented in countries such as Vietnam, China, Russia, and India, with more to come. It is not a perfect process but it is a process nonetheless.

This is not China against America. Or some shadowy group against another shadowy group. All the information about this new system is already out in the open and available for all who take an interest in learning about it.

Zhou Xiaochuan of the People's Bank of China is one of the most vocal members of the international community calling for the implementation of this new SDR system. And a big part of the structure of this new system is the Basel 3 regulations as put forth by the Bank for International Settlements. So it's no surprise to learn that Zhou Xiaochuan is in fact one of the board members of the Bank for International Settlements. This should put to rest any conspiracy theories about China overthrowing the current banking system.

When we hear talk of the Global Currency Reset and the Great Consolidation, what we are reading or hearing is in fact a simplified version of the modifications being slowly implemented in the international monetary system. Though they will in fact benefit greatly from the consolidation and composition process by way of increased physical assets.

As we have covered in previous essays, the Great Consolidation will be the restructuring of sovereign debt into the new SDR system of compositions and allocations. Considering that commodities will make up a large percentage of the SDR compositions, it's important to manage this sovereign debt as the debt itself will eventually, and in essence already is, undermining the commodity prices which will build a basket of goods used to value the SDR's themselves.

What we're saying here is that if there is no Great Consolidation (restructuring of sovereign debt through the I.M.F.) than there will be no Global Currency Reset or SDR basket of currencies based on goods and other commodities.

With the new SDR system in place, all the currencies of the world can peg their value to the SDR containing the basket of commodities and other composition weights which we have discussed. With the SDR acting as the reserve currency anchor a fixed exchange rate can be set (or allowed to fluctuate within a band) and the foreign reserves held in dollars will be slowly replaced with SDR reserves.

With a large scale substitution of U.S. dollar reserves with SDR reserves, it will create a situation where less exchange rate pressure is exerted on the U.S. dollar as it attempts to restructure its sovereign debt through the very same SDR consolidation system.

So why hasn't the Global Currency Reset and Great Consolidation taken place yet? Simple, the United States Congress has not passed the legislation required to restructure the Executive Board of the International Monetary Fund. For those who doubt that this is indeed the holdup, a very brief review of the 2010 Code of Reforms themselves should be required. The U.S. holds 17% of the vote on the Executive Board. For any measures to pass the required vote is 85%.

The U.S. can veto any resolution or policy change as it sees fit. It is holding off on restructuring the board and in turn the international monetary system as referenced by the G20 above, as a form of chess game in which it is seeking additional allocations and compositions for the dollars' value and placement within the system once said system is fully implemented.

Now that Congress has given a blank cheque debt limit increase, the money should be available for increased deficit spending which will increase the U.S. quota injections into the I.M.F. This will allow for the sovereign debt restructuring to begin.

Another probable explanation for the refusal of the Congress to enact the legislation is the likelihood of the exchange rate risk associated with the transition from dollar liabilities to SDR liabilities. This risk could be captured in a temporary substitution account which would be setup as a form of safety net for the dollars collapse. Perhaps the United States is negotiating a shared risk instead of sole responsibility for maintaining the dollars SDR composition value on the substitution account as the transition from dollar reserves to SDR reserves takes place.

It is well known by all sides that the dollar cannot collapse without causing the collapse of the new SDR system before it is even fully implemented. The IMF and the U.S. both require this substitution account as a temporary transition point to ensure there is no sudden drop in demand for dollars. The transition has to be slow and orderly.

The substitution account will further allow for the direct foreign exchange market intervention for SDR's which will enhance the attractiveness of the SDR compositions and allocations as laid forth in the capital asset reserve structure of the Basel 3 Regulations.

As foreign exchange in the SDR system increases, account balancing and clearing can be completed by the Bank for International Settlements. The BIS has already developed a multi-tiered system for clearing and settlement of SDR payments.

Thus we come full circle back to the statements made by Zhou Xiaochuan of the People's Bank of China, (who just so happens to be one of the most influential economic figures in the world) calling for the SDR system. And remember, he is a board member of the Bank for International Settlements as well.

If China gets its way and overall economic growth is added to the weights of SDR compositions, which could in fact be used as a method of shared risk within the temporary substitution account, than we will see the SDR system implemented without further delay.

Once all the world's currencies are pegged to SDR and not dollars than we will see a form of global trade which will not only encourage, but also enforce a method of real effective exchange rate stability based on real economic values. This is where currencies like the Vietnamese dong will be revalued and become a stable form of wealth storage for the people. See "Why the Vietnamese Dong Will Reset".

A complete peg to the SDR will promote global trade by removing exchange rate fluctuations and will in essence act as a simulacra of the gold settlement system. A de facto gold standard. Let's us go back to the beginning of this essay and think in term of the chess game again. The complexity of this SDR system is not easily understood or explained. It will be sold to the public at large as an extension of what is happening already. In previous essays we have thought in terms of micro and macro patterns. Let us do so again, as we consider that the Quantitative Easing through the Federal Reserve will slowly transition into SDR Quantitative Easing through the International Monetary Fund and accounts balanced through the Bank for International Settlements.

As the Fed tapers QE we can expect that it will mean an increase in SDR QE through the IMF. In time this will become more obvious.

Full implementation of the Basel 3 Regulations through the Bank for International Settlements have been extended to 2018. One can only wonder if this has to be a direct cause and effect to the delay in the 2010 IMF Code of Reforms.

The Basel 3 Regulations are meant to strengthen bank capital requirements by increasing liquidity and decreasing bank leverage. This increase in capital requirements are broken into two categories:

1. Tier One Capital – must be common shares and retained earnings.
2. Tier Two Capital – Supplementary but Harmonized Capital:
 1. Undisclosed Reserves
 2. Revaluation Reserves
 3. General Provisions
 4. Hybrid Instruments
 5. Subordinated Term Debt

It is the Revaluation Reserves that interest us in regards to our essays on SDR composition and allocation. When foreign exchange reserves are revalued to match the level of economic output and commodity basket or composition of the SDR's, the banks themselves that hold these foreign reserves will see an upward revaluation of their Tier Two Capital requirements under the Basel 3 Regulations which are meant to support the IMF 2010 Code of Reforms and consolidation of sovereign debt, which will come about when the Executive Board of the IMF is restructured to reflect the economic realities of the emerging markets.

This is the Global Currency Reset and Great Consolidation. Please refer back to Part Three for a full explanation of the problem/reaction/solution Hegelian Dialectic which is being purposefully played out in the system which we are attempting to explain here. The process is confusing and convoluted. Is there any wonder that there are rampant conspiracy theories about it? You just need to remember that this is a game of chess and not checkers. The development of new reserve assets takes place through the SDR system or we are likely to face further sovereign debt problems and untethered currency fluctuations. Its consolidation or collapse, not conspiracy theories.

PART SEVEN

Psychological Warfare and Fist Fighting

Originally published on February 24, 2014,

“We deeply regret that the IMF quota and governance reforms agreed to in 2010 have not yet become effective and that the 15th General Review of Quotas was not completed by January 2014. Our highest priority remains ratifying the 2010 reforms, and we urge the US to do so before our next meeting in April. In April, we will take stock of progress towards meeting this priority and completing the 15th General Review of Quotas by January 2015.”

“We will implement these reforms in a way that promotes an integrated global financial system, reduces harmful fragmentation and avoids unintended costs for business. We commit to cooperate across jurisdictions with a renewed focus on timely and consistent implementation supported by meaningful peer reviews, including OTC derivatives reform.”

From the Communiqué - Meeting of Finance Ministers and Central Bank Governors, Sydney, 22-23 February 2014.

Where I grew up you either knew how to fight or you better have known someone who could. In such an environment advice on fighting was handed out and bandied around like it was a commodity of real value. From elementary school onward, the advice was thick and often silly. Most simply made things up in the hope of convincing others they were tough. Talk was very much cheap. Like a fiat currency I suppose.

But every so often you would come across the real thing, advice of a value that you just couldn't get somewhere else, advice from the real deal. For me this real deal came in the form of my friend's uncle. Just the sight of him made my teenage gut twist and turn with anticipation of what could potentially happen with each passing minute. He was tough and didn't need to tell you he was tough. An air of violence was thick around him and you just knew it could explode at the slightest provocation.

Needless to say we listened with abated breath as he dished out what few morsels of advice he determined we deserved. One of the things he said was:

“Sometimes in a bar shit happens. When shit happens you'd better be prepared. And never go outside the bar to fight. You go outside the bar and more shit will happen. You get jumped or stabbed. You stay inside the bar, accept the shit as it's been framed, and deal with it. You fight right there inside the bar. Never go outside.”

Now for most normal people such advice would seem bizarre and a world away. But for us it was the holy grail of survival tactics. It told us that you didn't need to dance around with your fists up in the air while pea-cocking about how tough you are. Fighting was not for show. Fighting was what you did when there was no other choice and you had better do it well. If it was going to happen, you accepted the conditions as presented and did not allow the other person, or anyone else, to reframe the argument or circumstances in anyway.

So a few years later when I was in a night club and shit happened, I instantly remembered that most valuable lesson from my teenage years. My opponent was close and ready. He nodded his head towards the door. I nodded no, here. The music was loud with the base rattling across my legs. People jumped up and down on the dance floor which seemed to shake the whole place. The song playing was Blue by Eiffel 65. The lyrics of the song echoed in my head:

*Yo listen up here's a story
About a little guy that lives in a blue world
And all day and all night and everything he sees
Is just blue like him inside and outside
Blue is his house with a blue little window
And a blue corvette
And everything is blue for him and himself
And everybody around
'cause he ain't got nobody to listen to
I'm blue da ba dee da ba die...*

We both stepped towards each other while swinging two right overhands. Mine connected and his glanced off the side of my head. Following with a left and another right, both of which also connected, my opponent stumbled. My only thought was to get the job done.

What I began to realize in later years is that the bar was symbolic of life in general. The bar represented our perceptions and interpretations. We approach truth from these perceptions and interpretations. When we find ourselves in a conflict of any type the other person is attempting to take us outside the bar where we can be influenced by their perceptions and interpretations.

They attempt to reframe the conflict or argument or debate. Only when standing firm in our own perceptions and interpretations can we face the challenge as it was originally framed in its inception. When we allow the challenge to become reframed we are not fighting the fight we think or believe we are fighting. We are fighting the other persons fight.

In later years I would come to realize that this simple advice from my youth was in fact one of the underlying principles of psychological warfare. The purpose of psyops are to move a mass of people from one way of thinking to another way of thinking. There is a process and structure which utilizes the current perceptions and interpretations of a population before creating an event or series of events which twist those original perceptions and interpretations around and in the direction which is desired.

The perfect example of this today can be seen in the Ukraine where the demographic divide between Ukrainian speaking and Russian speaking people is being “represented” in the coup which just took place over the weekend. The choices as presented to the people of that country, or how the argument has been framed, is that the Ukraine either economically merges with the European Union or with Russia. It’s the natural and perfect fracture from which a psyop can be targeted against the people. The country speaks two languages and is the central hub for natural gas exports to the EU. What better place to divide the people than between choosing either Europe or Russia.

I would refer the reader back to Part Three of this series as a refresher on the Hegelian Dialectic. In that essay we stated that through the Hegelian Dialectic process the sovereign debt issue of the world was going to be used as leverage to enact the monetary system changes to the international economy. Already Russia is holding payments back from the Ukraine which is putting that country in a default situation. Right on cue the International Monetary Fund is offering to restructure the sovereign debt.

With that being said there is a legitimate chess move taking place in the Ukraine, just as there is in Venezuela, and potentially erupting again in Egypt. Whoever wants to control the natural gas market of Europe would also like to control the energy shipping lanes of the Suez Canal and the oil production of South America.

These are just micro moves that are allowed to happen within the larger macro centralization process.

Going back to the psychological warfare structure it is easy to see that there is in fact an operation taking place to divert attention away from the facts of the transition from the old economic system to the new SDR system. One of the key components being utilized is the “weapons of the weak” tool used in conspiracy theories. See post “What Are Conspiracy Theories?”

In that post we touched on how the renting seeking elite are using these “weapons” against the larger disorganized group. Conspiracy theories, born from truth, have been reframed to change our perceptions and interpretations to divert away from the real process of change and transition.

There are two different types of psychological operation groups. One is government sponsored military oriented teams. The other is private industrial based teams. Often both teams will work together. Television networks themselves are a form of psychological operation, as are music production companies and their distribution networks.

In psychological warfare tactics the initial step is the planning process. The planning consists of Supporting Units and Operational Units.

From there the Target Audience is determined and analyzed. Some of the questions asked at this stage are:

1. What audience can best enact the desired change?
2. What lines of persuasion can be used on that audience?
3. What media will effectively work?
4. What events can be engineered to reframe perceptions and interpretations?

From there the psychological operation is developed and all supporting media is produced. Distribution and dissemination of the operational products then takes place. This distribution and dissemination can be a quick one time release or a slow intentional process of manipulation.

Once the initial “weapons” are in play than a form of “propaganda analysis” takes place with tweaks made to the overall process. These tweaks usually take on the appearance of counter-

propaganda. The counter-propaganda is a very powerful weapon from which the real desired change to perceptions and interpretations take place.

Only by standing our ground within our original perceptions and interpretations can we hope to fight the psychological operation. Do not go outside the bar. Fight the fight as it has been originally framed.

The transition from the old dollar reserve system of Bretton Woods to the new SDR bond debt consolidation system as engineered by the International Monetary Fund and the Bank for International Settlements is clearly framed but hidden from the general population at large. Much like the true mysteries are hidden from the blue lodge masonic initiates. Only once we elevate our thinking and desires to a higher level can we begin to understand the scope and simplicity of the emerging system and its far reaching purpose.

There are many conspiracy theories and fabricated stories which exist on the internet as forms of psychological warfare operations. The clear sign that these stories are “methods of persuasion” can be found in the fact that the supporting evidence exists only within the storyline itself. No outside confirmation or sources are made available. Information from outside the storyline is presented and interpreted as supporting facts. They are not facts supporting the original perceptions and interpretation. The argument is being reframed.

Many of the links and other supporting documents are additional sources of “persuasion” which have been re-cycled through the target audience and resubmitted as facts to support the original media production component of the psychological operation. These are in fact the counter-propaganda objectives.

My blog site has been modestly attempting to explain the processes and procedures of the transition from the old system to the new system. My sources are the original documents and information as presented by the International Monetary Fund, the Bank for International Settlements, and the G20 Summit itself. Not to mention the numerous other sources like the U.S. Treasury, Congress, and central banks from around the world. These sources are easily confirmed outside the storyline which I am presenting. Truth is often hidden in plain sight. Often in plain sight makes for the best hiding place of all.

Some of the psychological warfare operational units or “personalities” (media productions) have taken notice of my humble site. If these personalities were legit and where in fact who they say they are, then why take any notice of my blog or writing at all. Of what importance would I be to such important people who are attempting to change the world by overthrowing the banking cartel which has ruled the world since the French Revolution?

What is the challenge which my site presents?

I do not get distracted very easy. I stand my ground and fight inside the bar.

And the music pounds inside my head:

*I have a blue house with a blue window.
Blue is the colour of all that I wear.
Blue are the streets and all the trees are too.*

*I have a girlfriend and she is so blue.
Blue are the people here that walk around,
Blue like my corvette, it's standing outside.
Blue are the words I say and what I think.
Blue are the feelings that live inside me.
I'm blue da ba dee da ba die...*

It is said that in order to be an effective fighter one must learn to love his opponent. And I did with each strike of my fists and elbows. Blood is sticky. Eyes are swollen. Sorrow runs deep.

As I grow older I understand that there are many methods of fighting. And as I've stated before, I stand with you, my brethren of the disorganized.

PART EIGHT

The Dawn of Macroeconomic Stability

Originally published on March 5, 2014.

"We are working with Congress to approve the 2010 IMF quota legislation, which would support the IMF's capacity to lend additional resources to Ukraine, while also helping to preserve continued U.S. leadership within this important institution."

- U.S. Treasury Secretary Jack Lew, Mar 4, 2014.

"An attempt to announce sanctions would end in a crash for the financial system of the United States, which would cause the end of the domination of the United States in the global financial system."

- Russian Senior Adviser Sergei Glazyev, Mar 4, 2014.

"We are also discussing with all our international partners--bilateral and multilateral--how best to help Ukraine at this critical moment in its history."

- Managing Director Christine Lagarde, I.M.F., Feb 27, 2014.

This part of the series is important because it contains valuable and timely information that both confirms and builds on the concepts as presented on this site. Through seven parts we have defined the structure of the emerging multilateral SDR financial system and how it will work in theory.

Now we begin the transition from theory to practise.

I would suggest that readers first ensure they have a good understanding of the main themes and components of the other seven parts. It will make part eight that much more rewarding to read and understand. All seven links are included at the end of this post.

Ukraine is being fought over by the United States and Russia. Both countries desire to give the Ukraine a bail-out loan denominated in Special Drawing Rights. The International Monetary Fund is patiently waiting for an agreement to be made so that the process of debt restructuring and currency allocation can continue. The winner will have control over the resources and energy industry of the Ukraine and all of Europe's natural gas supply. This will help their SDR composition in the new system.

The same process is unfolding in Syria and other regions. There is not much negotiating room left though as the clock ticks closer to the time where its either collapse or consolidation. Ukraine, like Syria, is a vital chess piece in this grand game of strategy and resource allocation.

Today Senior Russian Advisor Sergei Glazyev stated that they would sell all their U.S. debt if sanctions were put in place against them. On top of that he suggested that Russia would drop

the dollar in its international trade. This clearly states that the U.S. dollar would no longer be considered the reserve currency by Russia.

Considering China has made it known that they side with Russia over the Ukraine situation, it doesn't take a stretch of the imagination to see China also selling their U.S. debt.

Though I do not think this will happen. These threats are keeping with the Hegelian Dialectic pattern which we have been discussing. The sovereign debt crisis and currency crisis around the world will be used as the pretext to shift the reserve currency status away from the dollar and to the SDR. Problem, reaction, solution. See SDR's and the New Bretton Woods Part Three – The Real Global Currency Reset.

As the major monetary changes take place we can watch for changes to the dollar and its reserve status as a sign of the coming integration to a multilateral system and reset of the world's currency and commodity values as they unpeg from the American dollar and peg to the SDR. See The New Exchange Rate System.

The end goal is the SDR as the multilateral reserve currency and sovereign debt consolidated or restructured through the International Monetary Fund. So Russia threatening the dollar fits perfectly within the script being presented.

In order for the SDR's status to be expanded the United States Congress must pass the IMF 2010 Code of Reforms, also known as Governance Reforms and Quota Reforms. These reforms allow the Executive Board of the IMF to be restructured to more accurately reflect the economic reality of the world today. The emerging markets, mainly represented by the BRICS countries, Brazil, Russia, India, China, and South Africa, require equal power within the IMF.

It is collectively agreed that the dollar is now causing all the economic problems in the world. With equal representation on the Executive Board it will be only a matter of time before the dollar is pushed aside and the SDR made the multilateral reserve currency.

This will lead to macroeconomic stability through centralization. This macro centralization will be off-set by regional and local decentralization with a focus on micro economic growth and resource commodity production. Some of these micro regulations will put into place self-limiting legislation to prevent further transfer of wealth from the large disorganized masses by the small rent seeking elite. See What Are Conspiracy Theories?.

These Code of Reforms were agreed to by all G20 countries in 2010 but the United States Congress has refused to pass the required legislation to support the changes. Last month the G20 met again in Australia and once more pushed Congress to pass the legislation by April of this year.

This is where we come back to the crisis in the Ukraine.

Today, top Republican Senator in the Senate Foreign Relations Committee, Bob Corker, who is writing the legislation for Ukrainian aid said that the IMF Code of Reforms were "on the table".

The U.S. Treasury itself is asking Congress to connect the Code of Reforms with the Ukrainian package.



On top of that, the Obama administration snuck the Reforms into its proposed 2015 budget which was released today. This budget begins in October of this year.

And the G20 all want the reforms implemented by April.

The Ukrainian crisis is the textbook example of the process which we have been learning about here. Expect more of the same as the system shifts further away from the dollar and closer to the SDR composition. America could never openly admit that they “killed the dollar”. It will have to be hidden within a series of events which create a form of plausible deniability.

The pressure is on Congress to get the Reforms passed so implementation of the new SDR system can begin. The transition from the old dollar system to the new SDR system has begun. Ukraine unpegged their currency from the dollar last week. Russia is now threatening the same. China is not far behind.

The stage is set for the real life drama which we have been exploring.

PART NINE

Debt Swaps and Quota Reforms

Originally published on March 11, 2014.

In order to have a full and broad understanding of the information we have been discussing in this series, we will need to understand something called Sovereign Debt Restructuring Mechanism (SDRM).

“The objective of an SDRM is to facilitate the orderly, predictable, and rapid restructuring of unsustainable sovereign debt, while protecting asset values and creditors’ rights. If appropriately designed and implemented, such a mechanism could help to reduce the costs of a restructuring for sovereign debtors and their creditors, and contribute to the efficiency of international capital markets more generally.”

The above quote is taken from a 2002 publication by the International Monetary Fund titled “A New Approach to Sovereign Debt Restructuring”.

When previous attempts at sovereign debt restructuring have taken place it was quickly realized that the public sector funds which were allocated for the sovereign debt restructuring did not stay in the country and in fact became something akin to a transfer of wealth. We have covered this in previous posts with the explanations about rent seeking elites and the importance of putting self-limiting legislation in place to prevent the transfer of wealth from the large disorganized masses to the small organized rent seeking elite. See What Are Conspiracy Theories?.

As the International Monetary Fund plans and implements a new and improved SDRM, the sovereign debt crisis in the world gets worse by the day.

It’s interesting that the media will do anything to avoid mentioning or admitting that the US has a sovereign debt issue. Maybe that’s because the US dollar is the reserve currency of the world and the debt itself, as well as associated inflation, can be exported around the world. With QE the US began to monetize its own debt.

When the IMF 2010 Code of Reforms eventually get passed and the inevitable debt restructuring begins, the US will have no choice but to go along and allow its currency to be downgraded and its debt restructured.

This is where the concept of debt swaps come in. Debt and/or equity swaps are when a debt holder, being China holding US debt, can get an equity position in exchange for a cancellation of the debt. When we think of the low price which China paid for the JP Morgan building, can we safely assume that this was a part of a larger debt/equity swap agreement?

There is also another form of debt swap agreement which entails an exchange of debt holdings for new bonds which have been restructured from the original bond debt. These types of bond

debt swap agreements are meant to take advantage of interest rate differences and conclusively, currency exchange rate difference.

In a previous post we discussed the importance of arbitrage and purchasing power parity. As a lesson from the original attempts at SDRM, purchasing power parity will be an important and functioning aspect of any debt swap agreement, as arbitrage was the main culprit of why the SDRM failed.

It's within this larger bond debt swap arrangement where I see sovereign debt being restructured through an SDR (Special Drawing Right) system.

Say China exchanges so much of their US debt (in the form of treasury bonds) for equity in the Federal Reserve System itself, controlling a proportionate amount of internal equity within the American system. This would explain the JP Morgan purchase and other bank purchases, along with industry and real estate which China has been gobbling up within the United States.

The rest of the treasury bonds which China holds as US debt will be allocated as a bond debt swap within the SDR system. This debt swap will allow China to retain its investment value of US debt while receiving new SDR bonds which can then be allocated within its new renminbi composition at a new exchange rate which more realistically reflects the economic sustainability of its currency. This bond debt swap can be completed through a substitution account as stated in previous posts. This substitution account will be denominated in SDR.

Many rumours have come out over the last few years about an impending Global Currency Reset. It is stated that countries hold large foreign reserves of specific currencies, or the sovereign debt of other countries, within their foreign currency accounts. As do banks. When these currencies revalue upward, the money creation will be injected into the world economy and help alleviate some of the pressure of the sovereign debts.

In essence this premise is correct. The SDRM will take into account the M1 money supply of not only the US dollar, but other currencies of the world as well. Through this process of debt bond swap or restructuring, we will witness something not unlike a Global Currency Reset, though the mechanics of it will be challenging to understand.

As the world financial system makes its transition to the multilateral system as defined by the International Monetary Fund, the World Bank, the Bank for International Settlements, and all the countries of the world, represented by the G20, no old sovereign debts can be carried over to the new paradigm. This means the bonds of all countries, including select historical bonds which were issued in such volume and value that their exclusion in the new system would create large imbalances in each respective countries SDR composition.

A reader sent the following link which explains in more detail the IMF 2010 Code of Reforms and how the Executive Board would be redesigned with the US retaining its veto power over votes. This document is a perfect example of the convoluted processes and procedures involved in understanding the transition to the new multilateral financial system.

At first the US retaining its veto power on the Executive Board of the IMF seems like a contradiction to what is meant as reforms. It's important to recognize that the US needs to approve the reforms of the Executive Board because the 85% vote required can only be met if

the US votes for it. But once the reforms to the Executive Board are accepted, the emerging markets will have equal say over the quota reforms, which only require 70% of the vote.

Major policy changes to the Executive Board will still require the 85% vote which the US will have veto power over. But in essence, it's a wet paper veto as most of the multilateral financial system processes and procedures will be completed through the use and continued reforms of the IMF quotas.

We will get into the quotas themselves in a future post, but they are directly related to the transition to an SDR bond debt swap system.

For the US, the quota reforms are of vital importance because it will allow for the increase of quota injections from the emerging markets, including China, which as we discussed above, will be instrumental in restructuring the sovereign debt of the United States.

We have touched on so many aspects of this new multilateral system in our series titled SDR's and the New Bretton Woods. Many of these components have been connected within the overall picture in this post itself. If any are finding it difficult to understand, I would suggest rereading the main instalments of the series. As hard as it may be to understand, it is even harder to write about it for the purpose of creating clarity. It hurts my head and I'm sure there will be mistakes or misinterpretations in how I both understand and explain certain aspects.

Before closing this essay, I'd like to remind everyone of the Hegelian Dialectic component in the overall picture. In previous posts we have explained how this process of problem/reaction/solution will be used to drive the sovereign debt and currency crisis around the world to extreme levels. We will see revolutions, like in the Ukraine and elsewhere, and debt defaults and threats of defaults, which will stir the solution offered up by the International Monetary Fund, Bank for International Settlements, World Bank, G20, and other NGO organizations.

As revealed in *The Great Work of the Ages*, an alchemical process is taking place on the world stage. From the ashes of the old fiat currencies will rise the phoenix, by way of SDR's as the new world currency. It is obvious when deciphered from the documentation of the rent seeking elite themselves. What we can only hope for is that the components of the new system which are intended to self-limit the wealth transfer activities of the elite will remain in place long enough for the system to transition once again before it corrupts back into itself. Everything in this world is a corruption of the one true process.

PART TEN

The Emerging Education of Tomorrow

Originally published on April 7, 2014.

The previous posts in this series have specifically focused on the process and components of the shift towards a multilateral financial system dominated by the SDR and the International Monetary Fund.

With this instalment we will begin to review some of the peripheral aspects and structures that are, and will emerge in support of the centralized economics of tomorrow. One of the major elements of this new economic structure will be a multilateral educational system to support its effectiveness and expansion.

As the US dollar was supported by an American educational system which promoted its functionality and expansion, so will the SDR be promoted by a multilateral curriculum.

After the Bretton Woods Agreement in 1944 the American educational system became the standard which was exported around the world with the dollar. Its structure and template became the method by which the world was schooled on the dollars pre-eminence.

Elitist families around the world sent their children to be educated in American and western institutions. This ensured that a level of competency and understanding in regards to all things American and western could be imported back into their culture and financial system.

It would do us well not to underestimate the power of a reserve currency. As each empire and its associated currency was expanded into the controllable regions within its reach, the culture and forms of entertainment soon followed.

What we have with America is the first time in history where the reach of a currency, by way of its empire apparatus, could be expanded around the whole of the world. And that is exactly what happened as the original Bretton Woods Agreement was signed, which also created the World Bank and International Monetary Fund, and the military industrial complex of the business and banking that grew around the dollar was used as forms of economic expansion.

Where the business and banking went, the educational system soon followed to ensure the propaganda and compliance was maintained at sufficient levels to reduce or eliminate resistance. Often it preceded the business and banking to pave the way.

American culture and entertainment was exported around the world to show how good life on the dollar could be. The American dream hoodwinked citizens at home and left the rest of the world dizzy with desire and excitement of what life could be like.

Already for years we have been witnessing the creep of international institutions into the curriculums of the world. The social and informational memes are coming at such a velocity that all we can do is close our eyes and hope they buzz past us without sticking like Velcro.

With the arrival of the internet and the age of information, humanity has never had so much knowledge available at its fingertips. A human today can learn more in a 24 hour period than a person could in their whole life only a century or two ago.

Sitting here today I can, with a few key strokes, access the full spectrum of MIT curriculum material. It's called MIT Open Course Ware and it's slogan is "Unlocking Knowledge, Empowering Minds".

There is another website called Khan Academy where you can become proficient in anything from Macro Economics to Cosmology.

With such a volume of information and education available for free, how sustainable can the standard western model of education remain? The evolution of the education system into a multilateral structure will be centralized around a method of testing the level and aptitude of an individuals knowledge and understanding.

Already today international corporations are using such testing models on current and prospective employees. It's interesting to note that these methods of aptitude testing first started within the military and government industries before being utilized on a broader scale. Its these methodologies which we will see evolve further into a form of cultural standard.

Soon a diploma on the wall will be as meaningless as the paper its printed on. People who seek out information of their own accord and take the time to learn a specific subject, just because, have a proven track record of being more creative at problem solving. These people are able to find solutions and overcome challenges where traditionally educated workers have not.

Free learning and access to unlimited education can just as easily corral creativity as expand it. And that is where the psychological twist comes into play.

Contrary to what others may profess, the age of information will not free mankind from the clutches of some evil elite or banking cartel. The age of information has guaranteed a faster and tighter centralization. As more and more information and knowledge comes available, it only pushes humanity further and further into the trap and illusion of matter.

Look at the world in the last 100 years and tell me I'm wrong.

Everyone has heard the saying "knowledge is power" but few have stopped to ponder that it is what you do with that knowledge which is meaningful. Never mind the false power paradigm which only leads to suffering. One who has attained a selfless level of knowledge will quickly understand that power is also an illusion.

As such, the age of information only quickens the centralization process by feeding us an overwhelming amount of information which we have no reference point from which to process. The reference point on reality and life in general is negated in an attempt to further centralize humanity for the purpose of sameness. True creativity is compartmentalized to ensure this sameness is maintained.



(It's my proposition that this compartmentalization is a subconscious process by which the human mind seeks sameness in order to satisfy its own wanton desire. If all are the same than no one is different and everything is okay. The educational system is anything but universal and truthful. Its purpose is knowledge compartmentalized and the promotion of social sameness.)

The education system which is emerging in support of the multilateral financial system and its dominate SDR supra-sovereign currency will captivate the masses with words such as empower, knowledge, purpose, and future. It will make promises of freeing the mind to pursue worthwhile goals that meet our individual aspirations but also serve humanity. Doesn't seem so bad.

Except the individual will be sacrificed upon the alter of knowledgeable sameness. Perhaps the centralization process, whether its financial, educational, medical, ideological, theological, or cultural, will simply have to run its course before resetting once again to a de-centralized and more individualistic anchor.

As we have explored in the other parts of this series, the US dollar, which was the macro, is now becoming the micro and the SDR will transition into the role of the macro. The educational structure of all countries will follow the SDR much like the system of learning before it followed the mandates of the dollar.

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Additional information and analysis on the international monetary transformation and its effects upon the changing geopolitical world, along with deeper esoteric philosophical musings, can be read by subscribing to Philosophy of Metrics.