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Now What's Going On

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WHERE TO KEEP YOUR MONEY AFTER MF GLOBAL

I have been getting a lot of emails asking what to do in the aftermath of MF Global. Quite frankly, it is a very difficult question to answer. This game of trading with other people's money has got to stop. The NY Press will not expose the truth because their biggest client advertisers are the very firms doing this nonsense. Hedge Funds have suffered losses. Readers as far away

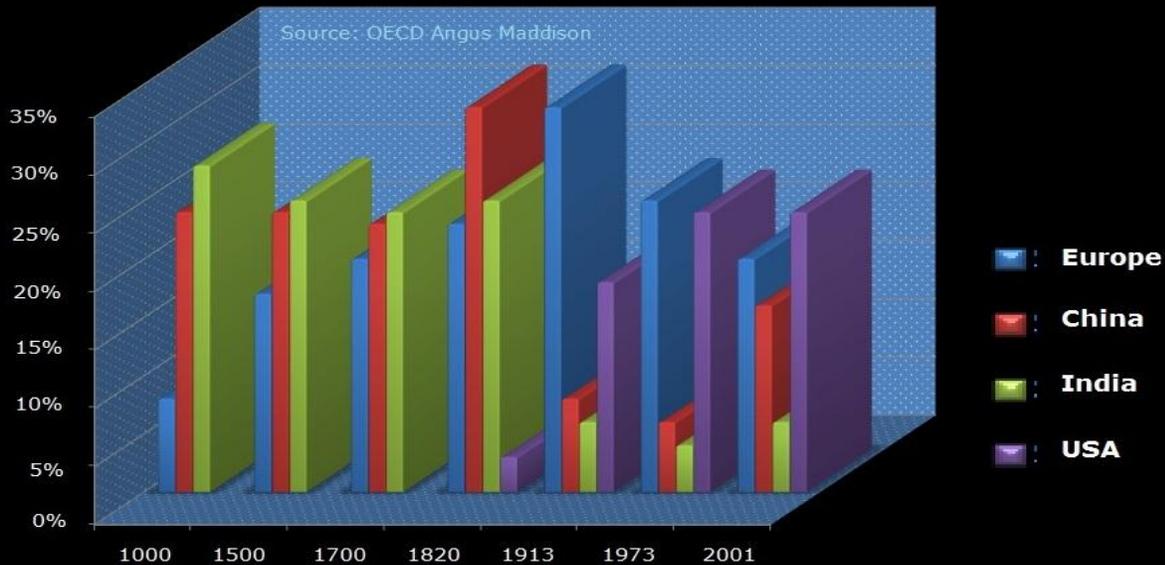
as Singapore have their funds frozen when all they had were TBills on deposit. Farmers lost hedge positions. Anyone who wants to really compare the damage, it is 1000 times greater than Madoff and that is conservative. The US had the financial markets that supported it being the **Financial Capital of the World.**



William III of Orange
(1650; English King 1688-1702)

I have been warning that the USA is in the process of losing that coveted crown of being both the **Reserve Currency** and the **Financial Capital of the World.** The US captured that crown from Britain in 1914, who stole in 1689 from the Dutch by putting the Dutch William of Orange on the throne. The Dutch took it from the Germans who had grabbed from the Italians.

World Economy 1000 - 2010AD



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Asia is rising. Real Estate has still been booming long past the USA. These titles of **Reserve Currency** and the **Financial Capital of the World** are not permanent fixtures. They are always lost by corruption and arrogance. I could stand on the top of the NY Empire State Building and scream into the loudest sound system ever, and warn NY that it is digging its own grave big enough for the whole world to get sucked in. They would never listen, laugh, and say I was the lunatic fringe. Nevertheless, all societies really die by their own hand. It is fruitless to try to warn them. They will imprison you or kill you to keep that crown of glory. As show above, nobody has ever held that crown because of their own arrogance and corruption.

The West will simply fall – **It's Just Time**. European politicians will not solve a simple problem the right way because they would lose power that comes at the end of the day. Washington will not clean up New York because they are owned by New York. It is what it is. We have to accept the likelihood of a Hollywood ending "**happily ever after**" is just not going to work out. Sometime marriages end in divorce and our political-economy are two words that should have been divorced the first moment they met.

The US legislative government is made up of far too many morons and Judases who grab the purse of silver and think nothing about their own progeny. The money is here today. Tomorrow's another day. This has been the thinking in New York. If you rob a bank and give the money to a friend they go after the friend. What are counterparties (banks) exempt in this case? The crisis at MF Global is systemic – it is not a unique case.

So how do we deal with this type of crisis? This is why I have been warning we could be at the edge of such a precipice it may be similar to the **Fall of Rome** where the currency collapses due to inflation, banks lose a sense of safety forcing people to bury their wealth as the only means of security. As St Jerome said, when Rome Fell, they were still laughing! NY would sooner assassinate me than listen to me. So any idea that they will see the light is absurd. The fall is therefore inevitable. So the questions that are coming are in general like the following:



**British Hoard Discovered 2007
Containing 52,000 Roman Coins**

Dear Mr Armstrong,

...

I am a Canadian investor who holds individual securities (gold and silver miners) , mutual funds(same), a hedge fund (same), and registered accounts, (called registered retirement savings plan) in Canada.

I am very worried about what sounds like a license to steal in the investment business. The recent MF global implosion seems to have left Canadian accounts unscathed according to the Canadian Investor Protection Fund. I have recently given thought to removing all of my money completely from the investment industry and going to physical gold and silver bullion only to avoid counterparty risk.

It appears that mutual funds and hedge funds are almost impossible to protect from MF Global types of schemes. Are individual securities held in certificate form safe ways to hold paper or are there many other schemes that could have me lose them also? Registered accounts in Canada seem totally susceptible also to hypothecation or other forms of counterparty risk not to mention governments could confiscate them, heavily tax them etc.

I understand that you would not want to give investment advice. My problem is that getting advice from anyone who knows the system is impossible. There are so few people who have the knowledge you possess of trading globally and the inner working of the corruption that exists.

...

Burying your money today is not realistic. Any broker you deal with, insist you want an agreement that **NO** assets or cash may be placed in **REPO** markets, lent out to any third party or used for their trading! This should be used by hedge funds as well. Those who invest in hedge funds should **DEMAND** that the hedge fund insists upon the same terms with any brokerage house or bank and that it itself will not place assets on loan to any such entities. If you have shares/stocks and you are not borrowing or using them for collateral, take delivery. If everyone starts to demand these actions to open any account, the industry will start to self-police. The regulators are worthless – they do not audit and have **NEVER** prevented a damn thing. They should be shut down and replaced with a new entity of which **NO** previous employees may be hired for they will bring the old ways with them. Because there could be a bank holiday like FDR did in the future because of the Sovereign Debt Crisis, try to keep 6 months of cash outside the bank to live on just in case.