

Upgrading the Financial System

Dedication:

I would like to dedicate this book to those 80% of the global population that live on \$US 10 or less per day¹ and those people that live in fear due to oppression.

Acknowledgements

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¹ <http://www.globalissues.org/article/26/poverty-facts-and-stats>

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Table of Contents

TABLE OF CONTENTS

Dedication:	1
Acknowledgements.....	1
Table of Contents	3
Forward	4
Chapter 1 The Current Financial System – Some failures and obstacles	8
Taxation.....	10
Leverage	11
Transparency	11
Motivation	12
Chapter 2 Common Goal - Sustainable Growth	12
Chapter 3 The most probable future – based on current trends.....	15
Chapter 4 the Bullying effect.....	24
Chapter 5 Occupy Wall Street Movement and Non-Violent Change	26
Chapter 6 Open letters	30
To The People of the United States	30
To The People of the Russia.....	34
To The People of the Europe	34
To the People of China	35
To the people of Canada.....	36
To The People of the I dedicated this book to	37
Chapter 7 - Steps to no longer participate in the financial system and support non-violent ideology	37
Chapter 8 Concluding Thoughts	42
Chapter 9 My Background	43
Chapter 10 Corporate Immortality.....	45
Table 1	51

Forward

I am writing this book to highlight to the world's public that many of the systems we have created no longer serve the majority and thus need to be upgraded and updated. Because the financial system is the manner in which we manage/value materials, information and people it affects everyone's behavior on a daily basis. Most of the financial systems underlying structure has been around for centuries; for better or worse it has survived and my goal here is to help raise awareness that:

A – Technology has magnified some of financial system's structural flaws

B - The financial system is a significant tool that has been and can be used to manipulate human behavior on a societal level

C – Cooperation²- it is unlikely that there is any obstacle that cannot be overcome when we work together

I³ am most familiar with the financial system as viewed from a Western perspective and therefore will speak mostly in reference to it.

It is very likely that the collective human consciousness is becoming aware of the issues I present:

1. if I thought of it, there is a very high probability that others have
2. some issues are transparent (but they still do not move the majority to action)
3. some of these ideas are becoming commonplace in Western culture, in this case movies
Ex. Jurassic World – corporations make decisions in their interests, not humanity's
The Avengers – the Age of Ultron – A person reflects the values he is taught/ or experiences why would he/she know anything else?
Tomorrowland – together we stand, divided we fall

Hope drives me to try to communicate to you that in addition to the “flaw”⁴ that Mr. Greenspan admitted existed, there are other significant structural flaws. In this text you find potential solutions to some of these structural flaws as well as an invitation for comprehensive analysis leading to further improvements for all of humanity.

One such flaw is the enslavement of American youth by the financial system⁵.

“enslavement” a strong word?

Why are student loans the only loans in the US that cannot be discharged via bankruptcy?

Why are we suppressing a portion of our society at a time when they could be the most productive?

“If only you could see what I've seen with your eyes.”⁶

² Curtis Marean - The Most Invasive Species of All – August 2014 Scientific American

³ See Chapter 9 for a partial biography

⁴ http://www.pbs.org/newshour/bb/business-july-dec08-crisishearing_10-23/

⁵ See News stories for reference, education section

Perhaps one of the greatest movie quotes of all time.

My eyes have seen every level of western society, from spending time with people who sold their bodies to survive, to making over \$200,000 in two years as a single guy (I have custom made suits worth \$20,000 sitting in my closet). During the course of my financial career I met some of the top 1% earners of western society and outside of the age differences we got on great. This relationship alone had the greatest positive effect on my financial career, accounting for my two best years from an income perspective. In contrast it was during the 'lean' years when my income was low I realized that I was looking at people from a predatory point of view. This wide range of experiences has given me the perspective to see the money cycles, its' oppressive effect on everyone, and the depressing effect it had on me.

I began to ask silly questions such as:

"What benefit am I providing to society?"

"Why am I making money for people who do not need anymore?"

"Why are people who are not making sound decisions being re-elected?"

Why do I have this nagging empty feeling that I am missing out on or not understanding some aspect of life (I can't identify)? I have everything (in a material sense) I want.

It was this empty feeling that drove me to spend more time with my church community, volunteering, and trying to spend time with people who appeared to be more fulfilled.

Ah living the "American" dream, indeed they were some of the most fun filled days of my life so far.

The unlimited energy of youth
the excitement of a challenging game
the flashing screens
massive amounts of stimuli to be assimilated and processed
unfettered hubris

All these things I experienced and understand how easily one can get caught up in trying to relive those adrenaline filled days! Out of these experiences was born the understanding that should the ego dominate one's personality, the short-term nature of these pleasures and their reliance on external sources can lead to a form of slavery. The addictive behavior (materialism, sexism, consumerism, etc.) promoted by western culture coupled with the notion that "bigger is better", empties the individual rather than fulfills. But how can one justify the chance of long-term fulfillment via the exploration and/or exposure of your soul, versus the guaranteed short-term instant rewards of a bottle of beer, a hit of drugs, climbing the social ladder or the rental of another person's body?

I do understand the aforementioned experiences and the attraction of each of them having either focused on/experienced them myself or spoken to many others about their experiences. My intention is minimize or eliminate:

1. Unsettling events (unnecessary loss of life and/or oppression)
2. System flaws (upgrade what we have so that it is fair and equitable for everyone)

⁶ Roy Batty (Rutger Hauer) Ridley Scott's Blade Runner

3. Aspects of the system that reinforce unacceptable behavior (ex. predatory behavior)
4. Boom/bust cycle
5. Inequality

Conversely the opposite should hold true:

1. Greater economic and political stability
2. A game that can be enjoyed by anyone rewarding ingenuity
3. Have the system promote collective behavior, greater focus on societal advancement
4. Greater stability should lead to increasing economic activity (growth), open new frontiers
5. Higher average standard of living for all

I am not interested in passing judgment on anyone, we all know that we all have made mistakes. At one point in time or another one group of people has oppressed another. Only through the power of forgiveness will we be able to move forward. Most of my test readers made the same comment, “we (human society) are not ready for what you propose.” To that I replied, “you may well be correct, however what kind of a man would be if I did not share what I know?”

I would like human society to reach for the stars, discover the relationships between time, energy and matter, build structures thus far only imagined and encounter our cosmic neighbors. However we should be able to “clean up our own house” first, creating an environment where oppression, fear, and lineage have no place. Is it not time that our moral advancement catch up to the pace of technological advancement?

I hope to show that the world is not a meritocracy (at least not in the financial world), computers have really exposed the flaws and intensified the need to improve. I would like to call upon all those current financial leaders to comment on a decentralized currency that is coupled to a progressive income tax. I request all COMPREHENSIVE comments and invite a transparent, inclusive and respectful conversation. You (the financial leaders) are well aware of the flaws that exist; just as you aware that success in the field is not a function of your merit but a function of who you know. Would it not look better? to quickly admit it saying, “yes we were aware of these problems and then add whichever excuse you wish.”

The probability of an unsettling event is getting high again, Japan or China alone⁷ could flex their economic might anytime marking the start of a new cycle of oppression. Almost everyone seems to be at ok with the way things are limping along; How can I say this? As noted in the open letters of Chapter 6 of this text your level of involvement is a function of your participation. So the more financial instruments you possess, the greater your level of involvement and of course the reverse is true. Financial leaders really like to fill our ears with flowers and tell us we are much better off now (what they are actually saying is that their corporations are much better off now); however just about everyone else including the Republican House Financial Services Committee⁸ Chairman Jeb Hensarling knows that we are actually much worse off. Corporate control over lives continues to increase as we see corporate rights being put ahead of human rights⁹. As governments grow weaker (public debt increases) and corporate health gets better, that trend appears to be increasing. It is possible to reverse

⁷ See Table 2

⁸ <http://www.c-span.org/video/?323011-9/state-financial-sector>

⁹ Reference news stories section Corporate rights vs human rights

this trend but the public must provide the spark that ignites change; our politicians have long forgotten about whom they represent due to public apathy and focused corporate corruption.

I grow weary of increasing exploitation by governments, corporations, institutions, groups and individuals. It is obviously increasing as countries around the world continue to report increases in economic activity (usually GDP, but moving to GNI per capita)¹⁰ and yet statistics tell us that average incomes are falling.¹¹ It is truly embarrassing that in our “enlightened” society the following qualities still exist:

oppression (all kinds)

use of violence

continuing support for outdated, myopic viewpoints¹²

existence of the gender pay gap¹³

Why are we here? Where are we going? How will we get there? Some of the most thought provoking questions especially when applied in a macro sense. In this book I propose that the future of human society can be more progressive and our evolution accelerated by throwing off the shackles of the legacy of the Tower of Babel. In doing so I will suggest comprehensive upgrades we can adopt now and avoid (if not entirely escape) much of the war/peace and boom/bust cycles. I believe that the absence of new directions, the growing apathy and complacency (for years now in my opinion) are indicators we are moving towards an unsettling event.

As more and more of human society catches up with the developed nations¹⁴ and the wealth shifts, the structural faults will continue to enable computers and their puppet masters to parasitically remove more resources from the entire system. More and more people should be asking the question, why is the system so unfair?

Ultimately I hope that society will refocus on expanding our understanding of the universe, embracing our inherent differences as strengths and letting go of meaningless distinctions, past grievances and materialism. Within this text you will find some suggestions that I have for beginning the conversion process to more egalitarian, respectful and meritocratic financial system; I would like to invite anyone, to join the conversation and offer comprehensive ideas as well as comprehensive criticism. Given the resources I will start a website, a radio station, run other media and dedicate my life to accomplishing the goals I will discuss here.

¹⁰ GDP Gross domestic product and GNI Gross National Income

¹¹ <http://www.ilo.org/global/research/global-reports/global-wage-report/2012/charts/lang--en/index.htm>

¹² <http://www.scientificamerican.com/article/habitable-super-earth/>

¹³ http://www.ilo.org/global/research/global-reports/global-wage-report/2012/charts/WCMS_193283/lang--en/index.htm

¹⁴ <http://hdr.undp.org/en/content/table-2-human-development-index-trends-1980-2013>

Chapter 1 The Current Financial System – Some failures and obstacles

There are many ways that we can look at how the current financial system works, I would like to look at it from a goal perspective. I have decided approach this subject in this manner because “profit” is mostly (perhaps entirely) what motivates people to become a part of this sector; as such it has shaped and designed the system we know today. I will start with a new definition of profit and explore the concept and its affects from many different viewpoints. I will then define some of the critical problems that exist in the system today. Thereafter I will provide some potential solutions to those problems.

I have chosen to redefine “profit” because current definitions are missing a key aspect.

Current definitions say something along the lines of;

“the positive remainder of a business venture after all costs and taxes have been paid.”

I would argue that a more accurate way of defining profit would look like the following;

“profit” - Exploitation of a resource resulting in a net positive conclusion after all costs and taxes have been paid.

What is the difference? The inclusion of ‘exploitation’ gives us a more encompassing impression of the makeup of profit, it demands that you look at it from another perspective. For example : Agriculture is the exploitation of land and/or animals, mining is the exploitation of the earth, manufacturing is the exploitation of land resources and/or human labour, finance is the exploitation of information and/or relationships and/or human labour.

Exploitation can have a positive meaning, as well as the negative one we are most accustomed to. We are familiar with terms such as:

exploitation of children as labourers

Human slavery

Sex slaves

Mining

Agriculture

Science

Please allow me to highlight the differences and similarities between the first 3 phrases and the last 3.

The first 3 phrases give an unmistakable negative relationship between the subject (labour) and the goal (profit).

The last three phrases give most of us a neutral or positive impression of the relationship between the subject (our environment) and the goal (material goods or information). While the individual/s involved may be solely driven by the profit resulting from their actions, those actions will likely benefit others as well; the same cannot be said for the first 3 terms.

Let us look at the heart of the situation, the relationship between the exploitation of the worker and the rewards that the worker receives in exchange for being exploited. At present many societies accept that all levels of exploitation are acceptable and a part of life. I am speaking of societies where slavery still exists (all societies publically condemn the practice and yet it still exists) to jobs where individuals do very little or zero work and are rewarded with millions or billions of dollars (ex. investment bankers or derivatives traders)¹⁵. The essence of this relationship is shaping human decision making as well as the very character of society.¹⁶ **Ultimately how is society going to balance the aforementioned relationship? Where does your level acceptable exploitation lie? Should we value the toil of one individual over another? If so why?**

Here are a few notable examples highlighting the extremes of this relationship;

A janitor and a CEO (chief executive officer) of a large financial institution

The difference in compensation is likely valued anywhere from hundreds of thousands to multi-millions of dollars. It can be argued that the value of a janitors work is of greater benefit to society than the CEO's work. In today's world the health of the human population depends daily on the diligent work of janitors around the world. Is this any less valuable than the efficient movement of resources facilitated by a financial institution? The movement of resources is irrelevant if there is no one around due to the rampant disease caused by unsanitary conditions.

Some common arguments in favour of paying one individual more than another are;

1. One position requires more education than another
2. One position requires more responsibility than another
3. One position requires assuming more risk than another
4. In summary – more able, more pay

Some common arguments in favour of equal pay are;

1. Education requirements are higher in all occupations (differential is overstated see chapter 1)
2. Differential in level of responsibility is often overstated (janitor scenario)
3. All people are basically equal and as such should receive equal respect
4. In summary – we are all unique, if we are contributing to society we should equally valued by society¹⁷

Undeniably the most common objection to equal pay is differing levels of required education. So why don't we as a society recognize that in today's world it is necessary to obtain a College or University education to enter the workforce and agree to pay for 4 or 5 years of secondary education? Moreover if a person wants to be a doctor, lawyer, or astronaut because that is what they love to do, will the fact that the compensation they receive is the same as everyone else dissuade them from their goal? It is very likely that pay differential is distorting the labour market pulling people away from their true talent to the detriment of society.

¹⁵ <http://www.bloomberg.com/news/2014-11-13/-cartell-chat-room-traders-boasted-of-whacking-fx-market.html>

¹⁶ This subject merits significant research and discussion of its own (I will do so if given the time)

¹⁷ <http://globalnews.ca/news/1940194/ceo-says-he-will-cut-his-pay-to-give-every-employee-a-minimum-wage-of-70000/>

To further illustrate my point regarding responsibility I will return to the janitor/CEO example. Janitors around the world are responsible for the sanitary conditions that safeguard/minimize against the growth and transmission of unwanted/dangerous organisms (ex. Ebola or cholera). It is commonly accepted that the knowledge base of a CEO should be much higher than that of a janitor. It is also very important to remember that this is not a truism, most wise leaders utilize and surround themselves with advisors who possess extensive knowledge. Just because a leaders role in society is much more visible, he or she is not more or less valuable to society than anyone else who is participating. Examples:

- Programmers whose code runs almost everything from planes, trains, hospitals, construction equipment etc.
- Construction workers providing sound building of all types
- Building managers
- Sanitation experts (garbage collectors, people maintaining sewage systems)
- teachers and professors
- grocery and retail clerks
- secretaries
- CEO of all types of companies
- Elected officials etc.

Imagine, when an individual or institution discovers, patents or brings to society's attention an idea that is deemed valuable. Is it their right via the introduction to the majority of the benefits? All of those ideas without exception are based on the toil of some of our ancestors. Additionally it is highly likely that someone else has already or coincidentally unearthed the same idea before them or at the same time. Ultimately my point is that everyone who is contributing (even at different points in time) to society is important and the level of responsibility need not be a driver of inequality, your contribution is important from someone's perspective.

Some of the structural problems I will identify and address

There are four problems I believe require the most attention. Taxation, leverage, transparency and motivation. This will be followed up by a potential solution/s to each problem and its' supporting logic.

Taxation

Ask yourself, "Why do we conceal things?" I do not have psychology training and will not attempt to answer this question but I present it in an effort to place you in an analytical state for the following material.

The majority of individuals incomes are not publically visible and a vast majority of the movement of resources is also hidden from the public's view. Who benefits from such an arrangement? Typically the individuals/institutions moving resources around are doing so to benefit themselves, primarily through **tax avoidance**. The problem of tax avoidance has become so widely recognized that politicians have deemed it large enough for them to attempt to address the problem. The EU and US¹⁸ have both enacted legislation that seeks to recoup some of the lost revenue.

“

¹⁸ 2003 EU directive on savings and FATCA (Foreign Account Tax Compliance Act) in the US

Tax avoidance and tax evasion threaten government revenues. The US Senate estimates revenue losses from tax evasion by U.S.-based firms and individuals at around 100 billion dollars a year. In many other countries, the sums run into billions of euros. This means fewer resources for infrastructure and services such as education and health, lowering standards of living in both developed and developing economies.¹⁹

If the authorities are truly interested in curbing some of the game of tax evasion they will consider my proposals²⁰. This is a game of keep away and most governments have supported the wealthy at the expense of the rest. How much intellect does it take to play keep away? Does this sound familiar?

“I have my _____ (insert financial manipulator of choice here) do it for me, he/she is very confidential and his/her fees are reasonable.”

I will ask these question several times. “Who is benefitting?

“What is the focus or goal that we wish to achieve?

“What do we want to teach and then leave our children?”

Leverage

Most publically available products are leveraged usually around 10 times, meaning that you can deposit \$1100.00 USD and control 1 futures contract that is valued at around \$100,000.00 USD. It appears that the only advantage leverage confers to society is that it allows for more participants in the game. This is a logical manifestation of a time when capital was scarce and the number of participants few. In today's world capital is plentiful and participants are numerous, therefore the **need** for leverage no longer exists.

In short, computers have magnified the negative aspects of the markets as well as the positive ones. Market structure and/or administration has yet to evolve to compensate, this has understandably allowed parasites to flourish.

Transparency

As noted above tax havens and tax evasion have done considerable damage to public coffers and they exist almost solely to the benefit of the wealthy with some benefits to the local populace as well. Once again as noted in **Chapter 1 technology** has highlighted an issue (tax evasion) making it much easier to do, than it was even in the early 1990's.

The cloak of secrecy does little more than hide shame, a good example of this today is ISIL (Islamic State) if the world really wanted to defeat them, we would publically and clearly identify those parties that are supporting them economically and militarily. Hopefully shame and/or peer pressure (ex. boycotts) would encourage those parties to stop, given that most of the world disagrees with ISIL dogma and methodology.

¹⁹ <http://www.oecd.org/ctp/fightingtaxevasion.htm>

²⁰ Chapter 2

Shame and fear motivate us to do funny things that may or may not be in accordance with our values. Personally I found that shoving things into the darkness and ignoring them, is detrimental not only to myself but also to those the darkness touches. It took me almost 35 years to slow down and look over the wall²¹ I had constructed to maintain my personal hypocrisy. The good news is that once wall cracked, I yearned to tear it down and get past the pain (still ongoing).

Extrapolating that thought, the movement from an individually focused culture to a societal focused culture may not be possible without a violent unsettling event to instill awareness into the majority of society, but precedents do exist and awareness is growing (ex. the EU and its citizens). So I am trying to raise awareness and provide a path to opening the conversation globally, but I will need your help.

1. You can follow the steps in chapter 7
2. You can evangelize

I argue that the future level of transparency should be more consistent with a more communal and egalitarian society²².

Motivation

As noted earlier in Chapter 1, profit (as defined above) currently is the primary motivator of most of society and the prevailing focus is on the small sphere (immediate family) surrounding most individuals. While in the past this may have been a necessary and understandable development however I feel that the sphere is now being extended proactively; a good example of this evolution is the EU²³. It is unfortunate that European awareness/enlightenment there only occurred after a significant unsettling period (WWI, the Great Depression, WWII).

It is time to grow beyond ourselves, evolve into a society focused on humanity. Our technological prowess has made this possible;

- Instant communication (globally)
- World wide web

We can start by communicating with each other and stop reacting to one another.

If my ex-wife and I can do it. **Everyone can!**

Chapter 2 Common Goal - Sustainable Growth

For a myriad of reasons most of humanity seems to have become addicted to growth, common observation can reveal this: children wanting to be adults, personal growth, a societal fascination with evolving and a fondness for ever sophisticated devices that may or may not enhance our productivity. I believe that the key to sustained growth (all types, economic, personal, technological and societal) lies in a more egalitarian focused and balanced approach. I will point out some simplified economic trends

²¹ An amazing representation- "The Wall" Pink Floyd

²² Chapter 4

²³ http://europa.eu/about-eu/eu-history/index_en.htm

that appear to hold true over time and then identify and explain changes to achieve that growth, proactively without violence.

As an Investment Advisor I learned to identify trends and would like to share with you an important trend in growth rates that is critical to understanding where we are now, how we got here, why we are here, and where can we go from here. Growth rates could be interpreted as our ability to work towards a common goal; the higher the growth rate the higher the level of coordination. Using contemporary (20th century) history as an example we see extraordinary growth rates in much of the industrialized world after World War II. The two wars and the Great Depression completely exhausted and destroyed much of the entire planet. The majority of the world turned to reconstruction and returning the people to the standard of living they were accustomed to. Most of the populace of the world was engaged in this reconstruction and for many years we worked diligently to rebuild peoples' lives:

Most people needed new cars, appliances, clothes, etc.

Most countries needed new infrastructure

New technologies were demanded and developed

Stable environment

Creditor (primarily US²⁴) assistance helped these regions flourish by providing the needed resources to accomplish the common goal of reconstruction. In Japan the US played an even more productive role as they provided credit and advisory assistance, they also insisted on Japan being accepted as a member of GATT (General Agreement on Tariffs and Trade); effectively forgiving them of past transgressions and welcoming them into the global community²⁵. As these economies caught up to the rest of the world structurally and technologically, growth slowed and has since moved closer to its historical norm of 1.5%.²⁶ China, India, Russia, and Brazil which together represent almost half of the global population are quickly catching up both structurally and technologically²⁷; I believe that this portends a host of problems. Where will their focus go once they have caught up? Will they be able to refocus?

It is very important that we discredit the notion that building a military industrial complex will increase domestic economic growth?

Post WWII Japan has become one of this world's leading societies, they have:

A very advanced society

Long term structural low unemployment

A very high standard of living

Overcome significant challenges including geography and population density

Most importantly this was all accomplished with a firmly entrenched pacifist identity.

²⁴ Table 1

²⁵ More on this in chapter 4

²⁶ Appendix B

²⁷ <http://www.businessinsider.com/worlds-richest-and-poorest-countries-gdp-chart-per-capital-world-bank-2015-2?op=1>

For the past 25 years Japan has “struggled” to achieve the fantastic growth rates of the past and as time passes there is/has been significant pressure economic and political pressure to once again increase growth rates. Sadly, out of frustration, a lack of focus, and a lack of innovative thought Japan may have started down the road of militarism²⁸ again under the guise of the Care/Harm foundation²⁹. As an alternative they can continue to produce things that the world wants: such as quality cars at a reasonable price, cutting edge technology of all types, expand research and development for all non-military applications. For an economy that is operating close to full capacity

Have a look at nationmaster.com and compare and contrast many attributes of nations who have an aggressive foreign policy versus nations that are predominately pacifist. It appears to be very consistent that the more fearful a nations populace the more aggressive the foreign policy³⁰. This should be studied much more, if it has not been already.

Getting back to growth, recent history has shown that it is possible and desirable for a society to grow without a military industrial complex. Extrapolating on the Japanese example, growth can flourish by producing things that the populace wants. While the demand for military equipment³¹ may provide some jobs for the populace, at what price?³²

Some of the weapons inevitably end up in the wrong hands, groups like Islamic State, Hamas, or Al-Queda who clearly use the weapons to spread fear and oppression. Nations claiming to fight terror often destroy the existing infrastructure (creating more domestic) demand depriving the terrorists and the surrounding civilians of their services. The net effect on GDP is likely close to zero and decidedly negative if you include the side effects³³. The economic activity in the area of affect is reduced to zero; the fighting kills friend and foe alike; those that remain must survive without the destroyed infrastructure, often energy, sanitation and clean water. Is the displacement of economic activity worth the lives of our brothers? Are the lives of one people more valuable than the lives of another?

Logically the side effects include:

1. Migration as people leave what is left of their homes to escape the violence
2. Humanitarian crises that require resources to attempt to help the affected people³⁴
3. How are the people forced to experience these events feeling?
4. Desperate people are unpredictable and capable of anything (including dying for a cause or a “friend” that treats you with respect)

Do any of these side effects foster greater growth or stability³⁵?

The military industrial complex is a failure on numerous if not all counts. “Violence only begets more violence.” The sooner the majority of the world accepts this truism³⁶, the better.

²⁸ <http://www.bbc.com/news/world-asia-28086002>

²⁹ The Righteous Mind, Jonathan Haidt

³⁰ <http://www.nationmaster.com/country-info/compare/Japan/United-States/Crime/Fear-of-crime>

³¹ http://www.upi.com/News_Photos/Features/Worlds-Top-5-arms-exporters/fp/3105/

³² <http://fas.org/sgp/crs/natsec/RL33110.pdf>

³³ <http://www.globalresearch.ca/the-military-industrial-complex-is-ruining-the-economy/16887>

³⁴ <http://www.theatlantic.com/international/archive/2014/08/half-of-syrias-population-is-displaced/379407/>

³⁵ <http://www.cfr.org/migration/europes-migration-crisis/p32874>

Japan could focus on exploration, greater research and development or assisting nations who request their assistance. Up until the 20th century exploration was a significant driver of growth and could be again, once we learn to work together to access the unlimited resources to be found beyond the confines of this planet. To do this we will require greater understanding of: ourselves, economics, gravity, energy, and materials to name a few. .

The unlimited wealth, knowledge and experiences of the greater Universe is likely forbidden to us until we are able make that leap. To use Jonathan Haidt's analogy my thesis to increase our rate of evolution from a chimp focused society to a bee focused society may not be possible.

It is no secret that a well coordinated team will always out perform an individual effort. It logically follows that positive growth rates await us if we figure out a way to work together. I predict that failure to do so will **at best** have us return to our average global long term rate of growth around 1.5%³⁷; this assumes there will not be an unsettling event (a big assumption in my opinion) in the mean time. So in the spirit of team building and designing a framework that everyone can contribute to and benefit from I will suggest 3 significant changes.

In my opinion we can and need to abolish the Foreign Exchange system³⁸, upgrading the financial structure by introducing a global decentralized currency coupled with an international progressive income tax. It is time to create "team humanity" and the aforementioned changes are a good place to start; using the European Union and the United States as historical models to build and improve upon. Please note that the reason I chose EU and the US is directly a result of their high average standard of living and I am most familiar with their evolution.

It is possible (and desirable) to have a common currency without agreement in any other arena, with one exception, taxation.

Chapter 3 The most probable future – based on current trends

Without some significant societal changes, there are a few trends that will continue to dominate our future and what it might look like. There are behavioural, structural, technological, and spiritual trends whose significance I would like to showcase for you. In conclusion I will collate the trends and summarize where I believe they will take us.

Behavioural

Who out there enjoys sex?

Instinctual behaviour colours our decision-making to this day, when dealing with predatory (aggressive), fear-based (fight or flight), protective, and love stimuli the "elephant (our instincts) will often trample the (careful analysis) rider"³⁹. I will look at the above behaviours to make my

³⁶ Use your daily personal interactions to test the veracity of this statement

³⁷ Capital in the 21st Century, Thomas Piketty

³⁸ See Chapter

³⁹ The Righteous Mind, Jonathan Haidt

point; the full list is included here and in depth explanation is available in Jonathan Haidt's "The Righteous Mind".

The five foundations

	Care/ harm	Fairness/ cheating	Loyalty/ betrayal	Authority/ subversion	Sanctity/ degradation
Adaptive challenge	Protect and care for children	Reap benefits of two-way partnerships	Form cohesive coalitions	Forge beneficial relationships within hierarchies	Avoid contaminants
Original triggers	Suffering, distress, or neediness expressed by one's child	Cheating, cooperation, deception	Threat or challenge to group	Signs of dominance and submission	Waste products, diseased people
Current triggers	Baby seals, cute cartoon characters	Marital fidelity, broken vending machines	Sports teams, nations	Bosses, respected professionals	Taboo ideas (communism, racism)
Characteristic emotions	Compassion	Anger, gratitude, guilt	Group pride, rage at traitors	Respect, fear	Disgust
Relevant virtues	Caring, kindness	Fairness, justice, trustworthiness	Loyalty, patriotism, self-sacrifice	Obedience, deference	Temperance, chastity, piety, cleanliness

Figure 1 The five foundation of morality (first draft).

Aggressive stimuli

"**You eat what you kill!**" the national director of the company I worked for exclaimed and gave me a pat on the back my first day on the job as a commodity broker. Predation is a great behaviour when your goal is to gather resources for yourself, whether you are out hunting for food or analyzing people so that you can sell them something. Is it still necessary in today's society? It seems to me, that western society on the whole would agree that it is not. A good example of this sentiment is "bullying" a subject that is very seriously addressed within western society because it is extremely close every individual and its affects are widely understood. Most predatory behaviours are now illegal: slavery, robbery, assaults and frauds etc. To date society has accepted (passively or actively) aggressive behaviour in the following venues (list is not exhaustive)?

- Sales (of all kinds)
- Foreign policy
- Corporate life

- Sports
- Exploration

The first three items appear to vestiges that hopefully we evolve past (sooner rather than later). The last two activities are widely accepted avenues where it is not harmful (to society) to direct the aggressive part of our personalities. The structure of most western societies (particularly the ones with greater inequality) are culturally reinforcing this behaviour (rewarding materialism) and in doing so polarizing those that recognize the inherent danger in doing so. Simple history (increasing population faster than the increases in resources) guides us down a worn out path to escalating conflict; if nothing changes why should we expect anything to change? It seems obvious and even logical that in recognition of the high probability of a violent confrontation we would work together to ensure the vitality of the human race.

Fearful stimuli

It is no secret that organizing, motivating, and receiving commitment/action of a group of people of any number is usually a difficult task and the ability to accomplish “buy-in” and action is nothing less than an art in itself. Typically, the larger the group the more difficult the task. One of the most effective ways to achieve a groups consent (passive or not) is to appeal to basic instincts⁴⁰ (characterized as the elephant part of our mental make-up) inherent within all of us. I am sure that you will agree that self-preservation is the one of the most powerful instincts to appeal to. Stimuli that invoke responses based upon self-preservation have a greater probability of circumventing thorough analysis of a situation before eliciting a response. In other words, you respond faster and with little or no consideration of the consequences of your response. Another stimuli that circumvents reasoning, is fear of mortal danger (real or imagined) typically strongest first within the individual and next strongest with our immediate family, then to a lesser degree our next closest grouping (ex. church community, country) and so on with the intensity of the feeling dropping the further removed we feel the stimuli is. It is also important to note that knowingly or not, leaders have frequently used this type of appeal with varying degrees of success.

This is significant because it appears that more and more politicians in particular are using this type of appeal to obtain the publics’ approval (passive or active). I would argue that after the start of the 21st century it was so badly abused that public apathy toward foreign affairs in particular, would convulse with the proximity of threats (real or imagined). I will examine some examples from the perspective that I most familiar with the North American perspective, in these cases specifically the United States, but it is important to remember that all jurisdictions are guilty of this kind of manipulation.

An easy place to start is the 9/11 attacks on the US in 2001, this highly provocative act elicited a response from the majority of the world in one form or other. The target of the attacks, the symbolic leader of the western way of life reacted predictably; violently reflecting the hate that was focused on them. Because of the close proximity of the stimulus threatening self-preservation it was almost unanimous across the western world that this course of action was the necessary and correct one. This

⁴⁰ Jonathan Haidt - the Righteous Mind

is an extremely sensitive topic and therefore I feel that it is necessary to point out that I am not analyzing the wisdom of the decision, I am pointing out the ratio of the cohesiveness of the response to the proximity of the threat. By 2003, Saddam Hussein (dictator of Iraq) had irritated the western world enough that they forcibly removed him from power justified on incomplete (at best) intelligence. Western political leaders invoked the fear response claiming that Iraq's possession of weapons of mass destruction (WMD) coupled with Iraq's quest to obtain long range missiles constituted a viable threat to western society. Due to the propinquity of these events to the 9/11 attacks the western response was still heavily rooted in self-preservation and garnered significant public support in the west. Fast forward to 2008 the financial system fails⁴¹ and reluctantly the western world agrees to mortgage their future in an effort to preserve the existing financial structure. Once again the fear response invoked and the resolution of the problem was left in the hands of those who created the problem in the first place.⁴²

I believe that public apathy towards western leaders had been growing alongside a growing perception of failure in Iraq and Afghanistan. A steady stream of dead western soldiers, continuing civilian casualties, mounting debt with no sign of improvement and/or stability has eroded public confidence in the decision making abilities of their leaders. In December 2010 Mohamed Bouazizi's self-immolation in Tunisia ignited the 'Arab spring' which led to widespread mid-east unrest and precipitated a different western response. The western public's appetite for direct military involvement in the affairs of others was already declining large part due to failure in Afghanistan and Iraq (now widely accepted). Knowing that, and without a direct appeal to the fear/safety response, western leaders agreed to much more limited involvement in Libya and Syria. This was again an appeal to the care foundation⁴³ of our personalities claiming the objective of intervention was to protect civilians; among the myriad of factors involved, contemporary precedence and proximity were key in determining the extent of western involvement.

Moving forward this trend of appealing to the 'elephant'⁴⁴ part of our personality largely avoiding analysis of a situation is likely to continue, with fluctuations in its success largely dependent on the proximity of the stimulus. With respect to stimuli affecting our mortality there is a very low probability that group reactions can/will be altered. As the nature and/or proximity of a stimulus becomes' further removed from our individual sphere of influence, apathy and indifference may allow further responses that are not representative of the will of the people.

Loving stimuli

Herein lies the hope of humanity, to extend our awareness of human rights to all people of the world. I submit that throughout time it is highly likely that every culture has at one time or another failed to respect the rights of another culture. This constitutes one of the largest obstacles to universal forgiveness, as a portion of society allows the fairness and loyalty foundations to override their care foundation. It is a goal of mine to point out that because of the exhaustive nature of these human rights

⁴¹ See chapter – for more details

⁴² <http://www.washingtonsblog.com/2009/11/investor-psychology-fear-turns-people-into-sheep.html>

⁴³ Jonathan Haidt – the Righteous Mind

⁴⁴ Jonathan Haidt - the Righteous Mind

violations it should be possible to forgive one another. The realization that we are all broken and make mistakes requiring the love and forgiveness of others, can be a powerful catalyst moving towards universal reconciliation. Unfortunately to date, without some meaningful change this will continue to elude us, hate and mistrust will continue to dominate our destiny.

Structural

Have you ever heard the phrase “greed is good”? Most of the leaders within the financial industry promote and reward predatory behaviour as an acceptable way of conducting business. Let’s analyze the industry’s focus on “profit⁴⁵” and see how it has deeply affected society. Followed by some suggestions I have for fixing those structural failures.

Many proponents try to claim that since the onset of the financial crisis in 2008⁴⁶ things have improved; what has improved? This video taken Dec 2 2014, of Former FDIC⁴⁷ (Federal Deposit Insurance Corporation) Chair Sheila Bair and House Financial Services Committee Chair Jeb Hensarling (R-TX)⁴⁸ gives you an excellent handle on current state of US financial sector.

I highly recommend that you watch it for yourself; here are some highlights to quote Jeb Hensarling, “we have not solved the problem of too big to fail, if anything we have doubled down on a lot of the policies that brought here in the first place.” I could not have stated it better myself. Interestingly they only mentioned the increased complexity of regulation and otherwise did not say much at all about derivatives.

Mr. Hensarling did go on at great length describing the both the current status of the American finances and how they were shaped by decisions made in response to the 2008 crisis, particularly striking was this observation, “Extra-ordinary measures of 2008 that have somehow morphed into ordinary measures going into 2015⁴⁹?” There is no mystery here, I would like to quote Joseph Stiglitz here, “But years after the breaking of the bubble, it became clear that our political system had failed, just as it had failed to prevent the crisis, to check the growing inequality, to protect those at the bottom. Rather than correcting the market’s failures, the political system was reinforcing them.”⁵⁰

He and Miss Bair both agreed that current regulations were too complex, Miss Bair said it best to the question, do we have too much regulation? She answered, “judging by complexity and quantity we have too much regulation, judged by effectiveness we have too little.” The issue as to why things were the way they were, was not fully explored, only Miss Bair touched on it when she mentioned that she was disappointed in the implementation process, at which point she bit her lip and stopped talking. It is

⁴⁵ As defined in chapter 2

⁴⁶ <http://files.shareholder.com/downloads/ONE/15660259x0x820077/8af78e45-1d81-4363-931c-439d04312ebc/JPMC-AR2014-LetterToShareholders.pdf>

⁴⁷ <https://www.fdic.gov/about/>

⁴⁸ <http://www.c-span.org/video/?323011-9/state-financial-sector>

⁴⁹ <http://www.c-span.org/video/?323011-9/state-financial-sector>

⁵⁰ The Price of Inequality, Joseph Stiglitz

common knowledge that if you don't want someone to look too closely at what you are doing, you can bombard the inquisitor with complexity and quantity. The majority of the time the inquisitor will (at best) skim the provided information; a form of "passive corruption". When the institutions being regulated are helping to write the regulations⁵¹, we should not be surprised when a former US FDIC Chair and the House Financial Services Committee Chair, describe the state of US regulation as too complex, too great in quantity, and ineffective. It is a great pity that they did not address this issue, because it must be addressed before any meaningful change can occur. This work is a call to action to improve and update many of the financial systems problems.

I was happy to get the impression that Mr. Hensarling did sincerely want to help the working class people in the United States, however his statement, "I am concerned of one world view, one national view of risk management. I think it is once again better handled by market mechanisms." Is in sharp contrast to his belief that current regulations are too complex, too numerous and ineffective. Why the contrast you ask? As quoted above he fully acknowledges that very little has changed in 8 years and nothing has changed; how can this be?

Mr Hensarling answers this question for us, "We have seen the single greatest fiscal and monetary stimulus⁵² in the history of America, we have seen the most profound rewrite our capital markets laws since the new deal and yet we continue to be mired 8 years after the crisis in very mediocre growth." The US financial sector had just carried out the greatest theft in American history and no one was held accountable; to make matters worse they have been able to shape⁵³ much of the legislation meant to restore confidence and discipline.

If a thief steals your car and without applying any disciplinary action the following month, you give that person the keys to your replacement car, what is the most likely result?

Everyone knows that the financial industry is motivated by profit; most,⁵⁴ if not all participants believe in some variation of the notion that "greed is good". The Americans can dance all they want around one core problem of corruption; until they deal with it nothing will change.

Now I know that I have been picking on our American brothers, so at this juncture I would like to point out that all jurisdictions currently have corruption, without exception. Until we evolve past the point where some form of money is no longer required⁵⁵ it will always exist. I considered suggesting the leap to this type of society, however I dismissed it because I feel that the jump is too vast. I suggest that we take baby steps with significant amounts consideration and communication in between.

⁵¹ http://dealbook.nytimes.com/2013/05/23/banks-lobbyists-help-in-drafting-financial-bills/?_r=0

⁵² I characterize this theft from our children see chapter 2

⁵³ http://dealbook.nytimes.com/2013/05/23/banks-lobbyists-help-in-drafting-financial-bills/?_r=0

⁵⁴ There may be exceptions (somewhere)

⁵⁵ Examples are proposed by Jesus and Gene Roddenberry

The first step is usually the most difficult to take, but hopefully as awareness grows and the realization that, **“things can and will continue to degrade without proactive maintenance and/or change”**. A smooth non-violent transition will be undertaken.

Recommended Structural innovations

1. Phase out the current foreign exchange system for a decentralized global currency⁵⁶
2. Participants would have to agree to an international progressive tax
3. Eliminate the gender pay gap
4. Eliminate commission only compensation
5. Have governments pay for at least 4 years of secondary education

These first two items are non-negotiable, the currency cannot exist without the tax (a lesson learned from the European experience with the Euro)

6. Formation of an independent institution charged with allocating resources collected
7. Such funds are disseminated as follows:
 - 50% allocated towards uplifting the undeveloped world
 - 50% allocated towards new technology (non-military applications)

Technological

I will highlight some technology successes and demonstrate how they constitute a trend.

Please bear with me, I believe the fastest way to highlight this continuing trend is to use an analogy that most of us are familiar with, the phenomenon Star Trek⁵⁷.

Visionary, Gene Roddenberry created the original series in the late 1960's, this was at a time when human civilization had only made a handful of spaceflights in total. Within his vision he showcased many technologies (not available at the time) that many people use today on a daily basis: cell phones, microwaves, lasers, and voice responsive computers. He also predicted many advances that have yet to be discovered such as; teleportation, faster than the speed of light travel, and time travel. The technology trend is so popular that much of human society is connected in some way to the discovery, production, and use of an infinite stream of new technology.

Today, there are a many technologies where innovation is being pursued in earnest, here are three I would like to comment on:

1. robotics
2. fusion power
3. biological warfare

⁵⁶ Chapter 6 defines the currency's structure in more detail

⁵⁷ Gene Roddenberry

With respect to robotics it appears that several nations are on the cusp of removing human beings from directly participating in the horrors of war. The creation of robots capable of fighting in all mediums will have a destabilizing effect on the status quo. The purpose behind the decision to create war bots can only be to remove the human element. I invite you to review and contemplate one of the most complete depictions of the arguments in favour of and against the automation of war. This can be found in a "A Taste of Armageddon" written by Robert Hamner for Star Trek the original series⁵⁸. Captain Kirk sums it up beautifully, saying, "All right. It's instinctive. But the instinct can be fought. We're human beings with the blood of a million savage years on our hands, but we can stop it. We can admit that we're killers, but we're not going to kill today. That's all it takes. Knowing that we won't kill today.." ⁵⁹ When/if the time comes, will our leaders capitulate to self delusion and arrogance believing that someone can win using violence? Or will they be humble enough to recognize the danger, share the technology for non violent purposes?

I believe that fusion power if and when attained will mark a new chapter in human evolution. Such a discovery will likely be a micro version of a sun and should eliminate the majority of competing energy sources. There is a high probability that full understanding of fusion power is the key to many doors. Assuming our researching abilities are not interrupted, I believe that we are still at least decades if not centuries away.

Biological warfare is in my opinion the largest wildcard. As our understanding of the universe expands⁶⁰ it seems that discoveries we make are occurring in greater frequency and have greater implications for society. Biology is one of the few disciplines where intentionally or not, a creation or a mistake could singlehandedly wipe out human society. I will also be the first to tell you that I know nothing of biology; therefore I will not comment any further.

Spiritual

As humans we all make mistakes, we are broken and in need of forgiveness. For many of us the challenges of personal growth and direction consume a significant portion of our time and therefore it can be difficult to allocate time to more macro activities, especially if one feels that it is futile.

In this realm I personally have grown leaps and bounds in the past few years; initially in large part due to my ex-wife. Daily I struggle with the question, "should I finish writing?" I too am afraid of a future where things could be so different from all the good and the bad we are currently experiencing. But my hope for a better future for all of humanity drives me to continue.

[Now to collate the information I have given as a basis for this future projection.](#)

⁵⁸ Star Trek The original series, Season 1, Episode 23 A taste of Armageddon

⁵⁹ Captain Kirk, Star Trek The original series, Season 1, Episode 23 A taste of Armageddon

⁶⁰ I believe we have only scratched the surface

Currently there are four centres of power upon which global direction largely depends (alphabetically):

1. China
2. Europe
3. Russia
4. United States

Realistically at this moment in time, should any country significantly upset the current balance of power such as the use of an army of mass produced war bots, it would be likely that nuclear war would follow. Because of this deterrent and the understanding that such an event would lead to a lose-lose scenario, it is very unlikely that the countries that develop such weapons will use them to instigate a large conflict. However there are places around the world where small conflicts (Middle East, Africa, South America, South East Asia) allow for the testing and perfection of such devices. Good examples include what is left of Iraq, Syria and Afghanistan; the US has been using airborne drones there for years, testing and perfecting their effectiveness.

If large scale use is impractical then it is likely that small scale use will continue and expand in its scope. It is also likely that they will be used more frequently in domestic situations at first under the guise of surveillance, later it will be claimed that they are a protective measure (for the civilian population) when in fact they will be a tool for maintaining control and if necessary oppression⁶¹. As the numbers and effectiveness of the robots increase; small adversarial organizations such as ISIL⁶² (so-called Islamic State) and Boko Haram⁶³ will be forced to hide within civilian populations. The ensuing guerrilla warfare may be the trigger allowing domestic use of robots in a military capacity.

I have a hard time imagining that things could get any more oppressive than the vision George Orwell shared with us in his book, "1984"⁶⁴. However I believe that the way society is evolving there is **60%** chance that it will occur. Let us pray that it never comes to that.

The trend summary providing the basis for my assessment;

Behavioural - we still struggle with instinctual reactions; when overloaded with stimuli we tend to shut it out/disengage

Structural – many current systems (financial in particular because of its regulation of resources) are focused on the individual and utilization of instinctual behaviours

⁶¹ <http://www.washingtonsblog.com/2015/05/uk-pm-david-cameron-proclaims-its-not-enough-to-follow-the-law-you-must-love-big-brother.html>

⁶² here is a good summary, <http://www.globalpost.com/dispatch/news/regions/middle-east/iraq/140612/iraq-isil-mosul-united-states-syria-al-baghdadi>

⁶³ <http://www.bbc.com/news/world-africa-13809501>
<http://www.aljazeera.com/indepth/opinion/2014/06/boko-haram-al-qaeda-201463115816142554.html>

⁶⁴ a good synopsis - https://en.wikipedia.org/wiki/Nineteen_Eighty-Four

An interesting analysis - <http://www.articlemyriad.com/role-media-society-1984-george-orwell/>

Technological –History has shown that as our technological capacity increases so does our capacity for violence. There are sparks of hope, such as the bullying example; however the growth in technological prowess still dwarfs social and moral advances.

Spiritual – Sadly (but not unexpected) much of the developing world⁶⁵ is going through a surge in materialism,

In many important ways humanity has not changed since the beginning of recorded history, we still have a propensity to group with like-minded individuals and fight over perceived differences (of all types) and resources. It appears that slowly technology is bringing us together (via transportation, trade and communication); examples include the EU and the US; but our continuing failure to learn the lessons of history regarding the use of violence is mind-boggling. If we define a generation as 20 years and accept Jesus as the first mass communication of the idea of non-violence as a successful way of life then we must accept that we have learned very little in 100 generations. There are so many examples that confirm the unfailing wisdom of this way of life and there are so many more examples corroborating the negative effects of the use of violence. Public apathy (our propensity to ignore a situation in favour of positive thinking, “it’s Ok just give it some time it will get better”) and our tendency to react rather than proactively approach a known problem is the basis for my assignment of 60% probability.

Chapter 4 the Bullying effect

I feel that an apt analogy is that of the high school bully, one that we are most are likely familiar with.

Currently the United States is the biggest bully on the block; older bullies include England, Soviet Union, France, Austria-Hungary, Turkey (Ottoman), Italy, Spain, Chinese and Egyptian to name a few (for illustrative purposes only). The Americans have had their foot stepped on twice now (9/11 and Boston bombing) and have been thrashing about relatively unrestrained with their great strength for the past 14 years. They have been telling themselves and the world that it is in their interests to change the regimes within typically oil producing nations⁶⁶. After all the effort and resources wasted in this herculean effort to “protect our interests” there has not been one, NOT ONE, let me say that again NOT ONE, positive feature of any kind!.

I would like anyone to write to me⁶⁷ and give me a positive circumstance that is not based on fear hate or xenophobia.

This pattern of choosing a course of action and following it to the conclusion can be good trait; but when tunnel vision develops, critics (internal and external) are no longer given audience, the waste of resources abounds, the single minded fixation becomes negative. The human capacity to ignore things

⁶⁵ <http://www.ibtimes.com/china-confirmed-most-materialistic-country-world-even-luxury-spending-slumps-lowest-level-2000>

⁶⁶ Iraq, Syria, Libya, Columbia and Venezuela to name a few

⁶⁷ @ immortalcorp@hotmail.com

and commit the same mistakes [(remember the ongoing War on Drugs⁶⁸? (I am sure the Latin Americans do)) repeatedly is fascinating.

Back to the analogy, a bully's behavior continues unchanged until he/she is faced with opposition and the more unified the opposition the greater probability it will succeed in changing the bully's behaviour. Allow me to show you a perfect contemporary example ;

The OAS⁶⁹ Organization of American States held an April 2015 summit when;

As I write there been a thaw, in Cuba – US relations⁷⁰ partly brought on by Latin American solidarity. For an excellent analysis of the situation watch this Democracy Now Interview⁷¹. In summary, the entire region resisted, friend and foe alike spoke out in response to the declaration⁷² that Venezuela poses a threat US national security. This forced President Obama to repeal the executive order shortly after he was rebuffed. Many of the Latin American countries even went further, highlighting the hypocritical behaviour. "If there is a country that is a threat in the Americas," [said](#) Ecuadorean Foreign Minister Ricardo Patiño, "it's the United States, because it has permanently invaded countries. ... It has created coups d'etat. ... And it promoted dictatorships."

American Sanctions against Venezuela;

“These sanctions against Venezuela violate the [charter](#) of the Organization of American States (OAS), including Article 20, and Article 19, which states:

No State or group of States has the right to intervene, directly or indirectly, for any reason whatever, in the internal or external affairs of any other State. The foregoing principle prohibits not only armed force but also any other form of interference or attempted threat against the personality of the State or against its political, economic, and cultural elements.”⁷³

As a signatory to the OAS charter the US tried to use its economic might by implementing sanctions against Venezuela in direct violation of Article 20 of a charter it had previously agreed to abide by. Most of the Latin American countries banded together and declared that this was unacceptable behaviour. A few days later the US reversed its' decision instead embarking on a constructive and positive engagement of their neighbors.

When threatened with a unified non violent message of possible exclusion due to unacceptable behaviour, the bully changed his behaviour. It is important to note that the bully in no way felt any threat (Latin American countries pose zero physical threat) to his person other than being ejected from the community.

⁶⁸ <http://www.cnn.com/2013/09/02/world/americas/mexico-drug-war-fast-facts/index.html>

⁶⁹ <http://www.oas.org/en/>

⁷⁰ <http://www.cfr.org/cuba/us-cuba-relations/p11113>

⁷¹ http://www.democracynow.org/2015/4/10/obama_faces_latin_american_opposition_to

⁷² <http://thehill.com/blogs/pundits-blog/international/238266-obama-could-face-another-disastrous-summit-due-to-venezuela>

⁷³ http://www.oas.org/dil/treaties_A-41_Charter_of_the_Organization_of_American_States.htm#ch4

What happens when the bully encounters resistance to his/her poor behaviour and the other party can pose a physical threat? What if the other parties' message to the bully is misinterpreted (intentionally or not)? The repercussions of mismanaging relationships of this type frequently are resolved in a confrontational and often violent manner.

It seems that the world is changing with more and more people believing that communication, compromise and understanding should be the basis for all conflict resolution. In western society I feel that the education systems now take this behaviour very seriously and are trying to eliminate it from the school environment. It is unfortunate that all levels of society are not in a rush to highlight the negative repercussions and squash this behaviour. But it does feed off our acceptance of the current structure of society as noted in Chapter 4.

It is now time to leave the school yard justice behind, grow up as a species and prosper as we have done throughout history. Societal reorganization has gotten us to this point;

- Organizing into bands of hunters
- Organizing into farming communities
- Organizing into cities
- Organizing into nations
- Coming soon (hopefully) - Organizing into a united society capable of facing the universe

It is unfortunate that our collective moral development has not kept pace with our technological and organizational prowess, but it does not appear to be a prerequisite to further growth. I hope that the next societal reorganization happens soon and there are two reasons for that;

1. I believe that it is a natural progression and therefore inevitable
2. If the coming unsettling event is violent, the ensuing reorganization will likely suffer significant delay

We have the technology, we have the knowledge, we lack awareness and will at the moment. I am attempting to raise awareness and if there is a collective will, help execute a non-violent transition⁷⁴.

Chapter 5 Occupy Wall Street Movement and Non-Violent Change

It seems to me that the world is crying out for a comprehensive, egalitarian human society that is focused and intentional as we evolve in the 21st century. Since I am committed to seeing this happen in a non-violent fashion, I want to highlight the Occupy Wall Street Movement which began on September 17, 2011 and quickly spawned into a global protest against inequality. I will then examine some other successful non-violent movements and some of their common threads.

⁷⁴ <http://rt.com/op-edge/261401-us-china-ww3-soros/>

Occupy Wall Street

The day the protests erupted I cheered the protesters on but two days later I felt despair, after identifying that they lacked one clear goal, an undisputed leader and a comprehensive alternative. Despite these deficiencies the movement spread worldwide⁷⁵ highlighting the pervasiveness of the problems they were protesting. My analysis of the Occupy movement, contrasted against the Indian Independence movement and Dr. King's Montgomery method of non-violent protest, are the basis for the vehicle that believe will expedite the proposed improvements and upgrades.

Occupy movement's "Leaderless"⁷⁶ approach gives the perception that there is a lack conviction and makes it difficult if not impossible for communication with sympathizers and opposition alike; without clear communication, focus and understanding there is a high probability of failure. It is fantastic that they were able to mobilize the 99% in such a quick and dramatic fashion. I felt that for the first week they held the attention of the world, even the 1%, however they did not offer the world or the 1% an actionable alternative on how to upgrade, improve, or change things. Thus the populace was aroused to understand that a growing percentage of the populace were not happy with the direction that society is going. Thankfully the awareness bestowed upon the collective human conscious will likely alter our evolution, slowly, naturally over time without any further prodding.

Let's study two successful non-violent movements, each one had a goal and a clear strategy of how to achieve it. Mahatma Gandhi⁷⁷ and Martin Luther King Jr.⁷⁸ both committed and gave their lives for non-violent movements that changed the course of human history for the better. Their methods are well documented, they both provided the people with a clear goal, had a clear understanding of all the issues and provided a clear non-violent mechanism that would, given solidarity, achieve their goal.

Indian Independence

In the words of Reverend King, "Now let us look at the life (Ghandi), as briefly as possible, the life of this man and his work, and see just what this life reveals to us in terms of the struggles ahead. I would say the first thing that we must see about this life is that Mahatma Gandhi was able to achieve for his people independence through nonviolent means. I think you should underscore this. He was able to achieve independence from the domination of the British Empire without lifting one gun or without uttering one curse word. He did it with the spirit of Jesus Christ in his heart and the love of God, and this was all he had. He had no weapons. He had no army, in terms of military might. And yet he was able to achieve independence from the largest empire in the history of this world without picking up a gun or without any ammunition."⁷⁹

In summary, Ghandi had an explicit goal (Indian self rule), he provided by example and through his teaching the means to achieve that goal and finally he provided himself as a point of contact where friends and foe alike could reach out for any variety of reasons.

⁷⁵ <http://www.theatlantic.com/photo/2011/10/occupy-wall-street-spreads-worldwide/100171/>

⁷⁶ <http://occupywallst.org/about/>

⁷⁷ <http://mkgandhi.org/>

⁷⁸ <http://www.martinlutherking.org/>

⁷⁹ Palm Sunday Sermon, Martin Luther King Jr. March 22, 1959

The Montgomery method⁸⁰

After Rosa Parks was arrested for refusing to give up her seat to a white man; Martin Luther King Jr. found a focus, the bus system of Montgomery Alabama. Through this and other successful non-violent protests Reverend King Jr. was thrust to the forefront of the fight for Black equality. In 1957 the Fellowship of Reconciliation printed out the steps they used to accomplish their non-violent change.

1. Attitude adjustment

- Each and every person is important
- God loves your enemy too, and that makes him/her important to you.
- You must see him/her as a human being
- You need to try to understand him/her and sympathize and empathize
- Upon the realization that he/she is brother/sister you need to stop seeing an enemy
- If he/she does cruel, heartless thing to you, you must remember he/she is your brother/sister

2. Implementation

- Help your enemy to see you as a human being he/she needs to see that you are a person who wants the same things: love of a family, job, respect (equality)
- It will be easier for you to be seen as a brother/sister if you are/act like one
- If your brother/sister hurts you, then you must not retaliate
- You must stop the wrong hurtful actions without retaliating, stopping the cycle
- If you retaliate you will be reinforcing his/her decision to hurt you as a correct one
- If you show him/her love instead, you start to take away the reason for his/her fear and make it increasingly harder for him/her to hold on to their hate and/or fear

I encourage you to adopt these behaviours and use them daily – FEEL THE DIFFERENCE-

3. Where the rubber hits the road

- Choose one item to be a focus (almost everything needs improvement)
- Learn all the facts about the item
- Where possible talk about your focus try to explain how and why you feel the way you do, if the other person chooses a different perspective **don't argue**
- Be sure that you ready to join with others who feel the same way
- Practice antagonistic situations so that you can face opposition without hitting back, running away or hating
- When you are ready, *Go and don't turn back*

Itemize in two columns then list current scenario

Common Threads

⁸⁰ Fellowship of Reconciliation 1957

I would like you to think about your daily interactions and reflect on the following observations that I have experienced, the vast majority of the time;

How do people react to you when treat them respect?

How do people react to you when you approach them with a negative attitude?

What kind of world would it be if the majority of the time we were not respectful to each other? Why do we have such a difficult time extrapolating this truth to a group setting? There are an unlimited number of reasons, justifications or excuses for failing to treat all human life with respect. All of them without exception are **irrelevant!**

Here are some recent examples of the result of respectful treatment after an unsettling event:

India and the United Kingdom

Western Europe and the United States after WWII

Japan and the United States after WWII

Poland and the EU and the US after the fall of Soviet communism

I would like to expand on the Japanese and Polish examples to highlight a point.

When the Japanese finally surrendered during WWII they had already lost the majority of their navy, had two cities destroyed by atomic weapons and were experiencing frequent conventional bombing attacks. Shortly after the surrender the US occupied and changed many structures within Japan. At the same time they provided many resources, including numerous advisors. Even more importantly President Truman insisted that Japan be made a member of GATT (General agreement on Tariff and Trade) effectively welcoming Japan into the blossoming global economic community. Partly as a result of this Japan remains one the most steadfast US allies to this day.

After the fall of Soviet communism, Poland once again found itself free. Jeffery Sachs was hired as an economic advisor and goes into extreme detail regarding this tranformation. Most importantly he explains how the US agreed to forgive the Soviet-era public debt and then provide stability for the new Polish currency (zloty)⁸¹. Poland remains a staunch US ally in the region.⁸²

Where would we be if Europe and the US had supported Russia in its transformation from communism? At the time there were many within Russia who supported Yeltsin and his goal achieving a true democracy and a market style economy or “normal” in his words. During his detailed explanation he makes this observation, “The reform measures, at their very best, would help to steer Russia onto a path of massive, generation-long economic and social transformation. Nevertheless, Russia would need considerable international help to pull all of this off successfully, including the now-familiar components of financial reserves for stabilization of the Russian currency, the ruble, and cancellation of part of the Soviet-era debt.”⁸³ I encourage you to read The End of Poverty for a full account of the West’s

⁸¹ The End of Poverty, Jeffrey Sachs

⁸² <http://www.state.gov/r/pa/ei/bgn/2875.htm>

⁸³ The End of Poverty, Jeffrey Sachs

treatment of Russia at this time. In short the Western powers did not give Russia the same respect they extended to Poland. They delayed and delayed, when they did get around to offering Russia assistance the reformers who were keen on a market economic model, were already removed from power. To make matters worse the “assistance” offered was not in the interests of Russia. The point being that a perfect opportunity was passed up to decrease global political tensions. Mr. Sachs also believed that it was possible to change the nature of the relationship, when he stated, “If the end of the cold war could be secured, it would amount to a minuscule and worthwhile fraction of the peace dividend.”⁸⁴

Do these arguments logically suggest that everyone should be afforded a basic level of respect?

Is it not time we accept that we are all brothers/sisters and deserve a basic level of respect?

Chapter 6 Open letters

To The People of the United States

When I read these words of Henry David Thoreau and wrote this letter, I wept;

“There are thousands who are in *opinion* opposed to slavery and to the war (War with Mexico), who yet in effect do nothing to put an end to them; who, esteeming themselves children of Washington and Franklin, sit down with their hands in their pockets, and say that they know not what to do, and do nothing; who even postpone the question of freedom to the question of free trade, and quietly read the prices-current along with the latest advices from Mexico, after dinner, and, it may be, fall asleep over them both. What is the price current of an honest man and patriot today?”⁸⁵

Has anything changed in over 150 years?

Do you remember these words?

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness.-
-That to secure these rights, Governments are instituted among Men, deriving their just powers from the consent of the governed, --That whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their Safety and Happiness. Prudence, indeed, will dictate that Governments long established should not be changed for light and transient causes; and accordingly all experience hath shewn, that mankind are more disposed to suffer, while evils are sufferable, than to right themselves by abolishing the forms to which they are accustomed. But when a long train of abuses and usurpations, pursuing

⁸⁴ The End of Poverty, Jeffrey Sachs

⁸⁵ On the duty of Civil Disobedience, Henry David Thoreau 1849

invariably the same Object evinces a design to reduce them under absolute Despotism, it is their right, it is their duty, to throw off such Government, and to provide new Guards for their future security.⁸⁶

I now understand why you are so proud of the documents your forefathers used to create your country. In my opinion there are few documents ever created that are as comprehensive, articulate and meaningful as this declaration of independence. Sadly I must point out that you have yet to even come close to the essence of those words.

I have to ask, do these words mean anything to you anymore?

If they do mean something to you, can you see the insidious hypocrisy?

Does it pain you to see your domestic problems consistently get worse?

1. Your government does not appear to acknowledge that it is open season on people of colour (sorry to be colloquial)⁸⁷
2. Your foreign policy appears to be almost completely devoid of any such recognition (drone attacks and killing of civilians,⁸⁸ outright bombing campaigns⁸⁹
3. Guantanamo Bay remains open
4. The prison system⁹⁰ is geared ⁹¹to profit⁹², and serve the shareholders, not society⁹³
5. Private school system including the “public” charter system
6. To name a few

Remember life liberty and the pursuit of happiness?

life

It appears that the US government and by extension the US people no longer believe in the value of all human life, including many of its’ own citizens

Is this truly the case?

noun: **liberty**

the state of being free within society from oppressive restrictions imposed by authority on one's way of life, behavior, or political views.

⁸⁶ http://www.archives.gov/exhibits/charters/declaration_transcript.html

⁸⁷ <http://www.foxnews.com/us/2014/11/26/sharpton-families-michael-brown-and-2-other-black-men-killed-by-police-pray-for/>

<http://www.usatoday.com/story/news/nation/2015/04/21/oklahoma-deputy-bates-pleads-not-guilty/26119863/a>

⁸⁸ <http://fair.org/blog/2014/12/15/nbc-someday-we-might-learn-that-drones-kill-civilians/>

⁸⁹ <http://www.reuters.com/article/2015/03/24/us-mideast-crisis-canada-idUSKBN0MK09220150324>

⁹⁰ http://www.huffingtonpost.com/john-w-whitehead/prison-privatization_b_1414467.html

⁹¹ <http://time.com/3446372/criminal-justice-prisoners-profit/>

⁹² See chapter 2 for the updated definition

⁹³ <http://www.washingtonpost.com/blogs/wonkblog/wp/2013/08/13/wonkbook-11-facts-about-americas-prison-population>

Do you feel free? Do you feel like a slave to the financial system? Do you feel like you are able to express all your political views without any fear? Can you walk the streets of your community at night without fear?

the pursuit of happiness

Do you feel happy? Does your level of happiness correlate to profit⁹⁴? How does your level of happiness affect happiness of others?

“That whenever any Form of Government becomes destructive of these ends, it is the Right of the People to alter or to abolish it, and to institute new Government, laying its foundation on such principles and organizing its powers in such form, as to them shall seem most likely to effect their Safety and Happiness.”⁹⁵

I would like to talk about safety and the false impression of it given to you by skillful propaganda.

It is my opinion that the war on terror has made the people of the United States far less secure than they were before the war began⁹⁶. Using the logic of violence as laid out in Chapter 3 of this text this is what I see is happening and what I believe is the inevitable result. Your foreign policy (basically) in the Middle East, parts of Africa and parts of Asia has created desperate people seeking to escape the pervasive violence. Those civilians that elect to flee their homes, are highly likely to be subjected to brutal exploitation of all types and if they are fortunate enough to survive the journey are very unlikely to have positive perspective of western society. The younger generations will be highly susceptible to seemingly logical violent arguments offering forms of retribution for the suffering they have endured.

Other parts of the populations being oppressed (by you) immediately seek to take up arms and remove you by force (as you once did in the 1770's and 1780's) despite the fact that they are hopelessly outmatched. Like many guerrilla warfare encounters they have had some success, but the game is changing; western powers are finding ways to remove the personal involvement in conflicts (automation and robotics⁹⁷). This will likely be accomplished sooner than later. When this is enacted on massive scale (it has already begun –drones-) and control can be achieved without risking of humans resistance in for example Iraq, Syria or Libya will cease. Slowly (it has already begun)⁹⁸ resistance will move into western society from within at which point the government will further ‘trample civil liberties’⁹⁹ and your journey toward a version¹⁰⁰ of George Orwell’s 1984 will be complete.

All Americans have the ability to do something to indicate that I am not a sheep!

I do not agree with murder

I do not agree with stealing

⁹⁴ See chapter 2 for the updated definition

⁹⁵ http://www.archives.gov/exhibits/charters/declaration_transcript.html

⁹⁶ http://www.democracynow.org/2015/5/18/ralph_nader_on_bernie_sanders_presidential

⁹⁷ <http://wonderfulengineering.com/10-modern-robots-that-will-shape-our-future/>

⁹⁸ <http://www.cbc.ca/news/world/isis-fighters-hiding-among-migrants-bound-for-europe-libyan-adviser-says-1.3077626>

⁹⁹ <http://www.wethepeople.org/>

¹⁰⁰ A society totally controlled through manipulated fear and hate

I do not agree with government without representation

I do not agree with a system with different rules for different people

and I do not want my government to be a ???¹⁰¹ (you decide). Every person has to be who they are. Who are you? **You** can follow the instructions laid out in chapter 7 of this text if you wish. You can email me at the attached address and tell me I am wrong.

Henry David Thoreau again, I implore you see the truth in these words

“There are thousands who are in opinion opposed to slavery and to the war, who yet in effect do nothing to put an end to them; who, esteeming themselves children of Washington and Franklin, sit down with their hands in their pockets, and say that they know not what to do, and do nothing; who even postpone the question of freedom to the question of free trade, and quietly read the prices-current along with the latest advices from Mexico, after dinner, and, it may be, fall asleep over them both. What is the price-current of an honest man and patriot today? They hesitate, and they regret, and sometimes they petition; but they do nothing in earnest and with effect. They will wait, well disposed, for others to remedy the evil, that they may no longer have it to regret. At most, they give only a cheap vote, and a feeble countenance and God-speed, to the right, as it goes by them.”

My brothers for whatever (currently not important) reasons the US government will not admit it's “war on terror” has been an unmitigated disaster for the entire world. They have wasted unprecedented amounts of resources¹⁰² of all kinds :

Economic

Human

Time

Natural

Goodwill etc.

Violence begets more violence, this simple truism while acknowledged verbally has not been translated into action. Periodically we see evidence that the government has been advised that violence will not work¹⁰³ and yet at most this has modified the strategies to exclude direct military involvement in favour of violence at a distance (bombing campaigns, drone attacks, automated weaponry). This has had two notable effects that I have noticed, it has blunted the western public's anti war campaigns and it has enabled and encouraged the terrorists to more actively bring the war directly to their oppressors.

¹⁰¹ <http://www.truthaboutdeception.com/lying-and-deception/confronting-a-partner/compulsive-lying/types-of-liars.html>

¹⁰² <http://fas.org/sgp/crs/natsec/RL33110.pdf>

¹⁰³ <http://www.rand.org/pubs/monographs/MG741-1.htm>

The situation will get progressively worse¹⁰⁴ without a fundamental change in philosophy and the longer it is allowed to continue, the more incidents will occur on western soil, and the higher probability the domestic public out of fear and hate will allow a version of “1984”.

But it does not have to be that way, elect people who understand there is a better way, and follow the steps laid out in chapter 7.

My American brothers and sisters I submit to you that you are facing your most formidable opponent ever encountered, ‘yourself’. Please read the words of your ancestors again and reflect on those words.

Life, Liberty, and the pursuit of happiness. Can you honestly say you happy?

What would your ancestors think of the current state of the United States?

A 2012 Gallup Poll¹⁰⁵ found that 77% of Americans identified themselves as Christian. I am a practicing Christian and challenge all of you. How can you go to church and learn about non-violence? Hear about the 10 commandments in particular “Thou shalt not kill” and spend the rest of the week declaring that I love and support my country? You must face your hypocrisy as silent supporters (best defined above by Henry Thoreau) of your country.

P.S. Your children are always watching, listening and learning

To The People of the Russia

I have walked the majestic streets of St. Petersburg and Moscow in 1999 and loved every minute! From the wonderful people, Baltica beer, vodka and amazing history! The stories I have of (intentionally) paying too much for a watch, the architectural marvels of St. Petersburg and Moscow, hitchhiking (because the subway was closed) in Moscow, the women and having to bribe the border guard on my way out, are priceless. Perhaps oddly, I felt very much at home and in tune with the people in spite of the fact that many of our interactions included more sign language than verbal communication.

I would like to talk to you about our American brothers and sisters for a moment. I believe that it is very likely that in the near future they will be in need of substantial assistance. If you to be at the forefront of a non-military offer of real assistance (unlike the one they offered you in 1991) we may be able to make significant progress in ending the cycle of violence. I believe that it is because of your contemporary history and your refusal to become slaves to the wall street chaperones. It is that refusal to be bullied that makes Russian and Chinese leadership key.

To The People of the Europe

I feel that in a lot of ways your society has been leading the way for a unified humanity. The desire to avoid the repercussions of war has been one of the primary driving forces behind the creation of the

¹⁰⁴ http://www.democracynow.org/2015/5/18/ralph_nader_on_bernies_sanders_presidential

¹⁰⁵ <http://www.gallup.com/poll/159548/identify-christian.aspx>

European Union (EU) and its predecessors. Garnering the strength to let go of certain aspects of your lives and trust in others is truly admirable. **I congratulate you on your success, courage and leadership!**

The success I refer to is the fact that the chance of war within the boundaries of the EU is extremely remote.

Courage to see the process continue in the face of immense obstacles.

Leadership to move in this direction; identifying “common values, overlapping interests, and shared goals”¹⁰⁶ enabling the construction of the common institutions.

Critics will be quick to point out that the currently the status of the stability of the EU is in question due to the debt crisis. This may be true to a point, however the mistakes that created the instability are glaringly obvious¹⁰⁷ and provide an argument for greater transparency and unity. One example is tax evasion, the existence of taxation differential or the lack of a mechanism to discourage/eliminate the practice seriously affects a nation’s ability to generate income. Once again this is an area where technological advances have exacerbated these effects (mobility of capital) to the detriment of the poor and the benefit of the rich.

I feel the steps that I have submitted are a start to the conversation and construction of a decentralized global currency and associated progressive income tax. The adoption of which, builds on the successes (as noted above) and addresses some of the failures. I acknowledge that an enormous amount of consultation and work is required, however I feel that key features are necessary as laid out near the end of chapter 4.

I pray that you have patience with our British brothers and sisters, I concede that they struggle with being a team player¹⁰⁸; large negative surprises¹⁰⁹ are unpleasant for anyone and it should not be surprising (given their long tenure as the neighborhood bully) that they would revisit the idea that they were better off on their own.

To the People of China

I have not yet walked the streets Beijing, Shanghai, or Hong Kong
I have not yet spoken to the people in their home (China)
Experienced life in China

I ask that you objectively look at what I have written, avoid getting caught in the cultural negative feedback loop created by materialism, greed, ignorance and arrogance. You have the power to non-violently change the course of humanity on a global scale.

¹⁰⁶ Taken from the Congressional Research Service Report
<http://fas.org/sgp/crs/row/RS22163.pdf>

¹⁰⁷ See chapter

¹⁰⁸ https://fullfact.org/europe/uk_pay_eu_budget_gni_economy-35944

¹⁰⁹ <http://www.publications.parliament.uk/pa/cm201415/cmhansrd/cm141027/debtext/141027-0001.htm#14102711000001>

The BRICS'¹¹⁰ recently established New Development Bank (NDB)¹¹¹ is wonderful development, however it is logical to assume that if the structure that is developed is similar/identical to that based in US dollars, it will be subject to the same problems. It may be that it is time for the rest of the world (in this case represented by the NDB) take the lead and chart a new course. I strongly believe that this could be the assistance that I spoke of in my letter to the Russians. I feel the creation of a simple stable system for everyone will have few opponents and positive economic benefits for all. I would be honoured to work with you to change the world for the better for everyone.

I pray that you hear my words.

To the people of Canada

We have it pretty good here for the most part: lots of space per person, security (on personal and national levels), freedoms (of many types), stable financial system, respectful (most of the time) social atmosphere and if need be we are self-sufficient in all respects. We have also been fortunate to have Mr.Harper (the great administrator) maintain a steady hand throughout these tumultuous times.

However recent events should clearly communicate to us (Canadians) that Harper's Conservative government no longer represents us and should be removed.

1. The use of our military for offensive operations¹¹²
2. Bill C-51 which is quietly being pushed through Parliament¹¹³

Mr.Harper through his actions highlights the fact that he is a follower, not a leader. His choice of examples he is attempting to emulate lacks thought and in my opinion subjects Canadians unnecessarily to unwanted associations with violent behaviour and even oppression. His actions show an arrogance and disregard for Canadians past and present¹¹⁴.

1. Our once proud history as peacekeepers
2. Bill C-51 is a step in the direction of Big Brother¹¹⁵

Michael Geist provides us with a nice summary;

“There is much to digest, but the privacy concerns largely come down to three linked issues:

- First, the bill permits information sharing across government for an incredibly wide range of purposes, most of which have nothing to do with terrorism (“It is, quite simply, the broadest concept of security that we have ever seen codified into law in Canada.”).

¹¹⁰ Brazil, Russia, India, China and South Africa

¹¹¹ <http://rt.com/business/261289-brics-new-development-bank/>

¹¹² <http://time.com/3814838/canada-bombing-syria-isis/>

¹¹³ <http://www.parl.gc.ca/LEGISINFO/BillDetails.aspx?Language=E&Mode=1&billId=6842344>

¹¹⁴ <http://news.nationalpost.com/full-comment/open-letter-to-parliament-amend-c-51-or-kill-it>

¹¹⁵ <http://www.michaelgeist.ca/2015/02/total-information-awareness-disastrous-privacy-consequences-bill-c-51/>

- Second, the scope of sharing is remarkably broad: 17 government institutions with the prospect of cabinet expansion as well as further disclosure “to any person, for any purpose.”
- Third, the oversight over public sector privacy has long been viewed as inadequate. In fact, calls for Privacy Act reform date back over three decades. The notion that the law is equipped to deal with this massive expansion in sharing personal information is simply not credible.

A more detailed look at each issue follows below. The cumulative effect is to grant government near-total power to share information for purposes that extend far beyond terrorism with few safeguards or privacy protections.”¹¹⁶

In my opinion this leaves us no choice in the coming federal election, we must follow the steps of Albertans and grant the NDP (New Democratic Party) a majority in order to rectify the situation. Unfortunately the Liberal party is not an option¹¹⁷, but that should make our voices that much clearer. We have in the past and continue to desire thoughtful non-violent engagement of all our brothers and sisters while defending the rights of the oppressed, I suggest we revisit these principles.

We shall find out this fall of 2015.

To The People of the I dedicated this book to

I hope that this message positively affects you, if there is widespread recognition hopefully there will be an acknowledgment that non-violently starts the process towards a more egalitarian system. If it positively touches one person then I will consider it a success and redouble my efforts.

There are millions (if not billions) of people out there who care for your plight and toil day in and day out to serve the poor and/or oppressed. And yes, believe it or not many Americans and British (if not most) also empathize with you. Unfortunately many of them require significant stimuli, in order to precipitate any action from them as observed 150 years ago by Henry David Thoreau¹¹⁸. If successful we shall have their attention and hopefully their convictions, for at least a brief period of time.

Let us pray.

Chapter 7 - Steps to no longer participate in the financial system and support non-violent ideology

“It really doesn’t matter, if the power structure persists it really doesn’t matter who is in office (Oval office), it doesn’t matter what ethnic, racial background, it doesn’t matter how much they know, how

¹¹⁶ <http://www.michaelgeist.ca/2015/02/total-information-awareness-disastrous-privacy-consequences-bill-c-51/>

¹¹⁷ <http://www.liberal.ca/remarks-by-justin-trudeau-on-bill-c-51/>

¹¹⁸ <http://xroads.virginia.edu/~hyper2/thoreau/civil.html> paragraph 10

much they don't know, they are all molded by the corporate power structure that controls Washington from Wall Street to use a symbolic tour." Ralph Nader¹¹⁹

I have found that often during the course of a conversation, especially with younger people I mention the number \$16 Trillion was stolen and most of the time this fact is met with indifference. I believe that part of the reason for this reaction is lack of reference. So here are few illustrative examples;

16,000,000,000,000

The cost of a large new modern bridge is approximately 3.3 Billion¹²⁰.

$$\frac{16,000,000,000,000}{3,300,000,000} = 4,848 \text{ bridges}$$

That number is still too ethereal, how about 1000 cities each getting 4.8 state of the art bridges?

According to Presidential Candidate Hillary Clinton for every Billion dollars spent on infrastructure this creates nearly 48,000 jobs¹²¹

Or

$$\frac{16,000,000,000,000}{7,240,000,000 \text{ people}} = 2,200^{122}$$

The US Government could have given **every living person** a gift of **\$2200.00**

$$\frac{16,000,000,000,000}{5,270,000,000^{123}} = 3,036 \text{ times}$$

They could have paid off the entire MBS¹²⁴ market and boosted spending elsewhere

The money is gone

***You have the power to non-violently stop your brothers/sisters
from hurting you and your family
stop participating***

Ask any school aged child what happens when only one person dominates a team game entirely to their advantage.

¹¹⁹ http://www.democracynow.org/2015/5/18/ralph_nader_on_bernie_sanders_presidential

¹²⁰ <http://www.pmh1project.com/info-centre/faq/Pages/Project-Cost-Timing.aspx>

¹²¹ <http://www.presidency.ucsb.edu/ws/?pid=77066>

¹²² <http://www.census.gov/popclock/>

¹²³ <http://www.newyorkfed.org/research/epr/2013/1212vick.pdf>

¹²⁴ Mortgage Backed Securities

***** I highly recommend consulting an accountant to assist each of you with your unique situations. *****

Extremely important to Note - if you withdraw the cash from the trading account there could be taxation repercussions.

1. Sell (liquidate) as many financial (paper) assets as possible:
 - Stocks
 - All Bonds including Government Bonds
 - Mutual Funds including Money market fundsAll these assets can be sold and the proceeds can sit in all types of accounts as cash without any tax implications..
2. Leave the futures and foreign exchange markets (close the account to resist temptation 😊)
3. Pay off all credit cards as soon as possible and then close the accounts****
4. Pay off all loans and credit facilities when possible
5. Move as much of your business from the (too big to fail) institutions to smaller government backed financial institutions.

The idea is to remove the income that supports the institutions in favour of the status quo and awaken the rest of society (if financial assets suffer significantly, the majority of people will seek an explanation)¹²⁵.

Why and how will this make a difference?

1. Hypocrisy – who are you?
2. Payback! Many of the institutions that stole tax payer funds under the guise of “bailouts” and “quantitative easing”¹²⁶ have large positions in the markets
3. HFT’s will no longer be stealing from you
4. Greed! If the majority of participants agree with my reasoning they may sell before you

¹²⁵ <http://www.washingtonsblog.com/2009/11/investor-psychology-fear-turns-people-into-sheep.html>

¹²⁶ <http://www.washingtonsblog.com/2012/12/quantitative-easing-benefits-the-super-elite-and-hurts-the-little-guy-and-the-american-economy.html>

5. Leave the futures market, it is highly probable due the leveraged nature of the products that parasitic HFT's are most common here¹²⁷. Let them feed upon each other
6. Credit card companies are symbolic, if the health of those largest providers suffers people will seek an explanation- please note you may want to keep 1 credit card with a small credit limit for online use.
7. Feel the wind in your hair, look upon your community's kids with a new hope
8. More payback, take back the power of the people¹²⁸
9. Drive home the point that you do not agree with the current situation
10. It will likely take public awareness of unprecedented proportions, I hope and pray that sympathizers with significant public audiences will welcome resource based transparency into their lives and further evangelize these ideas.
11. Go one day at time without looking up the level of the TSX, NYSE, FTSE, CAC, DAX, Hang Seng, Nikkei or the Nasdaq etc. (just try), think of those other non-harmful activities you used to love to do, and then do one!

From a personal or family perspective what will life look like after? On a daily basis you will be operating on a cash basis, you should have more time to allocate to yourself, your family and the pursuit of happiness (assuming you do not equate happiness with the financial system). Hopefully you will be more rooted in who you are, making you less susceptible to propaganda and personal hypocrisy. You can predictably add to your retirement savings and not fret over volatility.

Ideally, the NDB (New Development Bank) will alter¹²⁹ plans for it's new currency and back a global decentralized currency running it alongside other spot (the futures markets are closed) currencies which would allow conversion and eventual cannibalization of the US dollar based system, like the adoption of a better energy source. It would be even better if the western world were to participate in the creation and implementation of the new currency and tax for the following reasons:

1. Solidarity – the more participants the faster acceptance and adoption
2. Expertise – the greater the number of minds cooperatively working on a problem the better
3. Perspective – proper management of our different perspectives lend to the whole
4. Balance of Power – for better or worse, it can be argued that since American financial hypocrisy was laid bare in 2008, American influence and leadership has waned, when a more egalitarian alternative surfaces it will be important to be a contributor
5. Familiarity -

If mainland China and/or Japan for any reason wanted to force, the United States to a negotiating table they could simply by selling (or threatening to sell) a significant proportion (or all) of their US treasuries.

¹²⁷ See chapter __ HFT

¹²⁸ <http://www.washingtonsblog.com/2015/05/how-to-change-the-world-overnight.html>

¹²⁹ if the structure is similar the structural deficiencies will remain

This could all happen rather quickly not allowing for an intentionally comprehensive update that addresses many of the current flaws.

Table 1

MAJOR FOREIGN HOLDERS OF TREASURY SECURITIES				
(in billions of dollars)				
HOLDINGS 1/ AT END OF PERIOD				
Country	Feb	Jan	Dec	Nov
	2015	2015	2014	2014
	-----	-----	-----	-----
Japan	1224.4	1238.6	1230.9	1241.5
China, Mainland	1223.7	1239.1	1244.3	1250.4
Carib Bkg Ctrs 4/	350.6	340.1	335.9	335.7
Belgium	345.3	354.6	335.4	335.7
Oil Exporters 3/	296.8	290.8	285.9	278.9
Brazil	259.9	256.5	255.8	264.2
Switzerland	201.7	205.5	190.1	183.8
United Kingdom 2/	192.3	207.4	188.9	174.3
Luxembourg	179.2	176.0	171.8	166.6
Hong Kong	175.4	172.0	172.6	165.6
Taiwan	165.9	170.6	174.4	170.6
Ireland	138.0	137.1	138.6	127.4

I will repeat, we need to take baby steps, many of the international trade deals that have been and will be negotiated are examples of these small steps. I do not condone any actions that are negotiated under a cloak or partial cloak of darkness. This is partly why I have elected to make this information free and available to all. Transparency helps to breed trust and of course opacity the opposite.

It is time to update and upgrade the debilitated and divisive financial system, in exchange for a decentralized global currency and associated progressive tax. There need not be any agreement in any other respects, many of us choose to live where we do because we appreciate the way of life experienced in that nation. This will have no negative effects on that experience; positive effects may be as follows:

Financial stability

Higher average standard of living as a result of the stability alone (less inequality)

Chapter 8 Concluding Thoughts

On Resources

The current financial system's inherent flaws are exacerbated by application of technological advances in the field. This amplification of the negative aspects in growing spheres of influence has been cleverly designed with reinforcing loops. The gradual gains (it is questionable if there are any) that the public experiences may be represented by a grain of sand in the collective sandbox.

Here is why

Example ;

Retail clients are typically charged 1-2% conversion fee for a foreign exchange transaction.

The estimated **daily** value of foreign exchange transactions is 5 trillion dollars.

If the average fee charged for the entire amount is only 1/10 of 1% the **daily** fee collection is;

$$5,000,000,000,000 * .001 = 5,000,000,000$$

This figure does not include the banks and other foreign exchange provider's market trading activities which likely includes the application of HFT programs.

This \$5 billion may look familiar, it is (roughly) the same figure that the financial regulators heralded as a victory¹³⁰.

I hope that my illustrations of numbers in the trillions of dollars found in chapter 7 help the public to conceptualize what is actually happening. They have stolen not only this generation's resources but the resources of generations to come.

On Violence

I hope to dissipate any lingering illusions of the collective conscious that there are any positive effects of any kind in the application of violence to resolve an issue or dispute.

On Hypocrisy

In my past I have faced the demons of alcohol and pornography, sometimes winning, sometimes losing. To this day I struggle to be a good Christian man following in the steps of Christ, I accept that I must constantly guard the world against my instinctual responses and allow time for my "rider" to shape my response. I must balance my personal hypocrisy with that of being a Canadian and member of human society. By "balance" I mean that I have to recognize the unintentional as well as the intentional bad things I have done, Canadians have done and society has done in the past, work to redress those wrongs

¹³⁰ <http://uk.reuters.com/article/2015/05/20/uk-banks-forex-settlement-idUKKBN0O50CM20150520>

(if possible) and ensure that similar occurrences do not happen again. I fully acknowledge that I fail daily to attain my perception of the values of a good man, and daily I struggle to improve. I invite you to look at yourself, and actually contrast what your values are with your daily actions.

Forgiveness; a cornerstone of Christianity, coupled with Love has the ability to accomplish anything. History is replete with examples and so it shall be until the end of time. Will we learn the lessons of history?

On Behaviour

The observations I have made regarding behaviours are just that, observations. I am not an expert in psychology or counselling, but that does not invalidate what I have stated especially when you do not have to go far to find similar professional opinions¹³¹. I feel there is a strong link between the economic structure and an individual's perceptions and behaviours. Having worked in the industry I have experienced some financial institutions modifying behaviour. In Canada the government has maintained greater control of this behaviour modifying power, to the benefit of the public. In the US, the public is relatively unprotected as shown in the example under the "On Resources" subsection and to make matters worse; absolute power corrupts absolutely. The small modifications in behaviour I was a part of when working within the financial industry foretold of the power wielded by those at the top.

No human or even group of humans should possess this power.

On Education

Over time, we have come to realize that a minimum level of education is necessary for an individual to enjoy even the most basic standard of living. Thus we as a society have agreed to provide that education altruistically. In today's society that minimum level of education has increased along with our capabilities and sophistication; is it not fitting that we recognize this fact?

On Current Developments

Chapter 9 My Background

Who I am and Where I came from

My strengths lie in macro-economics, most financial products¹³², valuation, projections, researching and risk analysis. For those that believe that it is important that you understand the perspective from which the material that you are reading was generated. Here is a summary of relevant education and experiences.

Formal Education

¹³¹ <http://www.apa.org/topics/bullying/>
<http://www.apa.org/topics/violence/>

¹³² Emphasis on leveraged products

My formal education was history, economics, and finance with a heavy emphasis on derivatives (options, futures, futures options and forwards)¹³³. During my 11 year career I took on several roles within the Canadian banking system and ended up spending most of that time as an Investment Advisor (commodity broker) for private companies¹³⁴.

There were certain aspects of the financial industry that attracted me as a youth:

Challenge – I felt that here was a playing field that was equal to all participants and rewards would reflect the overall skill of the trader.

Reward – If you worked diligently, honestly, and persistently you could achieve significant rewards.

Influence – With the vast rewards I wanted to positively impact peoples' lives through philanthropy and policy change from the top down.

With these goals in mind I set off on my journey to try to positively impact the world. I started out with my financial career and simultaneously kicked off a political career, later on I would return to the church when I recognized I must explore spirituality.

My financial career

I started out working with two of Canada's primary banks which was great experience and provided me with an in depth understanding of the way they function. I started out as a Manager of Customer service on the banking side¹³⁵ of the industry. Here I learned how a bank functions from an administrative point of view, and I witnessed the conversion of the primary focus from excellent client service, to trying to sell as many bank products as possible. At the time I was far more interested in the investment side of the business, in particular the options and futures¹³⁶ markets. Following my interests, I obtained the necessary education and left one bank for another banks' investment arm.

There were some defining moments within my financial career that are relevant to the information that is included in this book:

- My first day on the job as an Investment Advisor, I was informed by the man responsible for business expansion that, "you eat what you kill!" he declared proudly. I knew that before I signed up however this declaration made me uneasy, and at the time I did not know why, so I continued with the original plan.
- I found that my love for macroeconomics was extremely useful in forecasting events. At the time I used it to provide forecasts for my clients.
- I discovered that success was not only partly defined by diligence, honesty, and persistence. I found that marketing, aggressiveness, and connections played much more significant roles.
- Realized that greed is the all encompassing driver of most financial institutions
- The forecasting abilities that gave me a competitive advantage over much of my competitors made me arrogant and eventually got me fired.

¹³³ The most leveraged products available to the public at the time

¹³⁴ Private companies allowed me the freedom to provide clients with investment advice I felt was the best

¹³⁵ At the time, there was significant segmentation of the industry

¹³⁶ Financial instruments which provide significant leverage as well as flexibility

Experience with the political system

My experience in the field of Canadian federal politics was also most enlightening , I took an active role soon after joining the Reform Party of Canada to learn as much as I could and advance within the ranks. Advance I did, because the riding that I was in was very left wing, there were not many people who were willing put in time with a centre right party. In 2006 I became the Conservative¹³⁷ party candidate (federal) for Winnipeg Centre¹³⁸. Leading up to the 2006 campaign I spent the majority of my time and a significant amount of my own resources preparing. I got to know all of the influential people within the riding and based on their recommendations and assistance; I formulated a plan that had the greatest probability of success in our opinions. To make a long story short, the plan included several members of the community as part of the campaign team and failed to include most of the party's riding board members. The party strategists had already written off the riding because of its' history of voting left wing¹³⁹. The riding board members predictably (I was naïve) took offense to not being included, called in some favours and had me removed as the candidate. This was a most enlightening and painful experience but there were some very valuable lessons for me.

Chapter 10 Corporate Immortality

In the following pages I will introduce and describe in detail a futures trading strategy that can provide an income stream to sustain your corporation or institution as long as the current futures market exists. This strategy is superior to others for the following reasons:

- Emotional pitfalls are removed
 - Very systematic
 - Based entirely on numerical input
 - Higher probability of generating income
- *** No need for signals of any kind
- *** No need to monitor the news
- *** No need to understand how or why a market moves
- *** You do not need to (but you should) understand how futures work

I give this knowledge to my readers in the hopes that they may come to realize that technology has evolved and steps are needed to restructure the markets, before it disintegrates in a manner that cannot survive, as it did in 2008.

¹³⁷ By this time the parties were amalgamated into the 'Conservative party of Canada'

¹³⁸ <http://www.punditsguide.ca/tag/candidates-stepping-down/>

¹³⁹ This was explained to me in one of two interviews with the Party's President regarding my planning.

The following is a brief explanation of the motivation and consequence of the creation of the futures market. I will show that today's markets no longer ensure orderly and fair trading for all parties.

"Those civilizations which were able to ensure the orderly flow of needed commodities over key trade routes became extremely powerful in the ancient history of futures trading annals.

Throughout history, a civilizations' trading power evolved into a highly respected trust factor by surrounding kingdoms...due to the ability to guarantee important trade and commerce to and from their own, and neighboring kingdoms.

The trust that powerful and successful trading kingdoms gained, allowed them to become arbitrators - - - ancient futures commodities markets oversight and regulators of sorts - - - resolving trading disputes in the long-ago history of futures trading.

This helped ensure orderly and fair trading for all parties."¹⁴⁰

The bracket trading system

Imagine that the price of a currency, commodity, or index of any kind is represented by a rope (see figure 1) and then lay two ladders on either side of the rope, the rungs of the ladders are offset with each other. Each rung of the ladder represents a trade. **THIS IS A TEST REFERENCE: SEE Error! Reference source not found.**

One ladder represents trades profit when the market moves up (increases in value, referred to as being **long**) and one ladder represents trades that occur when the market moves down (decreases in value, referred to as being **short**). The beauty of this system is in the fact that you can play both sides of a market from both sides at the same time. Currently this is only feasible in the futures¹⁴¹ markets because of the nature of the instruments themselves. Each product has derivatives¹⁴² which expire at different points in time (figure 2¹⁴³), this feature allows you to be long and short the same product at the same time. In other words, you can own the product and owe the product simultaneously, the only difference between the two is their expiry dates.

Table 2: Canadian \$ products, Delayed Futures - 15:20 - Saturday, February 14th

Contract	Last	Change	Open	High	Low	Volume	Prev. Stl.	Time	Links
Cash (D6Y00)	0.80300s	0.00354	0.79917	0.8044	0.79764	0	0.79946	02/13/15	C / O / T
Mar '15 (D6H15)	0.80150s	0.0007	0.7991	0.8047	0.7972	43346	0.8008	02/13/15	C / O / T
Jun '15 (D6M15)	0.80080s	0.0006	0.7987	0.8039	0.7967	300	0.8002	02/13/15	C / O / T
Sep '15 (D6U15)	0.80050s	0.0007	0.8004	0.8024	0.7995	86	0.7998	02/13/15	C / O / T
Dec '15 (D6Z15)	0.80040s	0.0005	0.8035	0.8035	0.8004	33	0.7999	02/13/15	C / O / T
Mar '16 (D6H16)	0.80080s	0.0005	0.8025	0.8025	0.8008	1	0.8003	02/13/15	C / O / T
Jun '16 (D6M16)	0.80180s	0.0005	0	0.8018	0.8018	0	0.8013	02/13/15	C / O / T
Sep '16 (D6U16)	0.80290s	0.0004	0	0.8029	0.8029	0	0.8025	02/13/15	C / O / T

¹⁴⁰ <http://www.futures-trading-mentor.com/history-of-futures-trading.html>

¹⁴¹ Futures on stocks did exist briefly but I can no longer find a market that trades them

¹⁴² <http://www.investopedia.com/terms/d/derivative.asp>

¹⁴³ <http://www.admis.com/quotes-charts-news?page=quote&sym=D6H15&mode=i>

Dec '16 (D6Z16)	0.80390s	0.0004	0	0.8039	0.8039	0	0.8035	02/13/15	C / O / T
Mar '17 (D6H17)	0.80490s	0.0004	0	0.8049	0.8049	0	0.8045	02/13/15	C / O / T
Jun '17 (D6M17)	0.80630s	0.0004	0	0.8063	0.8063	0	0.8059	02/13/15	C / O / T
Sep '17 (D6U17)	0.80760s	0.0004	0	0.8076	0.8076	0	0.8072	02/13/15	C / O / T
Dec '17 (D6Z17)	0.80890s	0.0005	0	0.8089	0.8089	0	0.8084	02/13/15	C / O / T
Mar '18 (D6H18)	0.81010s	0.0004	0	0.8101	0.8101	0	0.8097	02/13/15	C / O / T
Jun '18 (D6M18)	0.81140s	0.0004	0	0.8114	0.8114	0	0.811	02/13/15	C / O / T
Sep '18 (D6U18)	0.81270s	0.0004	0	0.8127	0.8127	0	0.8123	02/13/15	C / O / T
Dec '18 (D6Z18)	0.81400s	0.0004	0	0.814	0.814	0	0.8136	02/13/15	C / O / T
Mar '19 (D6H19)	0.81530s	0.0004	0	0.8153	0.8153	0	0.8149	02/13/15	C / O / T
Jun '19 (D6M19)	0.81660s	0.0004	0	0.8166	0.8166	0	0.8162	02/13/15	C / O / T
Sep '19 (D6U19)	0.81790s	0.0004	0	0.8179	0.8179	0	0.8175	02/13/15	C / O / T
Dec '19 (D6Z19)	0.81920s	0.0003	0	0.8192	0.8192	0	0.8189	02/13/15	C / O / T



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For example you can be **long** the Jun Canadian dollar contract and **short** the Sep Canadian dollar contract, effectively giving you no real position on the Canadian dollar. So think of it as trading two different markets of Canadian dollars, one that expires on the 3rd Friday in June and one that expires on the 3rd Friday in September. As such trading on both markets at the same time is common usually in the form of a time spread or in a variation such as the one I am highlighting here. I invite non-traders skip to the conclusion on page – or risk having their eyes glaze over 😊.

Let's look at the mechanics of the strategy.

Using our Canadian dollar example upon first glance there does not appear to be much to be gained except the difference between the prices of long and the short position. But when we combine the rungs of the ladder (see figure 2) the brackets allow us to take advantage of the volatility indefinitely as long as we have the ability to meet the margin requirements, providing the trader with an almost unbeatable stream of income. As long as two assumptions are met this strategy is close to infallible:

1. We must assume that the product will never decline in value to zero
2. the associated volume will always be sufficient to absorb any required trades

A person or institution¹⁴⁴ with the resources could support the strategy indefinitely.

During my trading career I found that it was common for a futures' product to move as much as 2% daily probably averaging somewhere around 1% and I suspect that this is the norm. Exceptional moves of as much as 10% over a small time frame (1-10 business days) seem to occur roughly once every two years

¹⁴⁴ Such as an international financial institution

or less. This is significant for market participants that have limited access to resources, the larger market swings will force smaller traders out of the market. This show in figure 3.

Why is this significant and what does this mean numerically?

Let us look at our Canadian dollar example,
When implementing the strategy we would place all the orders at the same time GTC (good till cancelled) but here I will explain the structure step by step,

One contract of Canadian dollars represents 100 000 Canadian dollars multiplied by .01 (movement of the market) = 1000.00 if you guess the proper direction that the market is moving you have profited and if you chose incorrectly you have sustained a loss. Now the exchange only requires that you deposit 1100.00 US or about 11% to have the ability to control 1 contract, this product is leveraged almost 10 times.

Assume that the Canadian dollar is trading at par **1.0000** with the US dollar when you enter the market buying 1 contract of the Sep Canadian dollar (going long 1 Cdn dollar). If the Canadian dollar appreciates to **1.0100** where you sell the contract for a profit \$1000.00^{145 146} conversely if you sold one Sep Canadian dollar (went short) you would have lost \$1000.00 on paper¹⁴⁷. see figure 4

Now you expand the other rungs of the ladders,

Place buy orders for the Sep Canadian dollar @ the following prices;

- 1.000 (par)
- .9900
- .9800
- .9700
- .9600

Then we would place our offset Dec Canadian dollar contracts;

- 1.0050
- 1.0150
- 1.0250
- 1.0350
- 1.0450

Now look at figure 1 again, I would like you to understand that it does not matter which direction the Canadian dollar moves, you can profit as long as it moves.

Maintenance

¹⁴⁵ Most products are valued in US dollars therefore your profit would be in US dollars; for the purposes of this exercise we will not convert all values

¹⁴⁶ All transaction costs are ignored

¹⁴⁷ You do not have to close out the position and sustain a loss, if you deposit more money to maintain the position, the danger being you could lose more money if the market appreciates more and you could recover some or all of funds if the market declines

Keep in mind the visual of the ladders, this is a strategy for the persistent and one wishing to minimize risk there are no home runs.

At the moment we entered the market buying a **Sep** Cdn dollar at par we entered a sell order for that contract at 1.0100 (profit of \$1000). In our example the market moved to 1.0100 and we sold for the (1000.00 profit); at the same time the **Dec** Cdn slightly offset, moves with the **Sep** market¹⁴⁸. The order we entered to sell 1 **Dec** Cdn @ 1.0050 was executed and a sell order was immediately entered to buy back that contract @ 0.9950. So at this point our position and open orders would appear as seen in figure 5.

Should the market continue to fluctuate around par we would continue to methodically replace orders and slowly reap the benefits. At this point, now that all is in place and underway, the most challenging part is making sure that you do not miss placing an order as long as the market does not move excessively one way or the other.

Let us look at the worst case scenario and highlight how bad things can get.

Using the above example,

We find that something bad happens to the US dollar and the Canadian appreciates 20% within a few days. If we stick to our strategy we will be short 5 Dec cdn dollar contracts and have summed it up visually in figure 6. Here we can see:

Conclusion

Prior to the computer age all trades were required to be carried out manually; the execution and maintenance of a bracket trading system was difficult (I have done it for my former clients). The larger the number of contracts used, the more difficult it is to find sufficient volume. In the event you are attempting to run this system for multiple clients the difficulty also increases significantly.

With the advent of widespread futures computer trading (roughly 2011) computer trading for futures became widely available to the public (I remember beta testing one such program in 2010). Now such programs are quite common and many of the limitations of manually trading brackets no longer exist. Bracket traders are no longer limited by:

1. The number of clients participating
2. Execution
3. Maintenance
4. The Program would automate everything
5. In addition it could monitor trading in real time
6. Instantly make adjustments depending on beta¹⁴⁹ and/or delta¹⁵⁰ values

A large institution that may be too big to fail can be effectively immortal with the implementation of almost any computerized futures trading program. There would be virtually zero risk to the institution because:

¹⁴⁸ In this case about 20 pips or .0020, the reason for this, is to account for 3 months carrying cost

¹⁴⁹ <http://www.investopedia.com/terms/b/beta.asp>

¹⁵⁰ <http://www.investopedia.com/terms/d/delta.asp>

1. A computer program could react instantly to market conditions
2. high probability that fear will force taxpayers to pay for the corporation's losses in order to prevent a liquidation event that threatens the entire system
3. low probability that any popular futures product will lose all of its' value (delisted)

Individual speculators have about a 28% chance of success in the foreign exchange markets according to the National Futures Association¹⁵¹. Some of the common reasons individuals fail at trading are:

4. lack of monetary resources (unable to hold a position to the conclusion of a strategy)
5. emotional responses (arrogance, attachment and/or frustration to name a few)
6. lack of information

This strategy removes the majority of the potential for failure for individuals or institutions that have sufficient monetary resources.

HFT's are likely more numerous and more effective in the futures' markets due to their leveraged nature and the ability to trade different markets instantly. At 28% chance of success most traders are likely much better off facing the odds of Las Vegas or Macau not to mention far more entertaining. Hopefully, with widespread awareness of these odds and the realization that the markets now serve parasites not the investor, you will elect to remove your support.

Every futures¹⁵² market¹⁵³ in the world¹⁵⁴ currently has this structure¹⁵⁵ and is susceptible to this type of trading. Rules that may be implemented to preserve what little integrity the market may have are easily circumvented due to the existence of tax havens. The number of contracts (position limits) that a player is allowed to control, can and likely is being sidestepped worldwide, either by trading the same product (corn or gold) abroad legally through a subsidiary or by using an offshore corporation/s where their activity is not disclosed. No amount of regulation can prevent this type of strategy from occurring in current futures markets.

As visually described **above??** Anyone can do it, you do not need extensive education, you do not need to be more cunning or innovative than anyone else, you just need to be patient. This should dispel any argument that potential rewards must be connected with merit of some kind.

The structure of the system itself is outdated and steps are needed to proactively promote its evolution, before it disintegrates in a manner that cannot survive, as it did in 2008.

¹⁵¹ <http://www.bloomberg.com/news/articles/2015-01-22/currency-broker-fxcm-crippled-by-leverage-in-swiss-shock>

¹⁵² http://www.marketswiki.com/mwiki/Brazilian_Mercantile_%26_Futures_Exchange_Corn_Futures

¹⁵³ <http://moex.com/s696>

¹⁵⁴ http://www.cffex.com.cn/en_new/sspz/10t/

¹⁵⁵

<http://www.mcxindia.com/Uploads/Products/69/Copper%20August%20and%20November%202015%20Contracts.pdf>

Table 1

US Growth rates

	GDP percent change based on current dollars	GDP percent change based on chained 2009 dollars
1930	-11.9	-8.5
1931	-16.0	-6.4
1932	-23.1	-12.9
1933	-4.0	-1.3
1934	16.9	10.8
1935	11.1	8.9
1936	14.3	12.9
1937	9.6	5.1
1938	-6.1	-3.3
1939	7.0	8.0
1940	10.1	8.8
1941	25.7	17.7
1942	28.3	18.9
1943	22.4	17.0
1944	10.5	8.0
1945	1.6	-1.0
1946	-0.2	-11.6
1947	9.7	-1.1
1948	9.9	4.1
1949	-0.7	-0.5
1950	10.0	8.7
1951	15.7	8.1
1952	5.9	4.1
1953	6.0	4.7
1954	0.4	-0.6
1955	9.0	7.1
1956	5.6	2.1
1957	5.5	2.1
1958	1.5	-0.7
1959	8.4	6.9

1960	4.0	2.6
1961	3.7	2.6
1962	7.4	6.1
1963	5.5	4.4
1964	7.4	5.8
1965	8.4	6.5
1966	9.6	6.6
1967	5.7	2.7
1968	9.4	4.9
1969	8.2	3.1
1970	5.5	0.2
1971	8.5	3.3
1972	9.8	5.2
1973	11.4	5.6
1974	8.4	-0.5
1975	9.0	-0.2
1976	11.2	5.4
1977	11.1	4.6
1978	13.0	5.6
1979	11.7	3.2
1980	8.8	-0.2
1981	12.2	2.6
1982	4.2	-1.9
1983	8.8	4.6
1984	11.1	7.3
1985	7.6	4.2
1986	5.6	3.5
1987	6.1	3.5
1988	7.9	4.2
1989	7.7	3.7
1990	5.7	1.9
1991	3.3	-0.1
1992	5.9	3.6
1993	5.2	2.7
1994	6.3	4.0
1995	4.9	2.7
1996	5.7	3.8
1997	6.3	4.5
1998	5.6	4.5
1999	6.3	4.7
2000	6.5	4.1
2001	3.3	1.0
2002	3.3	1.8

2003	4.9	2.8
2004	6.6	3.8
2005	6.7	3.3
2006	5.8	2.7
2007	4.5	1.8
2008	1.7	-0.3
2009	-2.0	-2.8
2010	3.8	2.5
2011	3.7	1.6
2012	4.2	2.3
2013	3.7	2.2
2014	3.9	2.4

Source: Bureau of Economic Analysis – US Department of Commerce

<http://www.economist.com/blogs/graphicdetail/2013/04/daily-chart-11>

US tax rates for the rich 1945- 2010

<http://graphics8.nytimes.com/news/business/0915taxesandeconomy.pdf>

part of conclusion

There is no good reason why so many must suffer while so few enjoy any pleasure they wish. Throughout history the people have periodically demanded greater equality which has manifested itself both violently and non-violently. A few examples are:

- American Revolution
- French Revolution
- American Civil War
- Bolshevik Revolution
- Nazi Revolution
- Indian Independence
- Romanian Revolution
- South African Independence (1994)

I suggest that we transition non-violently to a world that is more egalitarian, productive, and focused in a macro sense.

Transparency through the public posting of all finances (corporate and personal) would be a huge step towards eliminating disparities. I have shown there are a number of issues that transparency would likely minimize if not eliminate entirely (some are, but not limited to):

- Human slavery
- Gender pay gap
- Supplying arms
- Tax evasion

It is shameful that statistics actually exist today of a gender pay gap.