



## **Don't Bank On It! ~ “QUOTES” ~ 15 Hot Topics**

(Modern Banking, U.S. History, The Economy, Big Gov't, Cyber-Threats, EMP Risks, Taxes, Federal Reserve, U.S. Dollar, Cashless Society, The Great Recession, The Great Withdrawal, The Future, Retirement Accounts, Safe Haven)

### **MODERN BANKING**

***“Could the bank we trust to safeguard our money now be one of the riskiest places to put it?” (Page 9)***

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*“When you open a bank account you are taking a risk. You are making an investment, gambling with the fruits of your labor. The risk you take by trusting your money to a bank...is far greater than most people realize -- and that risk is rapidly increasing.” (Page 213)*

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*“Bank accounts have become a lose-lose investment in which you either lose a little, a lot, or everything. And unlike a casino, your bank gives you zero hope or chance of winning big. The longer you keep your money in the bank, the more you stand to lose.” (Page 214)*

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*“‘Modern cities,’ said architect Frank Lloyd Wright, ‘have banks and prostitution and not much else.’” (Page 132)*

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*“Would you risk your life savings by betting that none of these bank gatekeepers would ever accept a bribe? Or be swayed by personal or ideological motives? With billions or even trillions of dollars and the outcome of a power struggle for world dominance at stake, how big a bribe might these gatekeepers be offered by a foreign government such as China? Truth be told, you are betting your bank deposits on this risk right now....and being paid near-zero in interest by your bank for taking this gamble.” (Page 31)*

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*“When fined, bankers understand that no matter what violations of law they are accused of committing, none of them will go to jail so long as they pay the millions or billions of dollars the politicians demand. This has become the tradeoff for banker acquiescence, compliance and submission.” (Page 182)*

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*“Because fractional-reserve banking adds this risk of bank runs to the economy, it makes a society more vulnerable and unstable. It has the potential to turn every rumor or problem into a crisis. When you deposit*

money into a fractional-reserve bank, the court held, the bank actually becomes the de facto owner of an unsecured loan or asset you have given it. The receipt or passbook that you walk away with and think of as evidence of “your” bank account is instead an IOU.” (Page 65)

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“In 2013 and 2014 the Obama Administration shook down JPMorgan for \$15 Billion, Bank of America for \$16.65 Billion, Citigroup for \$7 Billion, Goldman Sachs for \$3.15 Billion, and is preparing many more cases to make such bank stickups routine. Former Wells Fargo Chairman and CEO Dick Kovacevich calls this ‘a pattern of the government extorting the banks.’” (Page 156)

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“Many expected Dodd-Frank to curtail or even break up ‘Too Big To Fail’ banks. Instead, it created a new ‘Financial Stability Oversight Council’ [whose] job includes “identifying systemically important financial institutions (SIFIs)..... [As] Heritage Foundation analyst Norbert J. Michel puts it, this council does not intend to eliminate entities ‘Too Big To Fail’ .... It is, on the contrary, ‘helping to enshrine’ them.” (Page 160)

## U.S. HISTORY

**“Most of our ancestors pulled up roots in their original homelands and came here in search of freedom and the right to earn and own property. American Exceptionalism exists, in part, because we are a self-selected nation whose people carry the genes of brave pioneers who moved here for religious and economic liberty....”**

“American DNA may disproportionately carry what geneticists call D4-7 dopamine receptor alleles that predispose many of us to migration, risk-taking, novelty-seeking, exuberance, ambition and love of individual liberty and enterprise.” (141)

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“As Karl Marx and Friedrich Engels wrote in 1848 in *The Communist Manifesto*, one of the 10 best ways to destroy capitalism is for government to seize power over all lending and credit. Imposing raw government control over the two banks, Fannie and Freddie, which now own or guarantee roughly 50 percent of new American mortgages, is a huge step towards this Marxist objective. The profits from these two banks now go to enrich and enlarge the government.” (Page 116)

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“Vladimir Lenin, founder of the Communist Soviet Union, said that the way to destroy the capitalist bourgeoisie was to ‘grind them down between the wheels of taxation and inflation.’ This is precisely what liberal presidents since Richard Nixon have done.” (Page 126)

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“...during the years before the War Between the States, the \$10 note issued by the Citizens’ Bank and Trust Company of New Orleans, chartered in 1833, may have been the most popular and trusted paper currency in many Southern states.”

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“Because its customers included Louisiana Cajuns, Creoles and other French- speaking Americans up and down the Mississippi River, this \$10 bank note in one corner carried the large letters “DIX,” French for ten.”

“These bank notes were quickly nicknamed Dixies, and the Southern states where they were in wide circulation came to be called “the land of Dixies,” or Dixieland, or simply Dixie.” (Page 77)

*“The Union called its paper fiat money ‘Greenbacks,’ because of their color, the same color as our fiat paper money today. The U.S. Government insisted that Greenbacks were genuine money. It paid Union troops in this paper fiat currency. Greenbacks, however, cannot even be called true legal tender because for some of its own taxes – especially tariffs – the Federal Government refused to accept payment in Greenbacks. It insisted on payment in gold.” (Page 77)*

## THE ECONOMY

*“Our Age of Progressivism has put banks in a slow, downward death spiral to their doom, at least as we have known them. The past century of Progressive economics has brought us to this point: a near-stagnant economy in a welfare state where roughly half the population gets some kind of government benefit.”*

*“To pay for this, America’s central bank – the Federal Reserve – and the government’s Treasury Department have been conjuring more than \$1 Trillion each year by one or another monetary manipulation. This new money is no longer backed by gold, nor even printed on paper. It exists simply as electronic digits flickering through vulnerable centralized computer systems....like what Thomas Jefferson called paper, the ‘ghost of money and not money itself.’” (Page 180)*



*“By flooding banks with money conjured out of thin air, the Fed has put banks in a liquidity trap. And by keeping interest rates near zero, the Fed has given near-zero incentive to lenders, including savers who have lent their deposits to banks; this has impaired genuine investment capital formation, hiring and economic growth.” (Page 162)*



*“Only 101 million Americans now have full-time jobs, and of these only 86 million work in the private sector where their paycheck does not come from other people’s taxes. This is the lowest full-time job participation rate since Jimmy Carter, the president who turned off the lights in the White House and in the American economy. These full-time workers are the ones who make the goods and pay the majority of personal income taxes, who pull the wagon that everybody else rides in.” (Page 163)*

## BIG GOVERNMENT

*“‘The urge to save humanity,’ wrote H.L. Mencken, ‘is almost always a false-face for the urge to rule it.’” (Page 183)*



*“Our banks and money are being manipulated to serve the same political agendas. We should be thinking of our banks and our dollar as our two intertwined ways we can save – and others can expropriate – the fruits of our labor.” (Page 12)*



*“Roughly 18 percent of bank assets are on loan to the government. And roughly 40 percent of America’s entire Gross Domestic Product comes from federal, state and local government spending.” (Page 185)*



*“The biggest power of Congress is in its control of government purse strings. Circumventing congressional power to cut the funds of this new agency set a precedent for establishing a whole new level of government that cannot be held accountable by the people’s elected lawmakers. This is one of many recent expansions of power for the Federal Reserve.”*

*“The CFPB, its critics warn, can assert regulatory power over literally every kind of commercial transaction in*

*the U.S. economy, including lending and other bank and bank-like activities. In theory, by enforcing its power and dictates over more and more businesses, this new bureau could quickly grow into the most powerful single regulatory agency in our government.” (Page 93)*



*“The modern welfare state and ‘Too Big To Fail’ policies of the Fed and government, on the other hand, protect others from risk. But in the natural world, we ought to invest our lives and fortunes based on a prudent consideration of risk and reward.” (102)*



*“Progressives talk as if tax havens were pirates that rob noble high-tax welfare states of urgently-needed revenues. This is nonsense, like the usual ‘rob the rich, give to the poor’ Leftist misinterpretation of England’s legendary Robin Hood. The original tale makes clear that Robin Hood took from the government – the Sheriff of Nottingham and a wicked king – and returned to the people the money government had stolen from them.”  
“The real pirates are governments that expropriate more than half of the average citizen’s income in federal, state, local and hidden indirect taxes. Tax havens give citizens a way to vote with their feet against being a minority robbed by the discriminatory, unequal Progressive taxes of these pirate governments.” (Page 151)*



*“In America today, almost no enterprise is more regulated than banking. And every regulation is one more pressure point – choke point, if you will – that can be pressed to extort from banks whatever Progressive politicians desire.”*

*“Then, whenever bank policies cause public upset, the same politicians enriched by the banks will mount the nearest soapbox to attack ‘those greedy bankers’ for not paying higher interest rates to savers or giving more subprime mortgages to those who are bad loan risks.” (Page 184)*

## **CYBER-THREATS**

***“No wonder that modern digital bank robbery is now epidemic.” (Page 14)***



*“...Jesse James today could not steal your savings or identity, yet hackers and cyber warriors might be able to rob you within milliseconds from the far side of the world.” (Page 15)*



*“A modern criminal gang can steal not only what you saved in past years but also your present financial identity and future credit. Stagecoach robbers used to demand ‘your money or your life.’ Today’s cyber criminals can, in a very real sense, rob you of both at the same time.” (Page 25)*



*“Our government, economy and society have become totally dependent on centralized computer networks to move, record and safeguard our transactions and even our individual and company identities. What will happen when an enemy finds ways to unplug – or, perhaps worse, to pour vast amounts of false information into – our computer systems?” (Page 26)*



*“Government agencies, corporations and banks could already have dormant “mole” programs undetected in their computer networks. Hackers and foreign agents can activate such moles from far away at an opportune,*

*coordinated moment to bring down entire major banks or our banking system.” (Page 26)*



*“Governments also see opportunity in any cyber-currency willing to bend its knee to politicians. Politicians are eager to move from hard-to-track physical money to a ‘cashless society’ in which all future transactions are merely electronic impulses passing through – and being taxed automatically by – government-monitored computers. A politically-submissive Bitcoin-like currency would be a huge step towards ‘cashless’ control.” (Page 194-195)*

## **EMP RISKS**

*“A similar threat to our computer-dependent civilization could be EMP (Electro-Magnetic Pulse) from, e.g., a small 3-5 kiloton terrorist nuclear device lifted to 110,000 feet above America’s heartland via a simple weather balloon. Its detonation theoretically could in an instant fry computer chips, circuits and power grids in a circle more than 800 miles across.”*

*“Such a blast east of Cleveland might wipe out electronics from Chicago, Toronto and Indianapolis to New York City, Philadelphia and Washington, D.C. Above Dallas, it could wreck computers as distant as Houston, Austin, San Antonio, Tulsa, Little Rock and Baton Rouge. Triggered above Tallahassee, it might devastate computers from Miami to Tampa and Orlando, and as far away as Atlanta, Nashville and New Orleans. Detonated east of Santa Barbara, California, it might scramble computer brains from San Diego and Los Angeles to San Francisco and Silicon Valley, and from Las Vegas and Reno potentially to as far away as Phoenix. Above Seattle, such a blast could also take out computers in Portland, Oregon, and Vancouver, British Columbia, as well as computerized companies Microsoft and Amazon. In Europe, such a blast above Frankfurt, Germany could crash computers from London and Paris to Copenhagen, Zurich, Milan and Berlin. Such terrorist attacks could also massively disrupt government and banking electronics in all these places. A single EMP attack might reach even farther, perhaps coast to coast....” (Page 43-44)*

## **TAXES**

*“‘The power to tax involves the power to destroy,’ wrote Supreme Court Chief Justice John Marshall in his 1819 ruling that the State of Maryland could not legally tax a branch office of the Second Bank of the United States. Today we should add: ‘The government’s power to tax and regulate involves the power to destroy.’”*

*“America’s regulatory agencies are increasingly ‘weaponized,’ holding and forcefully using ever-expanding powers that, if politicized, can crush individuals, companies and entire industries at the mere whim of unelected bureaucrats and partisan or ideological politicians.” (Pages 105-106)*



*“As President Ronald Reagan...argued, citizens should be required to write one huge check to the IRS every year so that taxes hurt. This...would give citizens a more realistic sense of their relationship to government than does paying steady, unnoticed withholding taxes out of every paycheck all year long.”*

*“For an even better sense of taxation, paying this one huge annual check to the IRS should be required one day before election day, when you vote for the politicians who are taking and spending your money. Tax day should not be as the politicians set it up, with April 15 as far away as possible in the calendar from November election days.” (Page 100)*



*“Government tax and regulatory policies are snatching away our earnings, in part by making almost everything we buy more expensive. Because of this, the American working class has scarcely increased its real purchasing*

power in almost 40 years...”



*“The suburbs, beginning after World War II, were where city dwellers moved to escape urban crime and decay. This infuriated Progressives, who saw suburbs as tax havens just beyond the greedy grasp of city tax collectors. Without such taxes, it has been difficult to fund their welfare city-states of many takers and few makers.” (Page 132)*

## FEDERAL RESERVE

***“Easy money has always been a feelgood drug, a hallucinatory and addictive drug. One problem with addictive substances is that the user requires an ever- increasing dose to get the desired effect. The Fed has been a pusher, willing and able to give the stock market its needed fix of easy money..... The stock market has been high on and addicted to a drug that most economists know is now doing more harm than good.” (Page 91)***



*“...the Federal Reserve, incredibly, is considering whether to pay banks up to \$100 Billion per year not to lend to main street businesses.” (Page 92)*



*“Fed stimulus and the redistributionist state were adopted in part as ways to even out the sharp oscillations of the Boom and Bust cycle. Both have created a drug- like dependency, and hence a constituency of voters. And both have caused more harm than good because they are simply the wrong treatment for what ails our economy and society.” (Page 102)*



*“Stealth aircraft are said to need a computer to fly them because their odd aerodynamic shapes require adjustments many times each second to keep the airplane flying. Our economy now operates so far from the self-balancing natural mechanisms of the free marketplace that politicians feel a need to tinker with it constantly to prevent a crash. In the process, they have made our system increasingly unstable.” (Page 102)*



*“It is a sobering fact that the prominence of central banks in this century has coincided with a general tendency towards more inflation, not less,” wrote former Federal Reserve Chairman Paul Volcker in 1994. “By and large,” wrote Volcker, “if the overriding objective is price stability, we did better with the 19th Century gold standard.... The truly unique power of a central bank,” wrote Volcker, “is the power to create money, and ultimately the power to create is the power to destroy.” (Page 189)*

## U.S. DOLLAR

***“Our enemies’ goal is to create a major financial panic that would discredit the U.S. and our already-debased dollar, which has lost 98 percent of its purchasing power since the Federal Reserve was created in 1913.... A cyber attack on the U.S. Dollar could happen at any time - without warning. Therefore, holding significant wealth in stocks, bonds and banks has never been riskier.” (Page 46)***



*“Inflation began rising as succeeding rulers enjoyed the royal prerogative of manufacturing money. The Chinese took to calling paper money “wind money” because its value could so easily and quickly blow away. When a ruler can have all the money he desires simply by printing it, how long will he or she resist this temptation? How long could you if you had the power to conjure vast amounts of money?” (Page 59)*



*“Today the successful Middle Class American, whose dollar income (but not purchasing power) has risen mostly because of inflation, now pays a confiscatory tax rate that was originally supposed to rob only the rich.” (Page 127)*

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*“Inflation is a hidden tax that relentlessly expropriates money from such savers’ bank accounts and allows governments to steal its value merely by printing debased fiat money.” (Page 171)*

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*“The Fed, according to the Government Accountability Office, from 2007 through 2010 committed \$16.115 Trillion in various loans to rescue banks. However, today’s biggest banks have stratospheric exposure to derivatives that even the Fed would find hard to bail out: reportedly at least \$44.19 Trillion for Goldman Sachs, \$50.13 Trillion for Bank of America, \$52.1 Trillion for Citibank, \$70.15 Trillion for JPMorgan Chase, and \$72.8 Trillion for Deutsche Bank. Just 9 major banks on which the world economy depends have derivative exposure of more than \$290 Trillion in a global \$693 Trillion derivatives market! Listen for a moment and you can hear this time bomb -- called by Warren Buffett a “Financial Weapon of Mass Destruction” -- ticking. If this explodes, neither the Fed nor the FDIC could put your bank or deposits back together again. The paper dollar would be ashes to ashes, dust to dust.” (Page 187)*

## **CASHLESS SOCIETY**

*“The cashless society is almost a reality in Sweden. Only three percent of transactions there are done using cash, and most of these are small – for cups of coffee or snacks. Fully 97 percent of transactions in Stockholm now happen via credit cards, smart phones, checks or other means of transferring disembodied money that now exists almost entirely as flickering digital signals inside computer circuits.” (Page 24)*

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*“As we plunge into the ‘cashless society,’ banks as we have known them will begin to vanish.... Soon your cell phone or tablet will be your bank, holding your electronic wallet – and behind this, whether heavily publicized or not, will be the government whose Federal Deposit Insurance Corporation (FDIC) already says it insures your accounts.” (Page 196)*

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*“A few days later, the government announces that the cashless accounting unit being exchanged will no longer be called dollars. Henceforth they will be called ‘credits.’ From that moment, nobody actually has spendable dollars anymore, the news reports. Dollars must be exchanged within 30 days on a one-for-one basis for the new ‘credits.’ It is now illegal to exchange dollars in any other way. Days later the government announces – and notifies everyone via their cell phone – that, in the name of Progressive egalitarianism, all old-fashioned accounts containing ‘money’ have been redistributed so we all have an equal share of America’s wealth.” (Page 197)*

## **THE GREAT RECESSION (2008-today)**

*“We predicted that in the Great Recession that began in 2008, following Keynes’ prescription would produce an “anti-stimulus” because by increasing the risk of inflation it would cause businesses to invest and hire less, not more. History has shown that we were right. Even a veteran economist with the St. Louis Federal Reserve acknowledged that the stimulus made things worse, not better....*

*“It is prescribed to stimulate. Instead, it induces symptoms that in modern economies resemble those produced by Prozac or tranquilizers. The boom and bust cycle is leveled somewhat, like the highs and lows of someone with bipolar disorder, but the effect is to put an economy’s ‘animal spirits’ into a trance-like state that reduces energy, vitality, productivity and innovation.” (Pages 101-102)*

*“...during the 2008 crisis, when some of our largest banks were asked to put their own money behind one another, their actions have spoken more loudly than any words that they were afraid to ‘bank on’ America’s banks.” (Page 13)*

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*“Low interest rates made government and giant private borrowers the big winners from Fed stimulus. They are still making bank savers the big losers. Easy money enriched many stock market speculators in the casino of Wall Street, which has gone up while the real business economy wallowed or declined.” (Page 90)*

## THE GREAT WITHDRAWAL

*“[B]anks are now required to report any withdrawal of \$10,000 or more to the government – and not only banks but also many other kinds of companies are expected to report ‘unusual’ or ‘suspicious’ financial activity by any customer to the feds. Simply withdrawing your own money in cash might therefore flag you for potential government surveillance. How do you think Thomas Jefferson or George Washington would respond to this?” (Page 219)*

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*“Despite its terrible risk and potential downsides, however, most American and other modern banks do fractional-reserve banking. The reason is because for those willing to believe, it is a powerful drug, an economic stimulant to which we have become addicted. Leaving it would for many cause painful withdrawal symptoms.” (Page 63-64)*

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*“The United States is the only major nation that taxes citizens’ income no matter where in the world they live and earn. Taxation here has been attached to citizenship, not residency, ever since Republican President Abraham Lincoln imposed our first income tax in 1861.”*

*“This helps to explain why Americans in 2013 and 2014 have been renouncing U.S. citizenship in record numbers.... Many have discovered that giving up your citizenship, however, now might also require paying the Expatriation Tax, a bit like Cubans forced to buy their freedom as government-owned slaves or serfs from Cuba’s Communist dictatorship. This is how rapacious for taxes the U.S. Government has become, and the bigger our government and its dependent population get, the hungrier it gets to devour what citizens have privately saved.” (Page 138)*

## THE FUTURE

*“Banks, as you have known them, will largely cease to exist by the year 2030, except perhaps as crony organizations that depend on the government, not depositors, for their funds...and that make donations to politicians and parties.” (Page 217)*

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*“...the coming “world wealth tax” that, its advocates make clear, will almost certainly happen through a surprise simultaneous seizure of bank accounts in the United States and around the world.” (Page 16)*

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*“What would happen to your business if the government suddenly ordered your bank to cut you off from all financial services, including bank lines of credit, even though you had broken no law? ‘Operation Choke Point’ gives government the power to make your bank do this, not only if you are a criminal, but also if you are merely someone who for ideological reasons President Obama has targeted to put out of business.” (Page 159)*



*“[L]awyers are now contemplating a class action suit saying that bankers should have known when a borrower was a poor repayment risk and therefore should not have to repay. This is similar to the laws that punish a bartender for selling a borderline drunk a glass of booze...who might sue the bartender for a civil rights violation if he refuses to sell to the drunk.” (Page 190)*

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*“This dawning age of the “smart house” will be possible because more and more appliances, door locks and other things are becoming available with computer brains built into them.... The danger is that anything with such computer chips and interactivity can be hacked. If you can remotely tell your back door to lock, a sophisticated hacker can command your back door to unlock.” (Pages 28-29)*

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*“One refrigerator has already been found that contained a built-in bug so that when connected into a family computer system, the refrigerator was programmed to hack that computer and become a channel through which cyber crooks could extract confidential financial, banking and other data such as passwords and pin numbers.” (Page 29)*

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*“Just imagine speeding along a highway in a ‘driverless car’ 10 years from now when, suddenly, hackers or cyber warriors half a world away take control of your car’s computer. Imagine this someday soon happening to millions of such cars at the same time.” (Page 29)*

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*“The average couple will live to age 90, but for some mysterious reason fewer and fewer will be able to have children. The national population will go into a nosedive. The middle class will disintegrate as society separates into lower classes and those living in gated communities, a ruling elite.” (Page 198)*

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*“We have encountered and empowered a superior alien intelligence of our own making.... Are we creating super-predator rivals that could out-compete and replace us? Could we become merely an evolutionary step to the next dominant life form on planet Earth, A.I. computer machines?” (Page 38)*

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*“Are our A.I. computers and official policies already rigging our stock markets, banks and currency? Where is this self-driving vehicle taking us? The choice being offered to us is to lose the value of our money in bank accounts, or to lose our money in risky, potentially-rigged stock market casinos where giant broker-banker partnerships own the biggest, fastest computers.” (Page 39)*

## **RETIREMENT ACCOUNTS**

***“One vast pool of money in America not yet seized by politicians is comprised of our retirement accounts – 401(k)s, IRAs, pension funds and more – that add up to more than \$20 Trillion dollars.”***

*“The Obama Administration is acutely aware of what Argentina did in 2008 – how its still-Peronist government struck in the dead of night. People there woke up the next day to find that the money saved in their bank retirement accounts was gone. In place of their life savings was an equal face value in Argentine government bonds. Trouble was, the real market value of those bonds was, at best, only about 29 percent of their face value – so in the name of protecting the people, the government in effect stole nearly three-quarters of their retirement savings. The Obama Administration is considering an even bigger expropriation of retirement accounts here.” (Page 166)*

*“The government would justify seizing our retirement accounts, of course, as “protecting” them for our own good. The money it takes from us will be replaced with government debt paper, in effect IOUs, as happened in Argentina and as has happened to the \$2.66 Trillion our honorable politicians looted from the Social Security Trust Fund.” (Page 174)*

## SAFE HAVEN

*“A safe haven for preserving the value of the fruits of our labor today means something that cannot be magically conjured with a government printing press, nor something that can be digitally stolen by computer hackers half a world away. The ultimate such haven, of course, is gold.” (Page 211)*

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*“The security of your bank or accounts may make no difference, therefore, if the purchasing power of your money itself can be stolen from thousands of miles away. Our money and banking are intertwined, so we must make our money’s value theft-proof before we can securely bank on it.” (Page 202)*

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*“When the Fed and government print more dollars than the increase in the supply of those goods and services, a natural economic law comes into play. The Law of Supply and Demand is just as real as the Law of Gravity, and neither can be repealed by politicians.” (Page 202)*

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*“Gold is virtually the definition of self-regulating money, a stand-alone standard of value all by itself. As such, no Federal Reserve would be needed to manipulate interest rates or other factors to give gold its value. Gold is the universal yardstick of value. The dawn of a new classic gold standard would be sunset for the Fed.” (Page 207)*

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