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Protocols For Economic Collapse In America

By Al Martin

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"Everybody knows that the dice are loaded. Everybody rolls with their fingers crossed. Everybody knows the war is over. Everybody knows the good guys lost. Everybody knows the fight was fixed. The poor stay poor, the rich get rich. That's how it goes, Everybody knows" - Leonard Cohen

And this is how the U.S. Treasury would handle an economic collapse. It's called the 6900 series of protocols. It would start with declaring a force majeure, which would immediately be interpreted by the marketplaces as a de facto repudiation of debt. Then the SEC and the various regulatory exchanges would anticipate the market's decline, hour by hour -- when Japan's markets opened the next day, what would happen when the European markets, and all the inter- linkages of the global markets. On the second day, US Special Forces would be dropped in by parachute in the cities where the twelve Federal Reserve district banks are located.

The origin of these protocols comes from the Department of Defense. This is contingency planning for a variety of post-collapse scenarios. Those scenarios would include, obviously, military collapse, World War III, in other words, and its aftermath. What we're talking about now is aftermath -- how the aftermath would be handled.

One does not necessarily know how the events would transpire that would cause the collapse, whether it's military collapse or economic collapse. In World War III, it would become obvious -- when the mushroom cloud started to appear over cities.

Economic collapse scenarios were always premised on the basis of a US declaration of force majeure on debt service. It's a very extensive scenario. The scenarios are all together, i.e., military, economic, political and social

complete destabilization leading to collapse. Then they break down individual scenarios. In the economic collapse scenario, the starting point would be the United States Treasury declaring a force majeure on debt service, which is de facto repudiation, and that's how it would be interpreted by the world's capital marketplaces. Then the scenario goes on from there. The US Treasury would obviously declare a force majeure sometime after the European markets had settled down. In other words, they had gone out on the day, which means 11:38 a.m. EDT, our time. They'd wait until the European markets closed, and the US markets had been open for a couple of hours. That's when they'd determine how to begin the process of unwinding or controlling the collapse to the best extent possible, mainly because they know that the greatest hedge pressure would be people seeking to use other markets to hedge their long exposure in the United States and that the US would be the biggest seller in all the rest of the world's markets. Therefore you would want to declare the force majeure when the rest of the world's markets closed. The declaration of force majeure would be precipitated by the declaration that the United States is no longer able to service its debt. That's pretty simple. Who makes that decision? The Treasury Department. The President does not make that decision. The Secretary of the Treasury does. He has that authority. You might ask -- wouldn't he have his arm twisted not to do that?

The answer is that if there isn't any money left to service the debt, it doesn't make any difference what the current regime might want to do.

The day of reckoning is now coming. What has happened in the interim, from 2001 to present, is dynamic, global economic deterioration. The economic deterioration visited upon the United States by Bushonomics is not a localized event. It is, in fact, global. We have a planet now that is sinking into a sea of red ink.

The United States is consuming 80% of the planet's savings rate to finance its debt. The central banks of Germany, Japan and Saudi Arabia are no longer the powerhouses they used to be. Their reserves have now been substantially depleted. They can, therefore, no longer hide the fact that they own a certain number, likely in the trillions of dollars, of U.S. Treasury debt that isn't being serviced, because they can't hide it through bookkeeping tricks anymore because their reserves are so depleted.

Therefore somebody has covertly been putting demands on the Bush-Cheney regime for payment. Why do you think 2900 metric tons of gold is depleted from U.S. inventory since March of '01?

Why do you think that \$2 billion in currency seized from Iraq last May is now unaccounted for?

Someone is putting demands on the Bush-Cheney regime. Someone is saying to the Bushonian Cabal that -- You've got to start servicing this debt because we, foreign central banks, are in nations - European and Asian - whose reserves are now nearly exhausted.

Who could be putting that kind of pressure on them?

It has to be coming from whoever is organizing this thing at the very top, which I would tend to think has got to be most likely a cabal of people that would involve Henry Kissinger, James Baker, George Schultz, possibly William Simon. It would be somebody at the very top that is familiar with how to do this. It would have to be someone familiar with finances.

So would this be one faction of a cabal blackmailing or forcing another faction? No, it's not really blackmailing. It's being done out of desperation. The German, Japanese and Saudi central banks are saying to the Bushonian cabal, You've got to start servicing this debt because we don't have the reserves to cover you anymore. We can no longer make it appear that the debt is being serviced because our own reserves are so substantively depleted. Therefore you must begin to cover this debt. If you don't, then, at some point, we will have to publicly admit in order to save our own necks -- that we were the end buyers of a lot of stealth debt, a lot of debt that your Treasury issued illegally and has never serviced. That would then expose the whole cabal.

The Kissinger-Baker faction are at the top of how this was done on the economic side of the equation. They were not the original insiders so much, but the managers of the conspiracy from the U.S. Treasury, to wit, the U.S. Treasury and Federal Reserve role-play the part.

Take Henry Kissinger. It may not have occurred to anyone why in the last 3 years Henry Kissinger has been back in Washington more than he has in the last 30 years. And why are all these quiet meetings in Washington with alleged senior Bush-Cheney regime officials, as foreign news services endlessly put it. It's because Kissinger is the point man. He's the one that is telling them the disposition of other foreign central banks.

Kissinger would probably also be involved in transfer or hypothecation of any assets from the cabal. In other words, they're being stolen from the American people by the Bush-Cheney regime and the Bushonian Cabal, and they are being used to hypothecate, transfer, service, or otherwise carry this debt held by certain foreign central banks.

The process of unraveling has already begun because of ever-spiraling Bushonian budget deficits. The Bush-Cheney regime, even in its overt policies (now they're overt political, economic, social and military policies) is generating \$600-billion-plus deficit per year, which is consuming 80% of the planet's net savings rate.

It doesn't have the slack. In other words, it can't refinance stealth debt by issuing more stealth debt anymore. Nor can they bleed money out of the system like they could in the 1980s by hiding it when the overt policies of the Bush-Cheney regime are already producing a budget deficit of 6% of Gross Domestic Product. There is no other mechanism that they could use anymore to hide expansion of debt that could be used to service said stealth debt, and they are, frankly, running out of assets that they can steal from

the American people.

So the proverbial day of reckoning is coming. The Bush-Cheney regime (and I give them credit for this) are telling the American people what's coming, knowing the American people are too stupid to understand. They are telling the American people about the re- institution of the Gold Confiscation Act and the sudden scrapping of the Treasury's emergency post-collapse gold note scheme to maintain domestic liquidity.

David Walker, US Comptroller General and chief of the GAO has said that should the Bush-Cheney regime be re-ensconced into power and, hence, the scourge of Bushonomics persist, that the United States could no longer service its debt beyond 2009. They're not hiding it from anybody anymore. They are telling you what's happening. Now, what does that mean? The key is in what Walker is saying when he says the debt can no longer be serviced. I've been asked this on the radio shows. People have noticed what Walker said because he's out in the news more often than he used to be. It's unusual for the Comptroller General of the United States, which is a rather arcane position, to be out in the news so much.

It simply means that when he says the United States will no longer be able to sustain Bushonian budget deficits, he means that by 2009, if Bush-Cheney have a second term in office, the United States will be consuming 100% of the planet's savings rate to finance Bushonian budget deficits.

Therefore, if the planet can no longer generate any more liquidity to lend to the United States, one of three things have to happen: A) There has to be a sudden and dramatic reduction in federal spending. There are only two places that can come from. There would have to be an immediate \$100-billion cut in defense spending, which would end any hopes the Republicans had of getting into office for years to come because it would destroy any confidence the NFWCs (Naïve Flag Waving Crowd) had in them. Or you would have to scrap the multi-trillion- dollar Bushonian tax cuts for the Republican rich, something that's equally unpalatable.

The other option, B, as Paul O'Neill mentioned, is a dramatic increase in the rate of federal income taxation from the current nominal rate of 28% to 65%, which is what the Treasury Department estimated would be required post-2009 to provide the U.S. Treasury with sufficient revenues to continue to service debt.

The third option, or C, becomes the declaration of a force majeure on credit service of U.S. Treasury debt by the United States Treasury, which is tantamount and would be accurately construed as de facto debt repudiation by the United States of America.

There are other signs to look for. They're not going to happen now, but if Bush-Cheney is re-elected, you'll begin to see more signs that the end is coming. I know a lot of people may disagree, but you wait and see. If Bush-Cheney has a second term, see if they do not institute some currency expatriation control. See if that doesn't come in the way Nixon tried it in

May-June of 1971.

In the second term, there will be some sort of currency expatriation control in the United States, but there will also be loopholes that will allow the large money to escape. The restrictions will apply to the 10- and 20-thousand-dollar people. It ain't going to apply to the 10- and 20-million-dollar people. It would be self-defeating to do that.

When that day comes, in other words, when the U.S. Treasury declares a force majeure on debt, it wouldn't be broad-cast on mainstream media. There's no sense because the American people don't even understand what it means. But the announcement would actually be put on the Federal Reserve wire system, which would, of course, immediately be picked up by all media outlets anyway.

The U.S. Treasury would declare a force majeure on debt after the Asian and European markets closed, probably at 12:30 p.m. EDT. The reason why that hour was always selected is because Asian and European markets close. It's also the lunch hour for the markets. It's when you're going to have the fewest people on the floor of the exchanges. That would be the ideal time to make such an announcement.

A few seconds after that announcement was made, all United States markets, both equities debt and commodities i.e., stock, bonds, commodities, that have trading collars or permissible daily limits would all be limit-offered with pools. Limit-offered means that there are more sellers at the limit i.e., limit down, than there are buyers.

So-called 'pools' would immediately begin to form, probably a thousand contracts every few minutes. 'Limit-offered with pools' - this is trader language. Pools to sell 2,000 lots, 3,000 lots. That means, the number of sellers over and above the available buyers at the limit-offered price. That would begin to build.

By 1:00, the news would begin to sink in because it would take awhile before panic selling would arise from the public. This news is being released at lunch hour.

A lot of the American people initially would not even understand the temerity of the news. You would see professional selling first, and as that professional selling intensified over the afternoon, the SEC, the CFTC, NASDAQ, and various market regulatory authorities would begin to institute certain emergency market protocols. This would be the installation of the so-called 'declaration of fast market conditions,' for instance; the declaration of 'no more stop orders,' the declaration of 'fill at any price,' etc. in a desperate bid to maintain liquidity.

That first day, the Dow Jones Industrial Average and related indices on a percentage basis would lose about 20% of their value by the close of business that day. The real impact would come overnight when the American people found out what this was all about and when it was explained to

them.

At 7:30 a.m. EDT, the Tokyo markets would open, and no price would be affixed for probably three or four hours into the session due to the avalanche of selling. Once prices were established, the government of Japan would close all of its financial markets. Europe would not even open. All European governments would close all capital exchanges the next day.

The United States would, in order to accommodate global electronic trading, attempt to open the market on the second day, which they would do, regardless of price, just to maintain some liquidity. At the end of Day Two, the Dow Jones and related indices, would have lost two thirds of their value, and prices would be set accordingly.

On Day Three, the New York Stock Exchange, the SEC and other related agencies would recommend to the United States Treasury and the Federal Reserve that all markets be closed. That would be on the morning of Day Three. Eleven a.m., the Federal Reserve would then order all domestic banks closed. All of the twelve Federal Reserve district banks would (30 minutes later) have special U.S. forces parachuted in and around them to secure whatever gold bullion reserves they had left.

Day Three, 9:00 p.m., the President of the United States would declare a state of martial law. All financial transactions would come to an end. The Treasury would act to formally de-monetize the U.S. dollar and declare it worthless.

This would be totally unprecedented. In the past, collapses have been temporary and have been brought back up. But what we're talking about now is the end.

These protocols that I'm referring to aren't even all that secret. They were publicly available all through the Clinton era. These are Treasury protocols that were instituted mostly in the late 1970s when the Treasury and Federal Reserve began to feel that it was important to have an emergency-collapse protocol in place.

What precipitated the timing of this was the inflationary spiral of the late 1970s. The U.S. Treasury and the Federal Reserve were both concerned that this inflationary spiral, which was occurring not only domestically but globally, might lead to a global, uncontrollable hyper-inflation that the Federal Reserve or major central banks could not stop by traditional means, i.e., by raising interest rates and contracting money supply.

There was also the recognition, of course, that global central reserve bank bullion inventories had been so depleted over the previous 30 years that any re-institution of a species currency, even on a temporary basis, and even within a regional or individual nation-state basis, was no longer possible.

This is an analogy. In a military scenario, it's like the President of the United States pushing the final red button -- the commit button. The Treasury

Secretary of the United States has a similar mechanism. It's called the yellow button, the commit button. The Secretary of Defense has the same system. This is what happens. Computer program starts to institute these protocols. Imagine the complexity of trying to manage all this. I think it's going to happen all simultaneously. There are hundreds of different agencies involved, both domestically and internationally. In order to maintain liquidity for as long as possible, it has to be extremely well-coordinated, and there must be existing collapse protocols that can be used.

The reason I was familiar with them was because I used to see the U.S. Treasury 6900 Series Collapse Protocol, 6903, 6904 there'll be A, B, and so on which keyed in to the Department of Defense to be incorporated within the Department of Defense's own World War III scenario and various types of military/ political/ social instability/ war/ pestilence, chaos, etc. scenarios.

All federal agencies had individual collapse protocols that ultimately got coordinated through the Department of Defense. Obviously, the Department of Defense would be the ultimate coordinator because it would need to have special forces available, on a stand-by basis, ready, that could quickly parachute into areas all over the country, into the cities particularly, to secure federal properties and assets.

And that's literally how it would begin. By the end of the third day, it would be all over -- a state of martial law. We're not talking about war, now; this is just economic collapse.

There's no military implication here, no political, no social implication or policy directive thereunto. This is strictly economic collapse. By the end of Day Three, effectively, all banks in the world will be shut down, all paper currencies will become valueless. Martial law would be declared. There would be no continuing transactions, at least for a period of time, of commodities. All providers of fuels and foods would be shut down automatically.

They have this in great detail too. U.S. Department of Defense Special 117th Assault Unit would parachute in to seize control of the cattle yards in Oklahoma City. This is how well it's planned. In other words, economic collapse would automatically involve expansive military action and control.

By the end of the third day, when you no longer have a domestic medium of exchange, you have to have secured food and fuel stocks. You've got to have troops that have secured distribution points where there is food and fuel stocks, warehouses, tanks, etc. Otherwise people are just going to go get them, and the people have to know that if they try to go break into that store and steal that loaf of bread, they're going to be shot.

Protocols for environmental disasters are called 'scaling-circle scenarios.' 'Scaling circles' is a Department of Defense euphemism. It's also used in FEMA, OEM and other emergency management services. In environmental catastrophes, which are going to become national or global, it's got to start someplace. It's going to start in one very small, specific area. Therefore what happens is that the immediate force containment is the greatest in the first

circle, to try to contain the spread of the disaster and keep it within that circle.

The environmental problem, to whatever extent it's possible, before it spreads, will be neutralized or mitigated, in order to keep that catastrophe within that circle, or, if it is likely that it is to escape that circle, to attack whatever it is in such a fashion as to mitigate its strength and its ability to contaminate or otherwise affect other areas.

In the case of earthquakes, for instance, affecting the west coast, beginning at Mt. Rainier and moving southward -- that's a different type of scenario. That does not include as much Department of Defense involvement. It includes separate protocols, wherein mostly FEMA and OEM act as the senior coordinating agencies between municipal, county and state disaster and containment, which is called Disaster and Containment Units. Federal troops would only be brought in for the purposes of maintaining control.

In a military or economic collapse situation, National Guard units would provide any spare help they could in combating whatever the problem is. Federal troops would be used in order to have the specific authority simply to shoot anyone. There are plans for all sorts of scenarios. The economic-disaster scenario is the one I always found the most intriguing because it is the one that is least understood by the American people.

Military control would be necessary when lines begin to form at the banks, people trying to access their money. But that wasn't even anticipated as a big problem. Lines would form at the banks, but it was not even envisioned until sometime on Day Three because the American people wouldn't get it. It would be announced that the stock markets are down 2000 or 3000 points, and since we've always been taught they'll come back, the people would still be buying stocks.

You could count on everybody remaining in ignorance all the way down because the American people have never been taught Economics 101. The American people wouldn't realize the full extent of it until the markets were closed on the third day, or until the time when they went down to cash a check and the bank was closed with soldiers out in front. Then they would go down and see the gas station's closed. They see the local supermarket has been shuttered, and there's federal troops in front of it. Then they might begin to catch on. And remember -- it's not just federal troops. In emergency-collapse protocols, even before the declaration of a formal state of emergency or a state of martial law, the local military authorities within any given county or jurisdiction have the ability to essentially militarize anyone, that is, any civilian. This would be more than just deputizing civilians. It's federal. In other words, they would have the ability to militarize and give military authority to a civilian force. This would include not only police and the sheriffs and state police, but all local law enforcement that exists below the state level would be immediately militarized. They wouldn't take just anybody like they did in Iraq. It would be like the military when they call for volunteers. Then they'd have everybody and their brother-in-law volunteering, waving around the American flag and so on.

You've got a lot of pickup-driving guys in this country with the gun racks in the back and the Confederate flag flying. So you start waving the American flag in front of their face and say, Hey, you're going to get your chance you always wanted -- to fit your potbelly inside an army uniform and carry a gun and shoot people. How appealing would that be?

And besides, if you do this, then you're going to get to eat.

In other words, this is how it would unfold over three days, but, in fact, very few Americans would know what to do about it or how to take any precautions. They wouldn't have a clue because they don't understand enough about economics to know what is happening. So that's what it is -- Economic Armageddon. If the Bush-Cheney regime is re-installed into power, that is effectively what Comptroller General David Walker is saying.

In conclusion, since there is very little the people of the United States can do to protect themselves. We're not going to make any suggestions of how to protect yourselves because there's very little you can do.

We could tell you to go out and buy gold coins and bury them in the coffee can in the back yard and go to your nearest survivalist store, but, frankly, that's useless. In the last analysis, it's a lot of hype. There is very little the average US citizen could do.

The only thing that can prevent this, as the Comptroller alluded to when he was asked by Barbara Walters, How do we prevent reaching the problem by 2009? He said simply, "A change of regimes."

So how do you prevent it? Don't vote for Bush and Cheney -- and hope that Bush does not use his emergency powers to cancel or postpone the election by edict, powers which you, the flag-waving citizens, have given him.

All flag-waving citizens, be warned. If you want to vote for Bush- Cheney again, make sure you got plenty of Spam on hand.

Here's an interesting and humorous aside. A couple of days ago, Hormel Foods, which makes Spam, announced that in the last six months there have been record sales of Spam in the United States the survivalists' food of choice. After all, they pride themselves on the fact, as the spokesman for Hormel said, "It is the only food product you can buy with an expiration that's 50 years."

When everything goes to hell, when all that man has created has turned to dust again, the final legacy is going to be Spam. It will be the last surviving item -- when the anthropologists of 20 thousand years from now are digging sites and they see these enormous mountains of unopened cans of Spam They'll have monuments to the past out of Spam.

So if Bush-Cheney has a second term in office, there will be some sort of currency restriction, like Nixon did in 1971. On April 13, 2004, Deputy

Assistant Treasury Secretary John Boine talked about potential currency restrictions. He used the word that's going to fuel the flames of the survivalist and gloom-and-doom collapse people.

It's very, very telling that the U.S. Treasury may institute a restriction on the amount of U.S. dollars that can be converted into gold.

Furthermore, he intimated (and I suspected that this was coming, although this wouldn't actually become law until Bush-Cheney was in office for second term one way or another) that the Bush-Cheney regime determines that the Gold Confiscation Act gives to Treasury the power for so-called forced disclosure of gold holdings.

I'm not quite sure of the language of the Gold Confiscation Act from 1933. It just says, "compelled", as in citizens are lawfully compelled to redeem gold for script. I don't think there was any such provision, which he was inferring that there is. That was FDR's "Raw Deal" of 1934, when people were coerced into giving up their gold. But nowhere in this act does it specifically authorize the Treasury to mandate citizens to report their gold holdings. So if this gets any press at all, particularly within the circles of gold bugs and so on, watch out.

Furthermore, on Washington Journal they were talking about how FEMA has recommended to the Office of Homeland Security to have increased restrictions regarding citizen hoarding of long-term food and fuel supplies. That's pretty sinister too.

What they're talking about is the purchase of long-term so-called stores of survival food. FEMA was talking about some sort of restriction preventing people from accumulating food stores; putting it simply, that's what it means. The second point was to increase restrictions that already exist.

FEMA was recommending even tighter restrictions on citizens building their own private property underground storage tanks for the purposes of long-term storage of fuel. The real intent of this is is threefold: a) to restrict citizens' ability to hoard food; b) restrict citizens' ability to hoard long-term storage of fuel; c) the forced identification of citizens to reveal food and fuel stocks they may be hoarding.

And that, in my opinion, is the real essence. The Bush-Cheney regime was scared of having the FEMA angle put into the equation because they knew what it means and how people would interpret it.

They have tried to use environmental legislation to restrict people's ability to build fuel storage facilities on their own property -- to get around what the true intent of that was.

But the bigger picture is that if you start to limit citizens' ability to hoard fuel and food and shake them up by potential forced identification of gold holdings or forced redemption.

In other words, what you don't want is citizens who have the ability to store a lot of food and fuel and to own gold because they would be able to resist state control in the future.

You've got to have every citizen on a rationing card to control the civilian population. You can't have citizens out there hoarding food and fuel because then people can say to government, "I ain't taking a rationing card, baby, with my national ID card. I don't have to. You can't control me through food and fuel and ever-worthless paper currency."

I used to make fun of these people. But now, things have come full circle on this debate. The Bush-Cheney regime is making it increasingly clear through their small changes in policy. Not a lot of people monitor these decisions, but I do. And the pattern is becoming increasingly clear.

In fact, I would believe that those of the survivalist mentality (the food, fuel, the gold coins in the coffee can in the back yard) people who think that way will be ultimately vindicated - if George Bush has a second term in office.

People should quit making fun of them because they would be vindicated - even though they were all burned out, twenty-dollared to death, buying books and tapes, and discredited by mainstream media. It may sound like a hollow victory, but it won't be a hollow victory for them - them that's got the Spam...

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