Imagine, seeing this in the following News:

Germany can't refinance itself anymore on the Capital Market, since interest have risen over 18%. To avert bankruptcy, the government had adopted a series of new laws and constitutional amendments.

Therewith the government calls upon the people for unity: The citizens of our country must can rely on **the solidarity of the wealthier**. Anyone **who escapes this solidarity** will be pursued with all the force of the law and will see **heavy fines**, in case of recurrence **even sentenced to prison** terms.

Since the introduction of emergency expropriation laws were already many billions smuggled out of the country. To reduce capital flight, the government now introduced strictly controls by customs and police, to everyone when crossing frontiers to Switzerland.

The government ruling is clear: No money or gold may be moved to Switzerland. Larger amounts of cash, gold coins or bullion are to be confiscated on the spot, followed by a control message to the local tax office.

Or you read the following headlines in your newspaper:

- **Gold owners** **must sell their gold** at a fixed price to the federal reserve.
- **Property owners** **must take** burdens of compulsory mortgage.
- **Rich must stand for** 5-20% of their assets **low-interest debenture**.
- **Large landowners are forced** by the new land reform **to sell** ¾ of their property for fixed price to the state.
- **The Deutsch-Mark will come back.** Germany brings out the ultimate liberation and renounces from further paying increasingly absurd trillion € rescue packages.

Are such headlines realistic?

Yes indeed!
Because all this happened already in our countries!

Constraint Mortgages, Compulsory Bonds, Expropriation, Gold Prohibition. Currency Reform!

That's nothing new, even in our countries!

March 1923 **a letter stamp in Germany had cost** incredible **One Hundret Mark**.
8 Month later, price was risen to fabulous **10 Billion Mark !**

The clock is ticking!

Since ever even democratic governments took use of massive authoritarian measures to avoid bankruptcies. Also the actual governments won't make exemptions here!

Constraint Mortgage – So happened 1923 and 1948

Herewith a mortgage in favor of the state is entered in the land book. Property owners will therefore inevitably imposed in debt and have to pay off the debt. In January 2009 the Germans real estate assets was evaluated to almost € 9 billion. Critics see the 2011 census, collecting detailed survey of real estates, already as preparation for a forced mortgage! Since all the land books are now conducted electronically, the state could then load all German properties by "mouse click". With a 10% forced to mortgage the state could raise € 900 billion.

By certain formulations in law can be determined that the loan obligations are coupled to a real value, e.g. the gold price. With the collapse of paper money, mortgage values wouldn't disappear. In favor of the mortgage banks, the loans would remain stable. Whilst at the same time, the value of the real estate crashed significantly. That would lead to massive foreclosures.

The Constitution Article 14, Sec. 2 u. 3 says:
„(2) Property obligates. Its usage shall also serve the communal well-being.
(3) Expropriation is only **permissible for the communal well-being. ...**"

The averting of national bankruptcy is certainly to be classified as a "public well-being".

Compulsory Bonds – the perfect source for empty pockets

The citizens are forced to the drawing of government loans with inadequately low payment of interest. Such mandatory bonds are introduced mostly when the government (state) cannot finance itself otherwise any more.

So had 1922 in the Weimar Republic, to enable to pay the extremely high compensations after World War I. Obligated were all their(her) properties valued more than 100.000 Marks. The more one had the more loans one had to sign, namely 1-10% of his(its) money!

But not enough – due to the hyperinflation the value of the bonds did pulverize up to maturity! If a breakfast egg in Berlins June 1923 cost considerable 800 Marks, 6-month later these were 320 Billion Marks. And for 1 US$ one had to shell out full 4.21 Trillions Marks.

Also current Germany already fell back on the mandatory loans. In 1970/71 with the so-called "Stimulus Surcharge" of 10% on individual- and corporate income taxes. Certainly, from the middle of 1972 the money was refunded - but without interests - technically seen therefore a compulsory bond!

Another planned mandatory bond was stopped in the 80th by the constitutional court. However, by a small constitutional amendment this financing source could be opened again quickly

Expropriation – not at all only at socialisms

In 1945 eastern Germany saw a land reform. Large land owners and farmers with over 100 hectares of soil, at that time 45 per cent of the total area, were expropriated without compensation. In 1952 the nationalization of industrial concerns equaled an actual expropriation. Agrarian enterprises were gradually converted into "agricultural producers' cooperatives". Certainly, the farmers remained property owners, but all rights to use lay with the collective farm "APC".

Expropriations are already legitimate by Constitution's Art. 15 and possible at any time!
Art. 15 of the German Constitutional Law says:
„Land, natural resources and means of production can be transferred for the purpose of the socialization by a law which regulates kind(way) and size of the compensation in communal property or in other forms of the co-operative economy. ..."

Although the Constitutional Law provides that expropriations are only permitted in the public interest, necessarily require a law and compensation must be paid. **But this is, however, then in paper money.**

Gold Prohibition – a long-proven measure

As early as 1292 - 1186 BC Egypt used gold prohibition as state funding source. Also the Greeks knew around 800 BC and 404 BC about it, and repeated, followed by the Roman Empire under Gaius Julius Caesar in 45 BC forbade the gold ownership. In the Medieval, the Chinese used this option several times to clean up the state budget. In 1720, the French fell for the ban the first time.

In the 20th Century, we could witness a whole series of gold ownership prohibitions. In all cases any ownership had to be surrendered to the Central Bank at determined courses.

1923 to 1931 and from 1936 to 1955 in Germany there were also a ban on gold ownership.
1936 France also issued one such, then lifted it again in 1937.
In Great Britain it was considered from 1966 to 1971 as an effective way of state funding.
Poland also had a ban on gold for 38 years from 1950 to 1989.
India enacted its ban on gold prohibition between 1963 and 1990.
And China banned its citizens, the private possession of gold from 1949 to 1983.
The U.S. had its gold prohibition enacted in 1933 and abolished just in 1974.

It's worth noting even that, because of the massive anti-attitude of the citizens, in ALL cases it was sentenced with the highest punishments by imprisonment up to death penalty.

Currency Reform – the classic

Within the last 140 years Germany saw already 6 currency reforms, 1871-73, 1923-25, 1948 and 1957– Reasons were always the battered public finances, and the introduction of the Deutschmark in the former GDR in 1990 and the Euro's introduction in 2001/2

In the first three reforms, account balances, bonds and life insurances have been radically exterminated!

With the currency reform in 1948 the German Mark (DM) was introduced for the Reichsmark (RM). The move was devastating for the assets of many citizens:

- Stocks fell for approx. **90 Percent** after the move.
- Ongoing obligations like wages, pensions and rents were set 1:1
- Cash and savings were exchanged for 100 RM to 6,50 DM
- Bonds, Mortgages and other Obligations were set 10:1
- Reserves of private insurances and Construction savings deposits was converted 10:1, ongoing contributions remained 1:1.

With the changeover to the Euro, a course was fixed of 1.96 DM. But have prices been halved? And where are the prices today? The non-performing states will do anything to remain in the Euro, to get more and more aid money. Even France and England are facing the abyss. The only way to get rid of ever-escalating aid-payments will be the own exit from the monetary union. The Treasury Department already has plans for a new currency reform in their drawers.

Save and secure your wealth!

Currently authorities consider, due to new anti-terror laws, to establish a **central reporting office for bank deposit boxes!** These are already presented a legal advisory report and a law draft. A uniform registration office for deposit boxes follows on the step. And such a law, that also means **a notification requirement would be retroactive,** will be introduced "over night". Then **<u>you must disclose your existing Deposit Box Content</u>** to ever regain access.

Discrete deposit boxes in safe countries are much more expensive than in home land, but offer maximum protection in the event of the case against long-fingers!

<u>To defend against possible compulsory bonds</u>, free cash liquidity should be invested internationally, preferably in safe countries. A very good protection against compulsory bonds are investments in forest areas. Those forests are located mainly in Scandinavia, Eastern Europe, Central Europe, USA, Uruguay, Brazil, Australia and New Zealand.

<u>As a protection against expropriation</u> Gold should also be kept in a safe country.

Finnland e.g. is one of the **Top-10-Countries** regards Property Protection!

German life insurance companies carrying **€ 2.5 trillion on performance obligations to a mere € 650 billion of coverage. By a tiny amendment in § 89 VAG** (Insurance Control Act) in June 21st 2010 was allowed insurers to cut Assurance performances in case of need to an "appropriate" level. This means they owe you nothing. Because of the new legislation, **there is for longer no obligation for insurance payouts**, in the likely event of danger of going bankrupt. **<u>Simultaneously the premium payment obligation remains unaffected!</u>** § 66 paragraph 7 or the "Protector" rescue company may be effective at a single event of bankruptcy. But what is in threat of several or a general bankruptcy? Banks and Life-Insurer underlie same risks.

Life insurance policies should be placed in different **safe countries**. Better safe than sorry!

With smart strategies, you keep losses possibly as small as possible.

- Sprinkle your assets in different investment areas (eg, stocks, bonds, commodities, alternative investments).
- Take advantage of different investment strategies.

<u>Consider:</u>

- Why mining stocks are very limited eligible as an alternative to physical gold.
- Why gold has been proven for thousands of years and so remains essential in the future to maintain your wealth.
- Why silver is interesting as gold, and how to defuse the issue of VAT on the purchase.
- Why you should always keep a "hand inventory" of precious metals and coins which ones are suitable for most.
- Where and how to purchase tax free precious metals, and can be stored safe, insured and securely guarded.
- Who has a "Gold Savings Plan 'on offer, you can use to optimize the average purchase price.
- Where can you buy precious metals at bargain prices!

Who offers to your investment:

- **Legal certainty** because you invest in an EU member country.
- **Extensive tax benefits** - because interest rates, dividends and capital gains are tax free and then you can reinvest it at run time.
- **Unique investor protection** because of corresponding provincial legislation.
- **Optimal protection of your financial privacy.**
- **Modern financial market regulation and legal security** as a member of the EEA (European Economic Area)
- **Strong privacy protection** - where there are no automatic queries by tax authorities.
- **Huge choice and flexibility in the investments** - even with active asset management.
- **Maximum freedom for asset transfer and hereditary succession planning** - beyond rigid rules of inheritance.

You could lose EVERYTHING, precious metals, real estate, securities, EVERYTHING! Of course they would be compensated, but how? **With worthless paper money!**

Paper Money Owner always lost almost EVERYTHING!

Bottom line, **owners of cash or account balances resp., any kind of securities were always the big losers** – Owners of hard values such as real estates, industrial enterprises or goods had been the winner!

Governments always fall back if necessary, on "long-proven" means to retain the government(state) from a breakdown.

The designated instruments are **only an excerpt of possible state interventions**. There are also other measures which were already applied, e.g.:

Rent-Tax, Special Burden Balancing, Wealth-Tax or Stimulus Surcharge.

Never forget:

MANY is possible ... Sometimes, it's just enough to look back into history ... We should learn from it! Hence, be warned!

Jan. 10th 2012, K.F. Duxen

