

Raw Transcript from Professor Jiang's video entitled "Game Theory #17: The Great Reset" published 31 March 2026.

Today I want to look at how the global economy will collapse specifically how the US economy will collapse because of this war. Now the argument I want to make to you today is that financial collapse do not happen accidentally or naturally. It has to be engineered. And this is a very hard concept for us to understand. Okay. So uh in economics there's something called the boom bud cycle which basically states that in capitalism you have um the economy booming then suddenly for whatever reason it collapses. Okay, it's called a boom bus cycle. And the idea is that if you study economics, they teach you that this is just a natural part of capitalism because in good times, people spend too much money. They become overconfident. And so then they uh waste a lot of money and then it collapses. The the economy turns bad. And so you have to focus on being more lean and efficient and resilient. So think of, you know, gaining weight, okay? You gain too much weight and then you feel bad. So then you lose weight. And that's the idea of um the boom bicycle. The problem though is that no one can explain properly how and why suddenly the bubble pops. Okay. What is the mechanism or trigger for the collapse? If you stud economics, you will never ever know the answer. So we are going to focus on speculation today. Okay. So again um the internet knows this but I've never studied economics. I don't know much about economics but I'm curious as to why this happens. Okay. Why is it that bubbles pop? How

does um econ how do economies rise and fall? Okay. So I'm not an exppert. I'm not even a professor. Yes, I understand. But what I do is I engage in speculation for fun, for entertainment. Okay? So, just see this as a fun class where we're going to explore some fun topics that have no scholarly basis. Okay? All right. So, just keep this in mind, guys. All right. So, let's look at very quickly the main explanation for why booms and buzz happens. And this is from uh Andrew Ross Sulken who is probably the most influential financial journalist in America and he wrote a book called 1929 which looks at the stock market collapse of 1929 and he offers a very good explanation as to why it happened. Okay. So Emma, could you read from me please? Of >> course. Lengthy uninterrupted booms like the one in the 1920s produce a collective delusion. optimism becomes a drug or a religion or some combination of both. People lose their ability to calculate risk and distinguish between good ideas and bad ones. >> Okay, so again, this is a set explanation for why there's a bubble burst because it's illusional and then it's like you fly too high, okay? But you're you're not supposed to fly. So then you fall down to the ground eventually. It's just gravity, okay? The idea of gravity. But I want to what I want to show you today is there's actually another explanation which is this is all being engineered. There are people behind the scenes who have the power to cause economies to rise and to fall. Okay, so let me give you an example of this. All right, let's just say you're a bank. All right, you're a bank and your job is to take those money, save it, and then use it properly in order to um promote the economy. Okay? So, let's just say we put a million

dollars into the bank. Okay? And what does the bank do with it? The bank then lends it out to entrepreneurs, right? So, maybe I want a restaurant and I so I borrow a million dollars from the bank. Okay, question. How much money is the bank now? It to be zero, right? Okay, that's that's just math, guys. Look, if I take in a million dollars and I lend it out a million dollars, I should have zero cuz that's just basic math. But that's not the answer. The actual answer is \$2 million. And what you need to understand is that each bank has the ability to print its own money and the bank is a mechanism for liquidity in the economy. Okay. And this is a great illusion. This is a delusion. Okay. um behind the economy where money is just a is just an idea. It's a concept. It's a collective hallucination. All right. Um now, but the problem is there are thousands, tens of thousands of banks everywhere. So, how do they know how to coordinate together? Okay. And this is something else you need to understand about the system. There's actually something called a signaling mechanism. signaling mechanism. Okay. Um so all these banks are separate but they are linked together into something called a central bank. Okay. A central bank and what does central bank central bank do? The central bank signals whether or not to lend money or not to lend money. And it's and this mechanism is called the interest rate. Okay. Now again if you study economics what they will teach you is that depending on the interest rate if it's low maybe 1% or 5% or high 5% then that will determine how consumers behave. If the interest rate is 1% what this means is I can go to the bank get money and buy a house right? If it's too high 5% then I don't want to go to the bank to buy a house.

And this is what you're taught in in economics class. But there's actually another explanation which is the interest rate is not to signal consumers or homeowners to buy but rather for banks to lend or not. Okay? It doesn't make sense because the banks what they can do is depending on the interest rate they know that okay my job is to release more liquidity into the system release more money into the system and therefore I will make it easier to take out a loan. Okay. But if the interest rate is high then I know okay I must not release too much liquidity in the system. Therefore I will make the loan application hard. Okay. So in other words, the interest rate is not it is not set in order to guide consumer behavior. It is set in order to coordinate liquidity in the marketplace. Okay, does it make sense? Okay, so these are two very curious aspects of this system that people don't really understand. So in order to understand the system, I will explain to you how the world works. Okay? And I explained this before but I want to summarize and apply to this scenario scenario. Okay. So the first thing to understand is that we live in Plato's cave. Okay. Meaning that we're all chained to the floor and we're all watching a screen and behind is this great fire where the elite create uh puppets for so that we can collectively hallucinate our own reality. All right. And this mechanism that allows us to coordinate our imagination is of course called money. Right? So think of money as God. Right? And so what money is doing is it's focusing our minds in a certain way that creates our reality. All right? So remember and remember this idea and keep this in mind. Okay? So because of this concept, this allows us to create the world that we live in today. Okay? So remember how

the world is structured. Um you have the empire, but then you have the game masters. Who are the game masters? They're the people in finance. Okay? Okay. And this includes Bank of International Settlements, uh, World Bank, uh, International Monetary Fund, uh, Wall Street, Se of London. Okay. These are different financial organizations that coordinate together and they are the game masters and what they do is they control how US dollars, which is the currency of this game, they control how US dollars um, moves around the system. Okay. So, USD and this creates of course the global economy. But you cannot allow people to think that they're actually a set of people manipulating this game because people will think this is not fair. It's not transparent, right? It's and it it's not a clean game. So what you do is you create multilateral organizations called the rulesbased international order like the WTO UN and you make them believe that oh it's these impartial organizations that actually control the game. So it's fair and it's transparent and it's accountable to the people. Okay. And then you reinforce this using media, um, education and culture. And together these three will, um, create the values and norms that make us believe that this is a fair, open, and transparent game in which we can all win. Okay? So that when there's a collapse, it's not because there are people engineering this collapse behind the scenes. It's because it's a law of gravity. This this just happens naturally in this game. It's no one's fault. It's just like we were too lazy and corrupt. Okay. All right. So, certain things to remember about the system is that this system is not as clean as you think because there are opposing forces to it. All right. And

these opposing forces are such forces such as nationalism, okay? or ethnic identity. Then you have social democracy, individual rights, right? And then and then of course you have religion, right? So there are these countervailing forces that try to break apart the system. So then what happens is that there are other um systems that keep the system in place and respond to these countervailing forces. All right? And they are intelligence, spies basically, crime and science. And behind these three forces are three sets of powerful institutions. Okay, these are transnational capital um secret societies and the last is elite families. Okay, some people call some people call them the uh Illuminati. Okay, it doesn't matter. All right, so this is how the world works. And underpinning uh this elite is something called the occult which we'll study later on. Okay. All right. So certain things that stand out about the system that you may notice is hey guys look transnational capital is also the game masters as well as the global economy. Okay, this is important because remember this system is the parasite and this system is a host. So transnational capital is both the parasite as well as the host. It's both the game master as well as the player. Okay. So this obviously leads to a lot of corruption. So then the question then is how do we get this system? Where the system come from? So, so let me go into some history. Okay, so the year is 1688 and this and in Britain that's called the Glorious Revolution. Think of the Glorious Revolution as a marriage between two empires, the British Empire and the Dutch Republic. Okay, England and Dutch Republic. At this point in history, 1688, the Dutch Republic is the richest area of the world because it controls the spice trade. In this time in

history, spice is the most valuable commodity. The problem with the Dutch Republic is that it cannot defend itself in Europe. Okay? It's easy, it's easily invaded. It's also Protestant. So and they are being attacked by the Catholics, Catholic France, Catholic uh the Catholic Church as well as the Hapsburgs, the Holy Roman Empire. So what they agree to do is they combine they agree to combine their forces. All right? So what happens is the wealth of the Dutch Republic goes to England. All right. in creative call in 1694 the church sorry the bank of England. Okay. So this is a private bank that is not accountable to the public. What it does is this. It prints money and who buys it? Parliament buys it. Okay. And this is a massive innovation that allows the British Empire to conquer the world because before if you're rich, if you get if you lend your money to a king to fight wars, that was dangerous because the king could die or the king could lose the war or the king could not pay you back. Okay? But if you lend money to parliament, which is the nation state, then you're guaranteed to get your money back as long as the nation is still around. Okay? And at this time in history, England is the safest area of Europe because it's an island protected by the Royal Navy. All right? Okay. So, this is an innovation that forever changes human history. And there are three major characteristics of this system. Okay. The first is the idea of um profits are prioritized, losses are socialized. If you're a rich person in the world, you want to put your money in the Bank of England because there's no way the Bank of England loses money. If England goes fight a war and it loses, England pays for it. But if it wins the war, then you get the money for it. Okay? So this is the

first concept you need to understand. All profits are prioritized. All losses are socialized, picked up by the nation state, the people. That's the first thing. Second thing is in this system, the way you generate wealth is through activity. And what does that mean? It means wars, right? So if I give you money, you have to go do something with it. You have to go make more profit. And the way you do that is through fighting wars. And that's why um the British Empire started to expand very quickly around the world because it needed to generate profits for the bankers. Okay. So this includes of course the Napoleonic wars, seven of them. It includes something called the great game, a war between Russia and Britain uh for control of central Asia. Um and also India, the conquest of India and then um the conquest of of China. Okay. Okay. Does it make sense? The open wars. All right. So profits. So the second characteristic is like you're always creating more activity. All right. Okay. And the third thing is it's transnationalism. Okay. Open borders. So it believes that capital should be able to move around from place to place. It needs to build systems in order to move capital from place to place. Okay. And the last thing I want to talk about is okay this is great for the bankers but the people look at this and they think that this is an unfair system which it is right so now you have to brainwash the people into believing this is a fair system and that's why you create a new idea called materialism or money is god and so what was happening was that transnational capital bank of England were sponsoring major intellectuals to come up with the major ideologies to support the idea that money is God. Okay. And these include um sorry uh John Lock who

argued that private property is a god-given right. Okay. It is an inherent right as much as freedom as much as happiness. Okay. Um, and he's the founder of of a theory called empiricism. And empiricism states that we can only know what we ourselves experience. It is not feasible. It is not practical to try to come up with a theory of the world beyond our experience. So don't think about God because God is beyond our experience. Okay. Then you have someone named uh David Hume. Okay. David Hume and David Hume argued for skepticism. And skepticism just says that everything that you know is actually not valid because what you know is just just based on um your belief. Okay. So Rome is a capital of Italy. Have you been to Rome? Probably not. Okay. So where did you learn this? you learn in school by memorizing this fact. So basically we should we should be skeptical of everything we know because most of stuff we know is either custom or habit. Okay. So that's the idea of skepticism. So now the problem is okay skepticism and parism just means that we don't really know anything and God doesn't really exist. So how can we design society? And so this creates a new idea called utilitarianism. We just say that if it is useful, if it gives us pleasure, it must be good. Okay? If you if you take drugs and you are happy with it, it must be good. If you like spending money, it must be good. Okay? And this is from Bentham. And then John Stewart Mills will make some will make some adjustments to it. Okay? But this becomes the very concept of liberty. All right? Liberty just means that you are free to pursue as much money making as possible because that is the ultimate good. That is what gives you the most pleasure in life. Spending money.

Okay? That's what liberty is. If a country prevents you from making money and spending money, it's an evil dictatorship. A good country allows you to enjoy the pleasures of making money. Okay. And then um what will happen is that these are the three major philosophers of materialism um of British liberty and then you'll have people like Marx come in and they'll introduce the idea of dialectic materialism. dialectic materialism which is we just say like the world is a is is one of class struggle. It's not between God and us. It's not between the divine and the material. It's one between the poor and the rich and that's it. Okay. So Marx is taking out the divine from the equation. Then you have um Darwin theor of evolution which basically says we're just animals man. Okay that's all. We're not divine beings. We're all just animals. Then you have you have people like Freud. Sex is awesome, guys. Okay, that's what we should be doing. We should be making a lot of money and then having as much sex as possible because that's what we are. We're just apes. Okay. So, this becomes very foundation for the idea that money is God. All right. Okay. So um what then happens is that transnational capital which has conquered the British Empire is now seeking new opportunities for its investments. Okay. So where it goes next is of course America. The problem is that the Americans just had a revolution to destroy the American to get rid of the British Empire. Right? So the Americans don't want transnational capital. it doesn't want Bank of England or City of London to come in and conquer it. So, so what happens is the city of London, the Bank of England, they use agents in America and these agents of course are called uh there's

three of them. Okay. Well, there's actually a lot, but these agents include, John Rockefeller, Carnegie, okay, Andrew Carnegie, um JP Morgan, Vanderbilt, and they will by themselves monopolize different industries with the resources and the capital of the city of London. in the bank of England. Okay. So of course John Rockefeller monoposis is oil. Okay. And then what will happen is that these very powerful agents of um the city of London will get together and they will create a system model of the bank of England and this of course is called the Federal Reserve system. All right. 1914 and strange enough after the Federal Reserve system uh is created three things happen right the first is that America enters World War I then you have the 1929 um 1929 stock market collapse followed by the great depression and 1941 America joins World War II. Okay, do you understand? So Federal Reserve system means that like Britain um America is now controlled by transnational capital, right? And it's the same system now where uh profits are prioritized, losses are socialized and where it's important to open the country up to capital movement. All right. Okay. So as we know America wins World War II and what it does now is that it tries to move the system around the world specifically Japan and Europe. Okay. Where where it is where it's able to control um the territory and eventually it fights a cold war with the Soviet Union but then it wins and then um it it basically um after collapse of Soviet Union for the next 20 30 years it has complete control over the world something we call a unipolar moment. All right. And during the unipolar moment, what happens is that um manufacturing from America shifts over to China and

America completely focused on finance. This leads to the 2008 great financial crisis. All right. Okay. So, let me provide some background about the financial crisis. Okay. You don't you don't have to know everything. I'm going to give you a lot of details, but I just want you to understand the basic structure of it. Okay. So what allowed the great financial crisis to happen is something called subprime. Okay. Subprime just means that you're lending money to people who can't pay you back. Okay. In this context, it's lending people lending money uh to poor people to buy homes. And before banks didn't want to do that. Okay. But there are certain things that happen to make subprime um happen. Okay. So the first thing is that Bill Clinton he really wanted to increase minority ownership of homes. Okay? He wanted black people to buy more homes. But again, black people were historically poor. So the banks didn't really lend money to them. And that's why uh Bill Clinton encouraged the government to help minority homeowners uh sorry minorities buy homes. Okay. So that's the first thing. Okay. And this this was a noble goal. The second thing that happened which is more important is in 1999 Bill Clinton repealed something called the Glass Stagle Act. And what is this? The glass stagle act just said that if you are a bank and you take money from depositors you cannot engage in risky lending. Okay. If you are a investment bank okay if you're a retail bank you cannot engage in risky lending but if you're an investment bank a private bank you can engage in risky lending. And so that's what the act said. Okay, it's it's trying to mitigate risk in the system. But by repealing the god stable act, what what you do is you combine retail and investment together. And

so these banks now become very large. And once they become very large, they need to create financial vehicles in order to generate more profit. Okay? And at the same time, what's happening is that because America has the unipolar moment, everyone wants to invest in America because they think America is the safest place to put your money. Okay, so this includes the GCC, the uh China, Europe, and its pension funds and also Japan. Okay, Japan is investing in America something called the yen carry trade. And this is one of the dumbest things in the world because at this time in history, Japan is suffering from deflation, right? No one spending any money. So what the government does is that it lends money out to institutions at 0% interest. Okay. Now, the institutions are supposed to take this money and promote more liquidity in the system. But instead what they do is they take this money and use it to borrow or buy US treasuries which provide 5%. Pay. Okay? So you're borrowing money at 0% and then lending it out at 5%. And it's something called the yen carry trade. Okay? It's one of the dumbest things in the world. Um we we won't go into it but again there's massive money coming into the US financial markets and they need to create more investment vehicles for investors okay and they create something called the CDOS's which means collateral debt obligations okay but basically it just means subprime right um the idea is is that mortgages are a good investment because people have to pay a monthly mortgage Therefore, you're guaranteed certain money at the end of the month. Okay. The problem of course is subprime could lead to default. Okay. But at this time in history, no one was concerned about default because of the

idea of too big to fail. Which means that look the system is structured so that everyone is involved and if these homeowners default the banks default then the entire economy collapses. Okay. So the idea is too big to fail the system will keep on going because if a certain percentage of homeowners were to default the entire housing market would collapse. Okay? Doesn't make sense guys. All right. So this is one big Ponzi scheme. But we know for a fact that in 2008 this system collapsed. And for the longest time what we believed is it's because the defaults were too many. They were too much. And so the system had to collapse. But if you look at what happened, what you will discover is that's not true. Okay? The banks could just choose to roll over the default. Okay? Meaning, okay, you owe me \$1,000, right, for the mortgage, but you can't pay me. What do I do? Well, I say, "Pay me back next month." Right? You're like, "Next month, you can't pay me back. Don't worry. Pay me back the month after." Okay? I can have the system keep on going because remember the system this money is is just based on an illusion. Doesn't make sense, guys. All right. But but it collapsed. Okay. So that's something that we're going to look at today. All right. So as you can see from this um map um this chart at first what was happening was that um the government was the one issuing out uh loans. Okay so the government is basically light blue but then because this industry was so profitable private banks started to come in and issue their own loans and these became very risky loans. Okay. And this led of course to 2008 when the entire thing collapsed. Okay. All right. So the the big question is why did the financial market collapse? So this is the CDO is issuance.

Okay. As you can see it's generating a lot of money for these private banks and then suddenly in 2008 there's this massive default. It collapses. The question is why this happen? And again, you're taught in ALS class. This is just a law of gravity. Okay? If you go too high, you're going to fall. But what people don't tell you is this. They're actually people who made a lot of money because of the collapse. John Paulson, how much money did he make in this collapse? \$20 billion, guys. That's a lot of money. \$20 billion. How did he make his money? He made his money by betting that the house market would collapse. You understand what happened? Okay. So, so think about this, okay? I lend a million dollars to Amber. Okay? And everyone, you have to pay back \$10,000. But then suddenly you kept paying back, right? But if I tell you, Amber, um, you can't pay me back. You have to give me your home. Okay? Then I lose my investment in you, right? So, I don't do that. I I keep on letting you live in the house. Pretend that you can pay me back even though you can't pay me back. But then Vincent says to me, "Hey, Mr. Jeff, I bet you that Amber will not default on her loan because she hasn't defaulted in the past 10 years." I say to Vincent, "How much you want to bet me?" And he's like, "Um, half a million dollars." Okay. He's so confident that you will not default. Right? So I say, "Sure, Vinc, I'll take this bet with you." Right? Now, what I do now I make you default cuz now I can make a million dollars from Vincent. And that's how it work, guys. You think it's a very complicated thing. It's not. It's all a giant scam because only a few people control the entire system. This is how you make \$20 billion in this game. Okay? you there are

stupid people buying uh mortgages from you, right? But you have even more stupid people who bet that you will not default on these mortgages and you so you take your money from the stupidest people and that's why the system collapsed because you're going to make more money from collapsing the system than just letting it go on. Okay, this is this is John Paulson. This is Jimmy Diamond. and he also profited from the bank collapse. Why? Because when these banks collapse, you can start to consolidate the banking industry. Okay? So JP Morgan start to buy these other banks that were losing money. And then JP Morgan now now is the largest bank in America. All right. Also guys, look at this. Before 200 and uh 8, most homes were actually owned by individuals. Okay, this is 2008. Okay, so so the gray are just individuals. They might have one home, they might have 10 homes, but there's basically individuals. The blue are those who own more than a thousand houses. And then the dark blue are those big banks that own like 100,000 of homes. Okay, so before 2008, you can see like most people were in the gray. Okay, these are just individuals. But then after collapse, you see the blue and the dark blue rot go way up. Why? Because these homeowners lost their homes. And so these banks and these companies could come in and buy them on the cheap. Doesn't make sense. So it's not So the great financial crisis of 2008 destroyed millions of lives, but it made it made it profitable for a few powerful individuals and institutions. Okay. All right. A major consequence. So So then you're like, "Okay, no, no, no, no, Mr. J, you don't get it. It's gravity." Eventually, a bubble has to collapse. Well, okay. Well, today we have two bubbles. We have

something called the private equity bubble, private credit bubble, okay? Where private banks lend money to private companies. And people say it's \$2 trillion. And it hasn't collapsed yet. Why? Because the private banks allow the private companies who are losing money to keep on going. You understand? the the private banks don't come and say, "Hey, you guys are losing money. I you should declare bankruptcy and I'll take whatever you have." Why? Because they lose a lot of money that way. Okay? Do you understand this idea? These bubbles can keep on going forever. They don't have to collapse. Another big bubble today is something called the AI bubble, right? These companies, Nvidia, OpenAI, when they their AI products don't actually make any money. Like Cat Vita does not make any money. In fact, it loses money every every time you use it. Okay? Because it's more expensive to run chatbt than it generates in revenue. But and it's it's a huge bubble, but why does it collapse? Because these are just a few companies lending money to each other. Okay? That's all it is. It's a giant Ponzi scheme. It's an inside game. So, Bubbles don't have to collapse. They collapse when it's profitable for a few individuals to make it collapse. All right. Okay. Another idea I want you to understand is that um after 2008 great financial crisis, this created problems in the global economy. And so what happened was transnational capital decided to to save the global economy by allowing China to rise. Okay, you got so this is not known but one major consequence of the great financial crisis is that trans capital encouraged China to print money. Okay. All right. So I'm going to show you how but um but but first let's let's talk about the main

mechanism to allow this happen. It's called the bank of international settlements. Okay. And this is um the bank of international settlements is in Basel Switzerland and it's considered the central bank of central banks. So every nation has a central bank okay that determines interest rate but the BIS is the central bank of central banks which coordinates all central banks. All right and it is the most powerful bank in the world. All right. And you think that okay this must be public. No, it's not public. It's just run um in the best in it's managed for the best interests of powerful people in the world. Okay. All right. So um this is from the book Basil Tower of Basil. Okay. Uh C can you read? For despite uh Hitler's bluster and planning, Nazi Germany had not achieved a turkey. It needed to buy vast amounts of raw materials to manufacture armaments and to feed, heat, and clothe its population. Swedish steel, Romanian oil, Portuguese tungsten, even South American beef all had to be purchased and paid for in hard currency. Nazi Germany needed a financial channel to the neutral countries it ran through basil which is the main reason why Nazi Germany did not invade Switzerland or Sweden. These neutral countries were far more used to the third reach as >> Third Reich Reich. Yes, Third Reich as monetary hubs on the transnational financial network than as extra swat swather swats of German controlled territory. Okay. So, what this means is this. In this speech is Hitler promised independence from the global financial order controlled by the British. Okay. But you can't really do that because you still have to buy things from other places. But but then you're like, I need a bank to uh lend me money to buy things but also help me facilitate

transactions. Okay. And this is idea of transational capital. and transational capital, they don't really care if you're evil. They don't care. All they care about is how can I make money. So this this bank, bank of national settlements and transational capital was helping to fund the Nazi war machine because it was profitable to do so. Okay, you think okay after Hitler lost the Americans would surely know okay bank of national sentiments is evil because they help the Nazis therefore we should destroy the bank of national sentiments okay but that's not what happened after war i the national bank of national settlements became even more powerful okay all right can can you read uh Amber >> martial aid came at a price remodeling European societies on the American model of consumerism and consumption. Hoffman's propaganda arm produced pamphlets, posters, leaflets, radio programs, and even traveling puppet shows that extolled the American lifestyle. The American dream, a house in the suburbs, a car, and numerous household appliances, was projected as a near guaranteed benefit of Americanstyled freedom. The key to this was increased productivity on Americanstyle production lines in a transnational free market. For that to happen and for the money to flow freely, new mechanisms of international payment had to be constructed with the BIS at the center. >> Okay. So the world is run for money. Okay. The world exists, these organization exists in order to facilitate the easy fluid movement of money around the world and make money god. Okay. So after 2008 the bank of national settlements had a problem in that the global economy was slowing down. Europe had lost a lot of money. America

had lost a lot a lot of money. So their solution was let's shift the center of gravity from America and Europe to China. And you're like okay how do you do that then? You do that with something called the exchange rate. Okay exchange rate is very simple. um reming B to USD. Okay. So remember how the interest rate in a national economy is a signaling mechanism as to whether or not to increase or decrease liquidity. Well, the exchange rate in the international marketplace is a signaling mechanism to tell other nations whether or not to trade with another nation. Okay, does that make sense to you guys? All right, so let's look at what happened. So for the longest time, the Chinese currency was trading above eight to the US dollar because remember the US dollar is the main mechanism is the main mechanism um of global trade. And then hey starting around this time 2008 guys it's hard to increase in value. Okay and so now the world knows oh I should trade with China and China is like well okay my exchange rate is higher than before therefore I should buy more things from the world. Okay. But not only that, but now that I have access to commodities from the world that then I should know I need to promote my economy to use these resources. So I should spend more money on infrastructure. I should build more highspeed railways. I should build airports. Okay? And that's what China did. You see how 2008 just as the American and European economies were suffering, the global economy was suffering, the Chinese economy um uh China start to have a higher exchange rate. Okay? And it kept on going higher higher and higher and then what what did China do it? China started to buy stuff from around the world with it.

Okay. Again, this is a signaling mechanism where the bank of national sentiment is saying to the world you you can now sell to China. We will guarantee China. All right? And and that's because the bank national sentiment needed China to buy more things from the world. And this happened in starting around 2008, right? This massive surge in imports and because all these commodities were coming to China, China to spend these commodities. So started to build infrastructure, right? And and how did it finance the building of this infrastructure? Bank loans, guys. Bank loans. All right. So, this is China. Sorry. This is This is China, right? Look at this. Look, look, look at this. Look at this. This is China. 2008. 2008. Basically, China, US, Japan, Europe, the economies were about the same. The bank system is about the same. But starting about 2008, wow, look at this. This is all being orchestrated by the Bank of Natural Settlements, by a few people working behind the scenes. Look at this. Look how crazy this is. All right. So, what what does this mean? It means that today China has the largest banks in the world. This is JP Morgan, the largest bank in America. This is Chinese. This is Chinese. This is Chinese. This is Chinese. This is Japanese. Okay. The top four banks in the world are Chinese. Why? Because in the in the bank system, debts are liabil sorry debt liabilities are also assets. Do you understand all this money the Chinese banks have are just liabilities? Okay. So this is how the system works. It's all just an illusion. Um the thing about the Chinese system um that prevents it from imploding is the fact that all debt in China is localized instead of nationalized. All right. So even though these Chinese banks are heavily in debt, it's

they're they're in debt in local areas, not national areas. Okay? And all this means is that um the bank of China does not have that much debt relative to say the bank of Japan. Okay? So debt in Japan is nationalized. Debt in China is localized. Right? Okay. So another major consequence of China um the Chinese the growth of the Chinese um banking system is that China start to export its goods around the world more. Okay. So as you can see in the year 2000 America um really dominate the world in manufacturer export. Okay. But by the year 2024, look, it's basically the entire world um is buying Chinese exports. All right? And so um this is a deliberate strategy of Chinese national capital to move the center of economic gravity from the United States to China. And but the problem with China, the reason why China has not become the hedgeimom is that China's not interested in being a hedge man. In other words, military power. Also, as China is expanding um its manufacturing capacity to the world, who's upset now? The United States, right? And so what the United States does is it imposes tariffs. Okay? Does that make sense? All right. So in other words, okay, even though in theory the theory is is that the goal of the bankers is to maintain the game. Okay, that's all they care about. So they want to switch from America to China, but it didn't really work because China doesn't really want to take the responsibility of being the global reserve currency as well as having military bases overseas. All right? So China China doesn't want to do this and America won't let China do this. So your only option now is Israel. Okay? And that's why I believe that this war in Iran, what it will do is shift the center of gravity from America to Israel

because Israel wants to be the center of the world, not China. Okay? Doesn't make sense, guys. All right. The other thing you have to understand is that for this to happen though, transnational capital needs to first collapse the American economy. And there are different ways they can do that, right? They can collapse the private credit bubble, then they can collapse the AI bubble. and collapse both at the same time. And why would they want to do that? Because as a banker, as transnational capital, you make your money through activity, right? When people go and do stuff, whether it's entrepreneurship or starting wars, but they have to go do stuff. And right now, America has a lot of problems. Okay? So, so let's look at America's problems. First is aging, where the elite are now older and older. They therefore they are less active, they're less energetic, they're less entrepreneurial. Okay? Then you have something called quantum easing which is too much money in the system. You have too much money in the system then people do stupid things like gamble. Okay. All right. And the last problem of America is you can't win wars. Okay. like this Iran situation is showing that America the American military is not as strong as you think it is. So if you change path you see these few things okay the population is getting too old uh there's too much money around so people do stupid things like gambling and America the American military is not that great then you're going to shift your capital from America overseas okay but but before you do that what you want to do is engineer a financial crisis so that you can make as much money as possible just like the 2008 financial crisis okay so we don't

know when it will happen but we're going to be sure that it will happen it'll be suddenly Okay. Okay. It doesn't make sense, guys. Now, you're like, "Wait a minute here. Why? Why would Trump and Americans allow this to happen? They know. They must know this is coming." And the answer is because it is in the long-term best interest of America for the economy to collapse and for transnational capital to go elsewhere. And this is something we'll discuss next class. Okay. what the long-term American strategy is. Transnational capital is leaving America. So, and Americans are like, "Oh my god, Bank of England, City of London, these currencies are leaving. Thank you. Get out of here, man." Okay. And what will happen is once they leave, America will probably have a much brighter future and something we'll discuss next class. But any questions? Yep. So, seems like that uh America is in a disadvantaged situation, but they know what they are doing and they're just sending parasite out outside of their country and having a more long-term benefit. Is that right? Okay. So, this something we'll discuss next class. Okay. But this is not a deliberate strategy. All right. Because if you think about it, economic collapse will destroy a lot of wealth in America. It will probably create conditions for civil war in America. It will create a lot of pain. But there are certain people, for example, Donald Trump who believe that this pain is necessary in order for America to become great again. Okay? He said his motto is what? Make America great again. And how do you do that? You get rid of these parasites. But to get rid of parasites, guys, it's a painful, painful process. It's like a cancer, right? Have you guys been through cancer treatment? It's painful.

Chemotherapy, they do surgery on you. You have to like eat this, you know, crappy food all the time. It's a painful process. Okay. So, tential capital, it's a parasitic force. It's a cancer on the American host. They have to get rid of it, but it's going to be a very painful process that that's going to take a long time, years, possibly decades. Okay. Yeah, Amber, >> thank you. Um, so if transnational capitals leaving America, then how would you think this shift would impact the global economy or would it at all? >> Yeah. Okay. All right. Yeah. All right. So, this is something we'll discuss later on. Okay. But let me just show you how the shift happens. All right. So, right now you're you're in America. And the best place for you to shift is Israel. Okay? Why? Because you're interested in activity. Okay? You're interested in putting your money in a place where it's going to grow, right? And why is growing? Well, because of the greater Israel project, right? right? He wants to conquer the Middle East, but then he has to rebuild, right, after the after the war rebuilding and then what it's going to do is become the hub of global trade, right? Because Israel controls Africa. And this is something we'll discuss next class. Okay? So, this is why you want to invest in Israel for these three reasons. Why? because they're going to keep on fighting wars to make to achieve the greater project. Wars are profitable. Wars are the most profitable enterprise in the world. Okay. Second is that they have to rebuild after all the destru after all this destruction. So they need capital. The third is they will control global trade because because of the location. Okay. So this is why Israel is a smart investment for transational capital. I'm not talking about like us, okay, with like \$1,000. I'm talking

like trillions of dollars will probably go into Israel. All right. So, um, to leave America, what you want is a stock market collapse. Okay? An economic collapse. Why? Because economic collapse not only allows you to leave with as much money as possible, but also allows you to buy up distressed assets. And when I mean distressed assets, I mean resources which include uh water, oil. Okay. So you want to create as much damage as possible because then it's easier for you to buy up these resources and Okay, does that make sense? Right. So these guys plan decades ahead. But transnational capital, what what they're what what they do is they're trying to create as much chaos as possible because in chaos there's profit. Like everyone's sitting around doing nothing, you can't make any money. Okay? But if people are fighting each other, there's blood on the streets, you can make a lot of money, right? Does that make sense? >> Yeah. >> Okay. Any more questions, guys? Okay. So we'll talk about um what happens after this uh financial shift next class.