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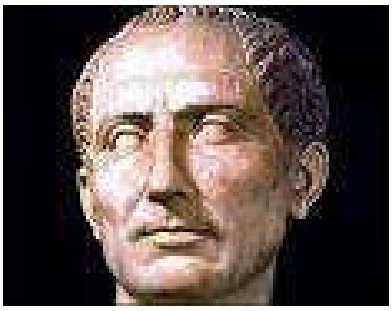
Anatomy of a Debt Crisis

that appears, only Julius Caesar ever understood ☝

By: Martin A. Armstrong
[with minor adjustments by Tommie Hendriks, 081909]



Julius Caesar (100-44 BC)

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Are there lessons we can apply today?

By: Martin A. Armstrong

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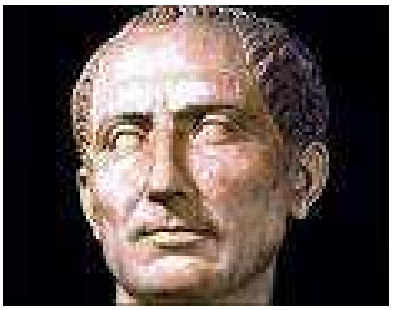


Gaius Julius Caesar (100-44 BC)

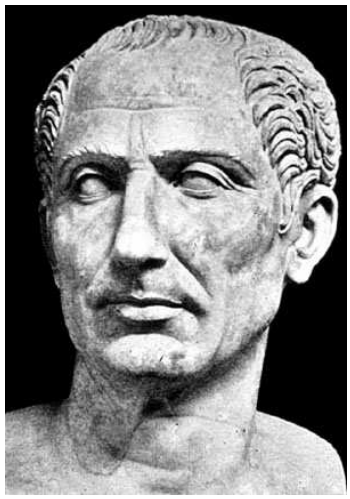
There is no question that we are in the early stages of a Debt Crisis that is beyond all comprehension of those who fail to investigate the lessons of our past. There have been numerous panics where the stock market has crashed and burned, and the wailing for new regulation that would prevent losses while allowing unlimited profits have caused more economic harm than benefits. The sheer ignorance of those who preside over the affairs of men creates the cycle of real economic doom, for they never consult the past, constantly try the same measures, and inevitably set in motion the same cycle of mistakes and events that lead us to conclude that indeed history repeats. As a society, we are plain too stupid unable to learn from our mistakes. We keep sticking our finger in the flame to see if perhaps this time, it will not burn.

For of us not afraid of the past, a review of history produces a very clear answer. The rise and fall of mere speculative booms and busts, do not topple society. However, when that boom and bust takes place within the broader debt market, it affects everyone, not just investors, and suppresses economic solutions. This is what a Debt Crisis is all about as distinguished from a mere economic decline. I have hinted at in previous writings that the only politician in history who has ever in fact understood the nature of a Debt Crisis and came up with practical solutions, was Julius Caesar (100-44 BC). But because of intense political corruption, those who have been mistakingly hailed as hero's against tyranny such as Marcus Porcius Cato (or Cato the Younger) (95-46 BC) and Marcus Tullius Cicero (106-43 BC) have taken credit that they do not deserve and have confused countless generations attempting to present Caesar as a dictator lusting personal power. To set the record straight, a "Dictator" in Roman times was a political appointment that was a power in times of national stress where the Senate would appoint an individual to deal with a situation that the power was granted in one year intervals. Cicero himself asked for the same powers and was so granted. Today, we

have the same system, but we call it “Marshall Law” where the President can be granted that same power that suspends the Constitution and individual rights. The only way to understand history and events, is not to only listen to the words written by contemporaries, we must review the actions of men, for that reveals what words often overlook. What I am about to discuss to many will be a shocking revelation of history. But let me state now, what Caesar faced, we now also face. The corruption of the Republic of Rome is widespread today as well. If we understand the mistakes of the past, we can escape the same outcome, or choose to repeat events.

The Debt Crisis & Julius Caesar

Of all the various economic declines throughout history of mankind, not only is the Debt Crisis the major destroyer of civilization, but it was faced head-on by one man who grasped what it was, and came up with a very unique plan of resolution. That man was Julius Caesar (100-44 BC).



Gaius Julius Caesar (100-44 BC)

There have been many books written about Julius Caesar, but never have I seen any modern writing that detailed the Politician and major Economic Reformer. The countless books I have seen published on this exceptional figure in history focus upon his military career. It is true that <u>but for</u> his conquest of Gaul, the world we live in today may have been very different. He was a master at strategy, engineering, and administration. His conquest of Gaul was by far the foundation of Western Civilization. The victory secured Europe for about 400 years and as the generations came and went, they no longer saw themselves as Gauls, but as Romans. This is the man who created Europe.

Yet there is a strange twist to history. Who, when, and how it is written often determines both its quality and its bias. Caesar has indeed provided a wealth of military and political key lessons. He was also a man who was an inspirational leader who would wear a red cloak so his troops would see him in battle. He would at critical times instinctively know that this was the moment and he would lead his men into battle charging at the front, not directing from behind. This amazing talent is rare and even general Patton in World War II with whom my father served and retired as a colonel, wore a red cloak as Caesar did.

Caesar was truly what is commonly termed a “Renaissance Man” long before the term was ever coined. It meant truly that the person was skilled in more than one field. It is a term that truly denotes to me something more than wide interests. It means to me a man who has also wide experience. Perhaps like Socrates, I have met many people who were often considered the top in their field. There was a basic trait that was hidden from most. It is what I can only describe as a “feel” that is indescribable. I have personally explored this Indescribable Feel and found it to exist that perhaps makes that person among the best in the field. This is true from military on through to music. If you do not “feel” the correct timing of the events, you are at best average. To rise above that, you have to “feel” what other cannot even see.

I was certainly one of the last traders to have the old fashioned paper tape. When Trans Lux told me they were not going to support it anymore because computer screens were making their product obsolete, the industry changed. A paper tape would make noise. Each trade had to be printed on the tape and that was sound of clicks like a typewriter. On a quiet day, the sound would be – “click … click …… click….” When things were happening, it would sound like a machine gun, The sound became part of our sense of what was going on. Being trained with sight, charts, discussion among peers to read sentiment, and connecting all that input with also sound gave me a “feel” for the markets that became virtually instinctive. I could “feel” the blood flowing in panics and sell-offs. I have discussed this with many people from different fields, and they too acquired a “feel” for their field. This is what I meant that my discussion with former Prime Minister Lady Thatcher showed me she too possessed a “feel” for events and she could feel cycles in her veins. She told me that John Major would lose his election long before it began. She told me “It’s Just Time.”

One cannot comprehend history and write about it in a dry fashion and this was the event and this is why it took place, without a truly comprehensive and deep “feel” for the field of which that person resided within at that moment of time. When Caesar surrounded Alesia in the final battle against the Gauls led by Vercingetorix, he knew that another Gallic army was coming. He built a second wall and defended against two armies about twice his strength. When one was breaking through a narrow area, Caesar could “feel” the moment, put on his red cloak, and told his men to follow him. He could “feel” that moment in time, and unless he could “feel” events, he would have gone down as just another defeated general.

Yet the amazing thing is this man could master more than one field. He not merely was accomplished in battle, he was accomplished in politics and knew the state, how it functioned, and what was wrong with it, and how to fix it. When we look at history, we must understand one thing,. It is often written by one who remains standing. Consequently, there is a inherent bias that one must be quite careful to filter out.

When Sulla ordered Caesar to divorce his wife and he refused to obey the dictator, this showed a keen streak of independence of character. But of all those who pleaded with Sulla to spare the young Caesar, his comment was one upon his clear observation that this was a remarkable man. He warned, “There are many a Marius in this man.” Gaius Marius (157-86 BC) was elected consul 7 times. He was a tribune and defender of the plebs in 119 BC. He had even become a praetor, a judicial magistrate (judge) in 115 BC, and was even a governor of Spain. He fought against the rising corruption within the Roman Republic and took Rome by force with Cinna and they were elected consul in 86 BC before he died. Marius was what one would call a revolutionary and he was married to Julia, the aunt of Julius Caesar. Sulla

thus saw in Caesar at this young age, the ability and the independence of a man. These qualities would be no doubt nurtured with time.

We must understand that like today, the oligarchy in Rome was corrupting the internal workings of the state for several decades. When Caesar was a boy, there was the Social War 90-89 BC that was a rebellion waged by the other Italian allies who were being denied the rights of citizenship of Rome, although conquered by them. In 91 BC, Marcus Livius Drusus was the tribune and he proposed legislation granting citizenship to the Italians for this was becoming a rising problem. He was then assassinated for proposing the legislation and that sparked the revolt.

The Italians created their own confederacy and even minted their coinage with the name "Italia". They gathered an army of 100,000 and actually defeated the Romans. It was Lucius Julius Caesar, the grandfather of Mark Antony, who sponsored a law that granted citizenship to all Italians who did not revolt and who laid down their arms. Eventually, the rebels were defeated in the south by the Romans led by Lucius Cornelius Sulla and in the north by Gnaeus Pompeius Strabo. All of Italy south of the Po river thus became Roman.

The century in which Caesar lived was the second 224 year phase of the Republic – the first was 492-268 BC culminating in the Punic Wars – from 268-44 BC that had culminated with the assassination of Caesar and the birth of another civil war that led to the new Imperial Age of Rome peaking with the reign of Marcus Aurelius in 180 AD where the line is drawn by Edward Gibbon for the Decline and Fall of Rome.

This century in which Caesar was alive, was an age of the corruption of the Republic Oligarchy. It is preceded by the Social War 90-89 BC demanding the equal rights (no taxation without representation), that is followed by what the victors called the Catiline Conspiracy, that takes its name from another hell bent antagonist who rose against the Senatorial Oligarchy.

Lucius Sergius Catiline (108-62 BC) the victors claimed was a demagogue who had unsuccessfully attempted to overthrow the Republic of which Marcus Tullius Cicero (106-43 BC) was consul in 63 BC. Catiline served under Pompey's father in the Social War of 89 BC and it is said he became such a zealot in Sulla's proscriptions, he killed his own brother-in-law. He was a praetor in 68 BC, governor of Africa 67-66 BC, but could not run for election in 65 or 64 BC for consul when charges of extortion were pending, of which he was cleared.

Catiline was also against the oligarchy. Rumors were planted that he intended to kill the consuls and seize power in 65. However, there was never any evidence of this so called First Catilinarian Conspiracy. It is significant, however, that there is even an allegation that predates the conflict. In 64 BC, Catiline stood for election against Cicero after all charges were dismissed, but lost. He stood for the elections again the following year, yet lost again.

Cicero was his opponent, and we must not forget that. Catiline was a popular man of the people and advocated for the cancellation of debt. He attracted the old victims of Sulla's proscriptions who were dispossessed of their property. So we must understand that there was a brewing debt crisis in Rome and the oligarchy was determined to keep power at any cost. Cicero was counsel in 63 BC and he employed spies and informers making it very personal to attack Catiline. Whether Cicero even acted in an ethical manner is highly questionable when

one resorts to spies and KGB informers tactics. Cicero on October 21st, 63 BC stood before the Senate and denounced Catiline charging him with treason and was granted what the Romans called the "ultimate decree" that was essentially a declaration of martial law – Dictatorship.

Catiline was quite popular. He had the support of Gaius Antonius and some of the tribunes were already following his line working for the cancellation of debts, as noted by historian Cassius Dio (*Historia Romana* 37,25,4). He was clearly sharing this idea with Crassus and Caesar and their view of the corruption within the oligarchy cannot be ignored. Cicero was the leader of a party known as the "Concord of the Orders" claiming to be the party of law and order. This was a life-long source of pride of Cicero. We must also understand that Catiline tried the constitutional approach and stood for elections against Cicero twice and lost. He clearly knew that the opposition included Pompey. Note keenly that the thrust was the cancellation of debts. The constitutional course of elections was always subject to bribery.

Catiline tried the constitutional approach. When Cicero accused him of being a threat to the Republic and guilty of treason, Catiline fled Rome on November 8th and joined a gathering of destitute veterans whom the oligarchy had never lived up to their promises of pensions. Despite the fact that the Senate handed the "ultimate decree" to Cicero, it does not appear from the contemporary accounts that the Senate fully believed in this Catiline Conspiracy created by Cicero.

On December 3rd, Cicero's informers and spies managed to get signed documents, or so they claimed, of others involved in the Catiline Conspiracy. Cicero won the Senate, arrested those, he alleged, signed the documents, and had them executed by December 5th and mobilized an army to attack Catiline. In January 62 BC, Catiline was attacked by Gaius Antonius Hybrida who commanded the Republican army and was killed in the battle at Pistoria. The victors portrayed those senators who sided with Catiline as the men who were facing bankruptcy. Cicero essentially eliminated any idea of revolution against corruption, and recast it as a bunch of losers who were bankrupts.

Marcus Licinius Crassus (115-53 BC) was one of the richest men in the history of Rome. He fled Rome when the city was taken in 87 BC by Gaius Marius. He supported Sulla during the civil war 83-82 BC. It was he who put down the famous slave uprising led by Spartacus in 71-72 BC, although Pompey took credit for the victory. During this Catiline Conspiracy, Crassus seems to have fed Cicero with critical inside information on the night of October 20/21 in the form of an anonymous letter. Crassus being a rather keen moneylender, funded the election often in politics, which is one of the reasons why Caesar was attracted to Crassus with whom ultimately the First Triumvirate was formed between Caesar, Crassus, and Pompey.

Catiline had been part of a growing popular movement against the corruption of the Republican Oligarchy known as the ***populares*** that no doubt Caesar was a major and profound political advocate. During December 4th session at the Senate, a witness appeared who then alleged that he had been entrusted with a message from Crassus to Catiline. Cicero knew the popular movement was indeed widespread, and no doubt he also knew that Crassus and Caesar were involved. He feared that exposing the true extent of the so called plot, would expose too many legitimate politicians, not the least would be Crassus and Caesar. This is why there was the quick execution within two days to hide the truth, not to vindicate the law.

Cicero even made a motion to now reject this new information. Quintius Catulus and Gaius Piso made great efforts to throw suspicion now upon the heavily indebted Caesar and even reproached Cicero for protecting him. They tried the indebtedness of Caesar to show he supported Catiline in order to escape his debts. Cicero then did his best to contain the new allegations to limit them to only Catiline.

On December 5th, the Senate deliberated over the sentencing of the conspirators. Crassus did not attend. Caesar attended and was one praetor (judge) designate. But there was a constitutional conflict. Cicero had been given the "ultimate decree" meaning he was operating under a dictatorial power to defend the Roman state. The two consuls were the first to speak and asked the Senate for the "ultimate penalty" meaning death. Caesar was the next to speak. His speech one must regard again as perhaps one of the most brilliant devised resolutions resting firmly upon the Rule of Law rather than dictatorial powers. Caesar argued that the conspirators should be imprisoned for life and that imposing death was no punishment at all for it would come to everyone by natural necessity as a rest from toil and misery. Perhaps he was familiar with the incredible speech of Socrates when he told the Athenian Senate that their penalty of death he did not fear for it was either a migration of the soul to be rejoined with old friends departed, or it was like a mid-summer night's sleep where it would be so peaceful, one is not even disturbed by a dream. Either way, he told the Senate, he feared not.

Caesar argued that to allow the consuls under dictatorship decree to impose the death penalty was contrary to law. The law of Gaius Gracchus of 123 BC was that any magistrate who had put Roman citizens to death without trial should be brought before the popular court and outlawed, and that never should a decision be made concerning the life of a citizen except by the people at trial. Cicero argued that once they were arrested as criminals on treason, they forfeited their citizenship even for a trial. Caesar stood his ground and admirably argued that this result was inconsistent with the Rule of Law and was a totally new kind of punishment and thus there was no good reason why to abandon the framework of the Rule of Law. He argued why they should not also propose flogging the guilty before executing, showing that also the lex Porcia forbade the flogging of citizens. Also under Roman law, the guilty could opt for the voluntary exile as criminal penalty that the death penalty would negate. He also argued that to execute such men of high rank would produce the image that the Senate was being ruled by its passions, rather than law, and that never had such thing ever taken place in Roman history.

Caesar opened a window into his mind and soul on this day. He showed his true inner nature, that he was a man still loyal to his friends and to the principles of the *populares*, yet displayed his respect for the law and what Aristotle had said it represented, the separation of passion from objectivity. Caesar defended the conspirators, yet he could not be assailed himself.

Caesar's speech was amazing. He even won over another praetor designate, Quintus Cicero, the counsel. However, then Tiberius Claudius Nero suggested that a decision should be postponed and conducted under military protection. To this Marcus Cicero objected fearing any postponement would be dangerous.

Marcus Cicero then spoke again, a speech he later published as his Forth Catilinarian. He turned to Decimus Junius Silenus who was consul, who immediately claimed that when he asked for the "ultimate penalty" he had only intended that meant imprisonment, not death.

Only Catulus, a natural enemy of Caesar, still argues for the death penalty. It appeared that the Senate had been won by Caesar's speech.

The tide was turned, however, by the tribune Marcus Porcius Cato (95-46 BC) who was to be the famed statesman. Cato was the antithesis of Caesar. Cato many believed was a true stoic, but kept his conviction deep inward. His brother-in-law was Silanus, but we must remember, actions are the true revelation of character. Plutarch's biography of Cato is based on the writings of his close political friend Munatius Rufus. Again, given the climate of corruption and the Republican Oligarchy, we cannot assume the honor of Cato as some devout Republican who stood tall against tyranny. It was Caesar who was on the side of the people and the *populares* whereas it was Cato and Cicero who kept championing the Republic that was clearly deep in corruption. In fact, the corruption was so widespread, that interest rates doubled from 4% to 8% for the elections of 54 BC because there was so much bribery going on to gain votes.

Cato attacked Caesar not on any noble ground. He accused him of trying to just terrify the Senate, and argued he should be glad to be escaping scot-free himself. He accused Caesar of trying to confuse the Senate and defend common enemies to save them from a just punishment. He accused Caesar of having no pity for his own city, while sounding a cry of lament for these criminals. Cato proposed that the death penalty should be carried out immediately, with no trial, so much for the Rule of Law, and that their property should be confiscated from their families. These were neither the demands of a reasonable stoic, nor of a compassionate man to inflict the confiscation of property that would deprive even their families of a place to live. The actions of Cato are not that of a man of the people.

Cicero moved immediately to put the proposal of Caesar and Cato to vote. Caesar argued that there should be two votes, the death penalty and the confiscation of property. Cicero opposed and Caesar appealed to the tribunes who were to protect the people from such unlawful acts, but they gave him no support. The knights who were in charge of protecting the Senate rushed toward Caesar with swords drawn and Caesar could only leave under the protection of the consuls. After Caesar departed, Cicero put Cato's proposal to a vote without mentioning anything about the second proposal to confiscate the property. It was thus decreed, and the five were there and then immediately executed. So much for trial by jury and the dignity of law. Cato and Cicero showed their true colors, that they were part of the oligarchy that stood against the *populares*. From that day forward the feelings against Caesar from both Cato and Cicero were hostile. Caesar stayed away from the Senate for some time. From that day forward, the people knew where Caesar truly stood. He was a man of extreme loyalty who stood against corruption and was the champion of the people.

Cato Instigates the Civil War

Caesar was clearly a *popularis*, a man of the people who stood against the corruption of the Republic. Like today, we have no real voting control over the fate of the nation, those who are in charge of the political machine control the real political state. We have no right to vote for judges, administration heads, or department heads. Obama brought in about 70% of those who served in the last Clinton administration. So there is no real fresh start. Likewise, had McCain won, the same thing would have happened. This is the normal course of the nature of all political states. This internal corruption was rising all the time within Rome and

there was building a debt crisis of untold proportion. Just as today the state confiscates all property it can get its hands on, this is the same that took place in Rome.

Far too many people reviewing history have been unable to fully comprehend the subtle differences often in words then and now. They seem to have been unable to see beyond the word "dictator" and envision some military banana republic leader who just slaughters all his enemies and rapes the young woman as the fruits or the spoils of his privilege.

Cato was an obstructionist and a leader among the *Optimates* who were basically a conservative right-wing group seeking and believing in the right of supreme political power in the Republic, which in Latin was *res publica* whereas *res* means this thing and *publica* meaning the people. So a direct translation would be "this thing of the people" who they saw themselves as the only qualifies rulers to protect the people which in fact was the political state, not actually the population. It is much like our problem today with federal judges. They have convinced themselves they have the "right" to make "policy" as to what the law should be, but that is a legislative power that is supposed to be subject to popular vote. By claiming the courts have the power to make "policy" decisions, they delude themselves into assuming the tyrannical power to supersede the law and eliminate the power of the people to even have a democracy. This is what the *Optimates* truly were, a right-wing usurpation of power that had devolved into an "Oligarchy" that they justified to retain power.

Cato committed suicide eventually in the civil war during 46 BC. Cato had assumed control of Sicily, but could not hold the island and fled to join Pompey at Dyrrachium, yet when Pompey was defeated at Pharsalus, Cato fled with a small band of troops to Africa. He shut himself up in Utica. After the defeat for the oligarchy at Thapsus, his troops evacuated by sea and Cato committed suicide.

There are no writings of Cato that have survived other than one letter to Cicero. Immediately upon his death, the *Optimates* did their best to enlarge propaganda in an attempt to justify themselves. Thus, there raged a debate over the character of Cato and Cicero's panegyric *Cato* was answered by Caesar's *Anticato* that when compared to events, appears to be a far more objective assessment. We must also not forget that Cicero's writing was at the request of Brutus. The "Oligarchy" succeeded in distorting history, for even in the 1st Century AD the poet Lucan writes his *Bellum civile* portraying Cato as the model of virtue.

Caesar's Anticato has largely been ignored by historians and summarily just regarded as an obscene personal attack. Caesar characterized Cato as an eccentric and self-serving individual who was a drunkard and a miser, who had even agreed to sell his own wife for profit. Nature, Caesar argued, had made Cato different from everyone else. There is no doubt that there was a profound hatred between Caesar and Cato and judging independently Cato's action in the Catiline affair, he certainly was not a man of the people nor concerned with Republican ideas. If Cato were in charge of the terrorists today, his actions would be to deny them any trial. Argue that they threaten the state. Order that the law should not apply. And that they should be summarily executed within 3 days. Not a single nation today would regard the acts of Cato as even remotely civil no less worthy of praise.

Caesar's personal attack upon Cato aside, it is clear that Caesar viewed Cato with not just contempt and incomprehension that he never displayed toward any other opponent, nonetheless he rightly places the blame for the civil war upon Cato. It is clear that Cicero's writing about Cato is untrustworthy and is in itself a very self-serving product that was

acknowledged to have been instigated by Brutus. Hence, the *Optimates* hailed Cato in death and covered over his unconstitutional actions to support their own cause. For if we look at events, clearly it was indeed Cato who pushed the civil war upon the Roman people as a power grab to maintain the very corrupt Oligarchy.

Caesar's opponents in Rome were led by Cato, whose personal hatred of Caesar is perhaps the epic center for the civil war to come. Cato was no doubt the most dangerous of the lot and he failed to secure the election as consul in 51 (Plutarch's *Cato minor* 49-50, Cassius Dio, *Historia Romana* 40,58). Marcus Claudius Marcellus won the election, but he too was an *optimate* and agreed with Cato that the objective was to strip Caesar of his command, and they conspired to convict him and then as a private citizen he would be a criminal and then politically at least condemned. Cato was persistent demanding that Caesar be impeached, and put on trial.

Caesar knew who his enemies truly were. He clung to his belief that if the majority of the Senate were free of the Oligarchy of Cato and Cicero, they would surely see the light. To persuade them, Caesar wrote his seven books on his truly remarkable conquest of Gaul – de bello Gallico. His work was strictly objective in tone showing again the true character between his words. The amazing conquest of essentially Europe took 7 years. Even Cicero could only praise his work stating "In the writing of history nothing is more pleasing than unaffected and lucid brevity." (Cicero, *Brutus* 262). Of course, there was the typical muck-raking by people like Cato, a man whom I believe history has unduly crowned him with dignity he never deserved. The deep-seated hatred against Caesar from the Oligarchy is exposed by the comments of Ariovistus who remarked that Rome had no real claim to Gaul and boasted that there were men of great distinction in Rome who would be most grateful to have Caesar removed.

Caesar's 7th volume provides a glimpse of truly this man's genius, and that his talents were truly unlimited. This would be made even clearer after he wins the Civil War and embarks upon the most ambitious economic reform in world history.

The breach began by not merely the demand that Caesar give up his legions, the Senate rejected the word of Caesar who granted citizenship on the Latins who had settled north of the Po river and aided Caesar. The rejection of these 5,000 colonists showed the anti-populares attitude in the Senate led by Cato. This is as if the Senate ruled that an American who settled in Alaska lost his citizenship as an American before Alaska became a state. This further demonstrates that Cato was willing to punish the people for supporting Caesar.

Among the cities of Campania the people believed that the Senate was trying to slap the citizens and Caesar in the face. The enemies of Caesar spread rumors that Caesar had instructed the townspeople to reconstitute themselves as Roman *municipia*, which was of course false. They were trying to instigate affairs against Caesar who they knew could see into their souls and fell their corruption. Pompey was at Tarentum and took no part in their behind-the-scene-machinations, merely vowing to help only if Caesar actually did something (Cicero, *Epistulae ad Atticum* 5,7; 5,11,3; *ad Familiares* 2,8; 3,8,10; Cassius Dio, *Historia Romana* 40,59,2).

The townspeople seem to have beaten a judge with rods over a questionable legal decision in Comum. This seems to have given Marcellus excuse to take some action against the people that prompted Caesar to send two legions into Northern Italy to protect them from

a possible barbarian invasion. It was like sending in aircraft carriers to put on a show of force. The dispute and ultimate confrontation against the corrupt Republic was brewing.

This is much like the French Revolution and Bastille Day (July 14th) when the people rise up and storm the prisons to set free the political prisoners of the state. Cato and his Oligarchy were so intensely anti-Caesar, that they were willing to do anything to anybody. This event to punish the people because of corrupt judges, again reveals that Cato and his following were no Republicans.

Pompey had lent a legion to Caesar back in 53 BC for the war effort. On July 22, Pompey stopped in Rome on his way to Spain at ask about the pay for his troops. He was reminded about the legion he lent Caesar and was told he should ask for its return. He agreed, but objected letting them know he was not agreeing at the demands of Caesar's enemies. The Senate was conspiring that Pompey should take over the legions in Gaul. Pompey at least agreed that Caesar should not be consul without giving up his legions and his province. Thus on March 1st, 50 BC, Pompey's father-in-law Scipio delivered his vote. It was thus decided that all of the new provinces would be stripped from Caesar and that anyone who tried to veto those bills, which could procedurally take place on most, was an act that would be regarded as Caesar was rebelling against the Senate.

What is truly interesting is that Pompey joined this legislation believing that he truly knew Caesar and his loyalty and honor would compel him to comply. He does not seem to believe that this was a break inviting civil war. The Oligarchy also seems to believe that Caesar would just hand himself over because of his loyalty. But this was a moment in time where the corruption had simply gone too far. Those who hated Caesar like Cato wanted the man dead and would have pulled off whatever manipulations of law to accomplish that. Caesar clearly knew, there would be no possibility of a fair trial. This was an oligarchy hell bent on ensuring that they would win by any means possible.

By September 29th, 51 BC, Caesar ran out of civilized options. The Senate even attempted to decide the discharge of his own soldiers. To counteract the Senate, Caesar immediately doubled the pay of his legions granting them bonuses and awards thereafter. Meanwhile, Caesar was still funding the elaborate buildings in Rome under construction that began 54 BC paid for by the Gallic victories – the huge Basilica Julia in the Forum, a new Forum, and another building at the Campus Martius. Much like the Empire State Building under construction during the Great Depression provided some hope for the future, this construction gave hope that there would be no war. He also funded festivities in honor of his late daughter Julia who had been married to Pompey.

There was much political maneuvering. There was even a proposal that Caesar would give up his legions if Pompey did the same. But the corrupt Oligarchy would not allow that. The clash in political circles was deepening. The later noted historian Gaius Sallustius Crispus lost his seat and sent a memorandum to Caesar warning him that the Senate was under an unbearable oppressive reign of absolute terror under the Oligarchy that surrounded Pompey. He argues that Caesar had to act to restore the government.

Crossing the Rubicon

Roman god Janus

The Romans had a god they called Janus who was pictured as having two faces. He was the symbol of a cyclical change, the departing of one era and the birth of another. His shrine consisted of two doorways that traditionally were left open in time of war and kept closed when Rome was at peace. Thus remaining open in time of war symbolized the new era that was possible. According to Livy, the celebrated Roman historian, the gates to the shrine were closed only twice, during the period of Numa Pompilius in the 7th century BC, and again for the Pax Romana during the reign of Augustus. We still celebrate Janus indirectly for January is named after him and we celebrate the "new year" with its dawn January 1st. Crossing the Rubicon was a new dawn in civilization as we would know it.

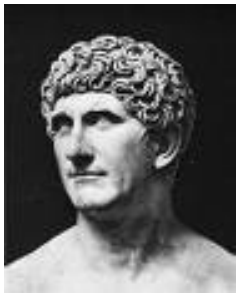
Crossing the Rubicon became the only option. Caesar was outnumbered, but he was always outnumbered in Gaul. He crossed the Rubicon in January 49 BC and the famous words attributed to him, "the die is cast", were actually "Let the dice fly high" quoting a half-line of his favorite Greek poet, Menander. The letter of Crispus stands along side Cicero's own political works where he at least admits and offers some reforms himself regarding the unjustified power of the present nobility and the corruption of money and bribes must be broken to restore the dignity of the Roman Republic (*C. Sallusti Crispi Epistulae ad Caesarem* 2,13,5; compare *Introduction to C. Sallustius Crispus*, 1953).

We all know the end results of the Civil War. Cities opened their gates and cheered the invasion of Caesar who was regarded as honorable and a true man of the people – a *popularis*. What I have provided here is the "feel" of the political conditions of the times. It was far different than the one sided story of those in the Oligarchy clinging to their corruption.

Property values were collapsing. Debts were excessive. Those who held mortgages refused to accept just the property back. The core of the *populares* from the time of the Catiline Conspiracy was the cancellation of all debts. Even before the Civil War was over there was rioting in Rome. Mark Antony was the *magister equitum* in charge of Rome. However, Dolabella brought forward the proposals to cancel all debts and rents and the Senate was again deeply alarmed. They anointed Antony with the *senatus consultum ultimum* bringing in strong troop reinforcements. There had been street riots and fighting but Antony took action. These troops stormed the Forum that had been barricaded by rioters. The troops attacked and over 800 were killed. The tablets inscribing the law were smashed. Most leaders were killed.

Antony himself was clearly trapped politically. He lost favor with the people and yet he himself was in favor of the cancellation of debts. He in fact bought the estate of Pompey at public auction on the assumption that when Caesar took full power, he would cancel the debt as originally floated by Catiline.

Pompey the Great
(106-48 BC)



Mark Antony
(82-30 BC)

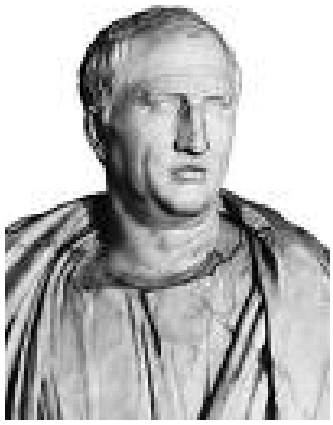
Indeed, Caesar showed his disapproval of Antony and essentially dropped him as a favorite for nearly 2 years. Caesar showed his confidence in Dolabella and granted some relief awarding home-owners a rent reduction for the current year of up to 500 denarii in Rome, and 125 denarii throughout Italy. However, Caesar again stood by a decree he made in 49 BC rejecting quite decisively the cancellation of all debts (Cassius Dio, *Historia Romana* 42,50,2-5; Suetonius, *Divus Iulius* 51). Caesar explained that he had to borrow to fund the war and it was unethical for him to cancel all debts since he himself would benefit. Caesar forced Antony to pay the full price that he had bid for Pompey's estate that included everything within it including all its slaves. Only Caesar's mistress, Servilia, is said to have secured some bargains at these auctions of property of people who died or were not pardoned (Cicero, *Philippica* 2,64-69; 2,71-73; 13,10-11; Suetonius, *Divus Iulius* 50,2).

Caesar hesitated concerning the debt crisis. He gave it much thought and clearly this was a man who was not prone to be simply partisan. His widespread forgiveness of his enemies was perhaps his undoing. But he perhaps wrongly thought that by showing he was a man of reason, he would be able to lead Rome to a new dawn and eliminate the corruption setting the Republic back on track. There is no indication of tyranny, for his reasons were not self-serving, but clearly cut deep in those who had controlled the Oligarchy. Caesar spared many, and they merely came back to conspire against him again. Even in this act of forgiveness that Cato surely was never capable of doing, we must understand again the subtlety of the words used by Caesar. In Gaul, he often pardoned the offense of his captives by showing clemency that in Latin was *clementia* but was truly an act of mercy that amounted to the waiver of the Roman right to punish.

Caesar avoided the word *clementia* during the Civil War against Romans. What he did instead was use the terms of compassion (*misericordis*), generosity (*liberalitas*), and leniency (*lenitas*). These terms were slightly different than *clementia* insofar as they did not imply "mercy" that was more appropriate toward a non-Roman. Even Caelius wrote in a letter to Cicero: "Have you ever read or heard of anyone fiercer in attack and more moderate in victory?" Yet this is a tyrant?

I believe that the words of Caelius are the correct summation of the true and profound nature of the man Gaius Julius Caesar. His compassion, generosity and his leniency was starkly different from the dictator Sulla who was more interested in retaining the institutes of

government while eliminating the people occupying them whereas Caesar was far more compelled to act to restore the institutions of the Government and to spare the people, even his more threatening enemies. These are not the actions of a man interested in personal power, but a man interested in saving his country.



Marcus Tullius Cicero
(106-43 BC)

It is very clear that Caesar always regarded that there was hope for Cicero. There were moments when Cicero's ideas showed brilliant independence. Yet this calls into question his personal judgment. To have been rather hostile to Caesar, yet to follow blindly the lip-service of Cato and the *Optimates* who were the true extreme right-wing Republican Oligarchy, leaves one to question these inconsistencies.

Cicero was not one of the conspirators against Caesar who participated in his public assassination on the Ides of March (15th) in 44 BC. Yet it is curious why he was not present. No doubt he was invited, but declined. Like Crassus who failed to show up in the Senate for the hearing concerning the conspirators in the Catiline affair, one must ask if here too Cicero must have known, but avoided the public connection.

Upon the assassination of Caesar, we find Cicero came out in a strong defense of the conspirators and portrays Caesar as a merely power hungry man. Caesar was vilified by Cicero who launched his personal attack upon his character as they had accused Caesar in reply to Cicero's *Cato.* Cicero stated that all the gifts of Caesar within his character, were directed to only one end – the subjugation of the free state to his lust for power (Cicero, *Philippica* 5,49). What Cicero did in his Philippics, as they became known referencing the famous speeches of Demosthenes (384-322 BC), the Athenian who roused the Greeks to defend against Philip of Macedon (the father of Alexander the Great), was such self-justification that they cast serious doubt about his judgment. Was he so blind, or could he fluctuate upon the moment listening to every speech and believing that he who spoke last was always the best? There can be no question that the control over the so called "free state" by the Senate was a dictatorship in the cloak of an multi-headed oligarchy that was simply unconstitutional (*factio paucorum*) and represented nothing akin to a democracy, but a façade of self-interest.

The Economic Reforms ~ of Caesar ~

Actions speak louder than words. The most curious aspect I have found regarding the story of Caesar is the obsession with only his military career and the willingness to even listen to often the self-serving rantings of the oligarchy to justify their own crimes not merely against Caesar, but in the suppression of the Roman people. If we only consider Caesar's military career, there would be no real interest on my part. What I have always found fascinating, is his diversity of true genius. Generals come and go, but true economic reformers of the state to save the nation are rare indeed. Neither Republican nor Democratic today seems to have any interest in being a statesman for that requires looking beyond personal interest, and looking into the eyes of fate herself, and realizing it is his country he must save, often from himself.

When Caesar turned toward domestic reforms, he did so with lightening speed. The famous saying of Caesar, "I came, saw, conquered" was at the time reflecting not just the events, but the speed with which he had accomplished such conquest. Even after defeating all contenders, Caesar returned to Rome in 46 BC and began such a sweeping economic reform, that it puts to shame any pretended accomplishments of the first 100 days that began with Roosevelt.

There can be no greater example of political corruption that required desperate reform than the calendar. I can see absolutely no defense whatsoever by Cato or the more moderate Cicero than the sheer fact that Caesar even had to revise the calendar. What we must understand is that the office of *pontifex maximus* (high priest) was in charge of the calendar. The Romans used the moon calendar but knew it was incorrect and thus it required adjustments by inserting days. The corruption degenerated to such a point that elections could be postponed by the insertion of days. This realization led to bribing the high priest to even insert months to effect the political elections.

If Caesar were truly corrupt as Cato, then why bother with reforms? Caesar replaced the typical lunar year and introduced his new calendar based on 365¼ solar days on January 1st, 45 BC. He actually inserted 67 days between November and December making the year 46 BC a one-time calculation of 445 days. He may have even consulted with Greek astronomical calculations assisted by the scholar Sosigenes (Suetonius, *Divus Iulius* 40; Cassius Dio, *Historia Romana* 43,26; Plutarch, *Caesar* 59,5-6). It was Plutarch who reported that when a friend of Cicero remarked that the constellation of Lyra was due to rise next day, Cicero snapped – "Yes, by edict." This is merely an example that the *Optimates* were constantly complain about every reform Caesar would make, illustrating the true character and anti-Republican attitudes those who pretended to be Republicans truly possessed. This was about their power being lost, not about their country.

Caesar instituted labor reforms intent upon reducing what we would call the unemployment rate. If one could replace workers that had to be paid salary with slaves, given the high degree of agricultural economic activity that was at least 70% of the economy if not more, the competition between slaves and the poor was a serious problem. To this issue, Caesar enacted legislation against the owners of *latifundia* obligating them to recruit a third of their employees in pasturage from free men.

Caesar sought to further education and medical care. To accomplish this, he offered citizenship to doctors and teachers of liberal arts who would agree to settle in Rome. It was indeed trying to create a new dawn of civilization and saw education and medical care as critical to achieve that goal.

Caesar reformed the corruption within the welfare system. For far too long the list of the alleged poor had far too many "no shows" so that grain paid for by Rome was being handed out to people who were not there and resold. Suetonius tells us of his genius in reforming welfare, Caesar conducted a census in a novel way:

> "Caesar changed the old method of registering voters: he made the City landlords help him to complete the list, street by street, and reduced from 320,000 to 150,00 the number of householders who might draw free grain. To do away with the nuisance of having to summon everyone for enrolment periodically, he made the praetors keep their register up to date by replacing the names of the dead men with those of others not yet listed."
>
> (Suetonius, The Twelve Caesars, Julius Caesar 41,3)
> (Penguin Classics ed., translation by Robert Graves)

> Paraphrase by Martin Armstrong:
> "Caesar conducted a census in a novel way: he made landlords help him to complete the list, street by street, and reduced from 320,000 to 150,00 the number of householders who might draw free grain. To do away with the nuisance of having to summon everyone periodically for enrolment in the register, he made the praetors keep it up to date replacing the names of dead men with those of others not yet listed."

By making the landlords account for their properties, Caesar eliminated the hoax of creating fake residences and fake names to collect free grain and then resell it. The reduction of more than 50% by just forcing a census, exposed the corruption that infiltrated even this expenditure.

Suetonius also tells us "Caesar dissolved all workers' guilds except the ancient ones." (Id./42,3). [Paraphrase Armstrong: "Caesar dissolved all private associations except the ancient ones."] He also addressed criminal reforms whereby the Oligarchy when caught, would essentially exonerate themselves. In an effort to create a more just Equal Protection of the law, Suetonius informs us that Caesar "increased the penalties for crime; and since wealthy men had less compunction about committing major offences, because the worst that could happen to them was a sentence of exile, he punished murderers of fellow-citizens (as Cicero records) by the seizure of either their entire property, or half of it." (Id./42,3). Often, a relative would murder another to clear the line for inheritance. If caught, they could merely opt for exile walking away with their spoils. Caesar closed this loophole.

Caesar dealt with the same corruption we have today in the courts. For example, just this past January the Supreme Court ruled in John Van de Kamp v. Thomas Lee Goldstein (decided January 26, 2009), that where previously it was held that a citizen could only sue a

government prosecutor for administrative acts, a suit was filed in California where a person was imprisoned for murder on false testimony that the government knew about. The prosecutor refused to produce the evidence that would show he was prosecuting the wrong person. After he won on habeas corpus, he filed a lawsuit for damages. The district court and the Ninth Circuit allowed the lawsuit to proceed holding it was "administrative". The Supreme Court overruled and effectively held that the government prosecutors are absolutely immune even if they intentionally wrongly prosecute a person for whatever reason. So if you live next to one of these people and he just doesn't like you, he can criminally indict you, lie to the courts, manufacture false testimony, and even seek the death penalty. The Supreme Court has held that this is OK because the state's need to prosecute supersedes all civil rights whatsoever. In this one decision, they have eliminated the entire purpose of the Constitution. You live in an oligarchy no different today than what Caesar faced back then. For the one maxim always holds true. Absolute power, corrupts absolutely!

The judicial reforms of Caesar were profound. Suetonius tells us that "he arranged with the commons that, apart from the consuls, half the magistrates should be popularly elected and half nominated by himself. Allowing even the sons of proscribed men to stand, he circulated brief directions to voters." (Id./41,2). One might focus immediately on his retaining a right to nominate half the judges. Please note, today 100% of the judges are nominated by the President, none are elected by the people. The form of the nomination was also given by Suetonius:

> "Caesar the Dictator to such-and-such a tribe of voters: I recommend So-and-so to you for office."
>
> Id./41,2

What you will note is that it is still not a command. It would remain as purely a recommendation that applied to half the magistrates. Today, the President nominates all federal judges and justices to the Supreme Court. There is no option for the people today as was the case under the tyranny of the Republican Oligarchy.

It is also clear from his personal experience during the Catiline affair, that the treatment the accused received at the hand of Cato was uncivilized, violated every principle of law, and eliminated the entire body of constitutional rights that Roman citizens possessed as a matter of right of birth. Cato's vile act of eliminating the right to a jury trial for the accused and the summary execution he demanded within 3 days of their charges, was conduct that was unacceptable to Caesar. For this very reason, Caesar undertook the reform of the legal rights to secure the right to trial by jury. The audacity of the *Optimates* to even argue against such reforms shows very clearly that they are not worthy of any office, but are the worse possible criminals of all, for what they did deprived every Roman of their birth right. This was conduct unfitting any country claiming to be "free" that respects either the rule of law or the rights of the people as individuals.

Caesar was deeply concerned about the degrading of the jury. The juries were being stacked with treasury tribunes who were notoriously up for sale. Where Cato simply refused to provide a trial by jury in the Catiline affair just as President George W. Bush refused to give the alleged terrorists a trial by jury seeking to give them only a military tribunal with none of the Constitutional rights, the reforms of Caesar were aimed at stopping the practice of stacking juries. Again, we find Suetonius informs us: "He limited jury service to knights and senators,

disqualifying the Treasury tribunes." (Id./41,2). [Paraphrase Armstrong.: "He limited jury service to equites and senators, disqualifying the treasury tribunes."]

Throughout history, the right to trial by jury has always been one of the first rights to be assailed. We find Thomas Jefferson list among the injuries within the Declaration of Independence again the same charge: "For depriving us in many cases of the benefit of Trial by Jury." In Jefferson's correspondence, he again makes it clear "I consider trial by jury as the only anchor ever yet imagined by men, by which a government can be held to the principles of its constitution." (Writings of Thomas Jefferson, Vol. 3, Washington Ed. 71).

Tyranny always seeks to eliminate, for there is no better way to have absolute control. When the United States first began the First Supreme Court Justice John Jay made it clear "the jury have a right to determine the law as well as the facts in criminal cases." George v. Brailsford, 3 U.S. 1, 3 Dall. (1794). This view was based upon a trial of William Penn, founder of Pennsylvania. The king put him on trial, and the jury refused to find him guilty and would not comply with a law they regarded as unjust. Penn walked out of the court, but the judge imprisoned the jury on contempt. In the United States, judges fail to instruct the jury that it is their constitutional right to act as a check and balance against all branches of government that includes the legislative. Judges claim the jury must follow the law just as the judge did in the Penn trial. But that is unconstitutional. Congress could pass a law stating you must kill your first-born. There is nothing to prevent that from taking place. You are supposed to stand trial for refusal, and the jury is told they must follow the law and find you guilty. It is then the defendant's right to appeal claiming the law is unconstitutional. If the judge disagreed, you are executed. This is what they want. Mindless citizens pretending that they have no right to decide the law as was the case in the trial of William Penn. This is an insult to freedom. There is no government by the people and for the people when the people are removed from the government. That is tyranny no matter what we call it.

The elimination of the jury in the United States has been systemic. To the credit of Justice Scalia, he began to notice that courts were cleverly using two sets of facts and claiming that one was merely a sentencing factor that judges were to decide. Scalia dissented Monge v. California, 521 U.S. 721 (1998). He wrote

> "I do believe that that distinction is … simply a matter of the label… Suppose that a State repealed all of the violent crimes in its Criminal code and replaced them with only one offense, 'knowingly causing injury to another', bearing a penalty of 30 days in prison, but subject to a series of 'sentencing enhancements' authorizing additional punishments up to life imprisonment or death on the basis of various levels of mens rea (intent) … Could the state then grant the defendant a jury trial, … solely on the question whether he 'knowingly cause[d] injury to another', but leave to the judge to determine … whether the defendant acted intentionally or accidentally …? If the protections extended to criminal defendants … can be so easily circumvented, most of them would be, to borrow a phrase from Justice Field, "vain and idle enactment[s]."

Justice Scalia's persistent objections to creating new sets of facts that judges could withdraw from the jury came to a head in Apprendi v. New Jersey, 530 U.S. 466 (2000). Here, a man was tried for shooting at a house. The jury was given only that question. The court reserved for

itself to determine if the man knew the race of people within and thus convert that into a hate crime carrying a much more serious penalty. Finally, Justice Scalia gathered the support to overrule the lower courts and uphold the Constitution. But this was only the start of the battle for the dissent was Justices O'Connor, Rehnquist, Kennedy, and Breyer. None of these Justices would uphold the rights of citizens.

As the battle to retain arbitrary powers for judges against the people of the United States continued, finally it came to a head in Blakely v. Washington, 542 U.S. 296 (2004). But this was a case concerning state law, and the Justice Department immediately argued it did not apply to federal courts trying to still eliminate jury determinations of key facts. To illustrate how corrupt the judiciary has become, they split hairs in the words used to keep the game going. The words at issue were decided in Apprendi:

> "Other than the fact of prior conviction, any fact that increases the penalty for a crime beyond the prescribed statutory maximum must be submitted to a jury, and proved beyond reasonable doubt."

Apprendi, 530 U.S. at 490

Blakely held that the defendant was entitled to a jury trial on all facts that increased the sentence. There was virtually a revolt among the inferior courts and their arrogance is reflected in a Second Circuit decision presided over by the whole court led by President's George W. Bush's First Cousin, Chief Judge John M. Walker, Jr. The very Sentencing Guidelines clearly stated that never could any sentence ever exceed the statutory power to eliminate jury trials.

> "[W]e have understood Apprendi to be limited, as the majority opinion in that case states, to 'any fact that increases the penalty for a crime beyond the prescribed statutory maximum.'…, and therefore have not required that any fact-finding necessary for application of the Guideline be done by a jury."

U.S. v. Peñaranda, 375 F.3d 238, 243 (2d Cir. 2004) (en banc)

Because of such an uproar among the judges basically saying to the Supreme Court "How dare you diminish our arbitrary powers", a few months later in U.S. v. Booker, 543 U.S. 220 (2005), Justice Ginsberg jumped ship joining both the Scalia and Breyer camps admitting the practice was unconstitutional, but claiming the Guidelines were just advisory and judges still had discretion to find facts for sentencing. Scalia lost, despite the fact that the law up until 1985 had always been "[n]o fact, not even an undisputed fact, may be determined by the Judge." U.S. v. Harvey, 756 F.2d 636, 645 (8th Cir. 1985). Americans no longer have any right to trial by jury, for even if a jury acquits you on 9 out of 10 charges, the judge can still sentence you to the acquitted conduct rendering a jury verdict irrelevant. There is no right to trial in federal courts any more thanks to the usurpation of power by judges as always.

Caesar was fighting the same pervasive corruption then as we face today. Again we find Suetonius informs us: "In his administration of justice he was both conscientious and severe, and went so far as to degrade senators found guilty of extortion." (Id./43,1.) We even find he addressed women's right by reforming the divorce laws. Suetonius tells us: "Once, when a man of praetorian rank married a woman on the day after her divorce from another man, he annulled the union, although adultery between them was not suspected." (Id./43,1). [Paraphrase Armstrong: "Once, when an ex-praetorian married a woman on the day after her divorce from another man, he annulled the union, although adultery between them was not suspected."]

Caesar also dealt with the problem of international trade deficit that even Cicero had warned that if the importation of luxuries was not curtailed, Rome would go bankrupt for all its gold would be exported in payment. Suetonius tells us once again.

> "He imposed a tariff on foreign manufactures; he forbade the use, except on stated occasions, of litters, and the wearing of either scarlet robes or pearls by those below a certain rank and age. To implement his laws against luxury he placed inspectors in different parts of the market to seize delicacies offered for sale in violation of his orders; sometimes he even sent lictors and guards into dining-rooms to remove illegal dishes, already served, which his watchmen had failed to intercept."
>
> Id./43,1-2

Caesar's legal reforms were extensive. Suetonius tells us: "Another task he set himself was the reduction of the Civil Code [Armstrong: civil law] to manageable proportions, by selecting from the unwieldy mass of statutes only the most essential, and publishing them in a few volumes." (Id./ 44,2). He also planned "to provide public libraries, by commissioning Marcus Varro to collect and classify Greek and Latin books on a comprehensive scale." (Id./44,2).

Caesar also had on the drawing board major building projects. Suetonius tells us: "Caesar continually undertook great new works for the embellishment of the City, or for the Empire's protection and enlargement. His first projects were a temple of Mars, the biggest in the world… and an enormous theatre sloping down the Tarpeian Rock." (Id./44,1). "His engineering schemes included the draining of the Pomptine Marshes and of Lake Fukinus, also a highway running from the Adriatic across the Apennines to the Tiber, and a canal to be cut through the Isthmus of Corinth." (Id./44,3). [Paraphrase Armstrong: "His engineering schemes included the draining of the Pomptine Marshes and of the Fucine Lake, the building of a highway from the Adriatic across the Apennines to the Tiber, and the cutting of a canal through the Isthmus of Corinth."] His military plans Suetonius tells us included the "expulsion of the Dacians from Pontus and Thrace, which they had recently occupied, and then an attack on Parthia by way of lesser Armenia…" (Id./44,3).

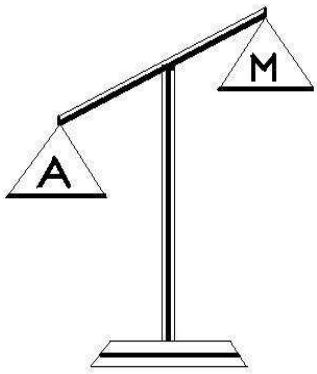
~ *Resolving the Debt Crisis* ~

Since the *populares* movement with Catiline championing the cancellation of all debt, it was widely assumed that when Caesar came to power, this was his intention. He faced a very serious problem, for a debt crisis embraces the entire economy, not just an isolated sector. Caesar in this area showed a remarkable insight and it is lost to modern politicians who only want to be the head of state, yet lack any practical knowledge of how the economy truly functions. It would be as if I bought a hospital, and merely because I now own it and am in charge, I assume that also qualifies me to walk down to the operating room and push the brain surgeons aside and proclaim I am the boss, so I cannot be wrong, and assume control of the operation with no medical training at all. That is what politicians do.

Suetonius informs us on this subject that Caesar did not do what everyone had expected. Aside from instructing Antony that he would have to pay the full value of his bid for Pompey's estate, he did not merely cancel all debt.

> "He disappointed popular agitators by cancelling no debts, but in the end decreed that every debtor should have his property assessed according to pre-war valuation and, after deducting the interest already paid directly, or by way of a banker's guarantee, should satisfy his creditors with whatever sum that might represent. Since prices has risen steeply, this left debtors with perhaps a fourth part of their property."
>
> Id./42,2
>
> Paraphrase Armstrong:
> "He disappointed popular agitators by cancelling no debts, but in the end he decreed that every debtor should have his property assessed according to pre-war valuation and, deducting the interest already paid directly, or by way of a banker's guarantee, should satisfy his creditors with whatever sum that might represent as a result, creditors lost about a fourth of what they had lent."
>
> Suetonius' Latin text:
> "De pecuniis mutuis disiecta novarum tabularum expectatione, quae crebro movebatur, decrevit tandem, ut debitores creditoribus satis facerent per aestimationem possessionum, quanti quasque ante civile bellum comparassent, deducto summae aeris alieni, si quid usurae nomine numeratum aut perscriptum fuisset; qua condicione quarta pars fere crediti deperibat."

Despite the desperate self-serving arguments of the *Optimates* that Caesar was seeking only personal power, his actions speak far beyond their biased words. This was truly a man who acted with incredible speed making decisions in the remarkable short time he had as the Economic Reformer of Rome. He understood that the value of money is in itself a commodity. It rises and falls against all things tangible effectively no different than the price of a common stock of a corporation.



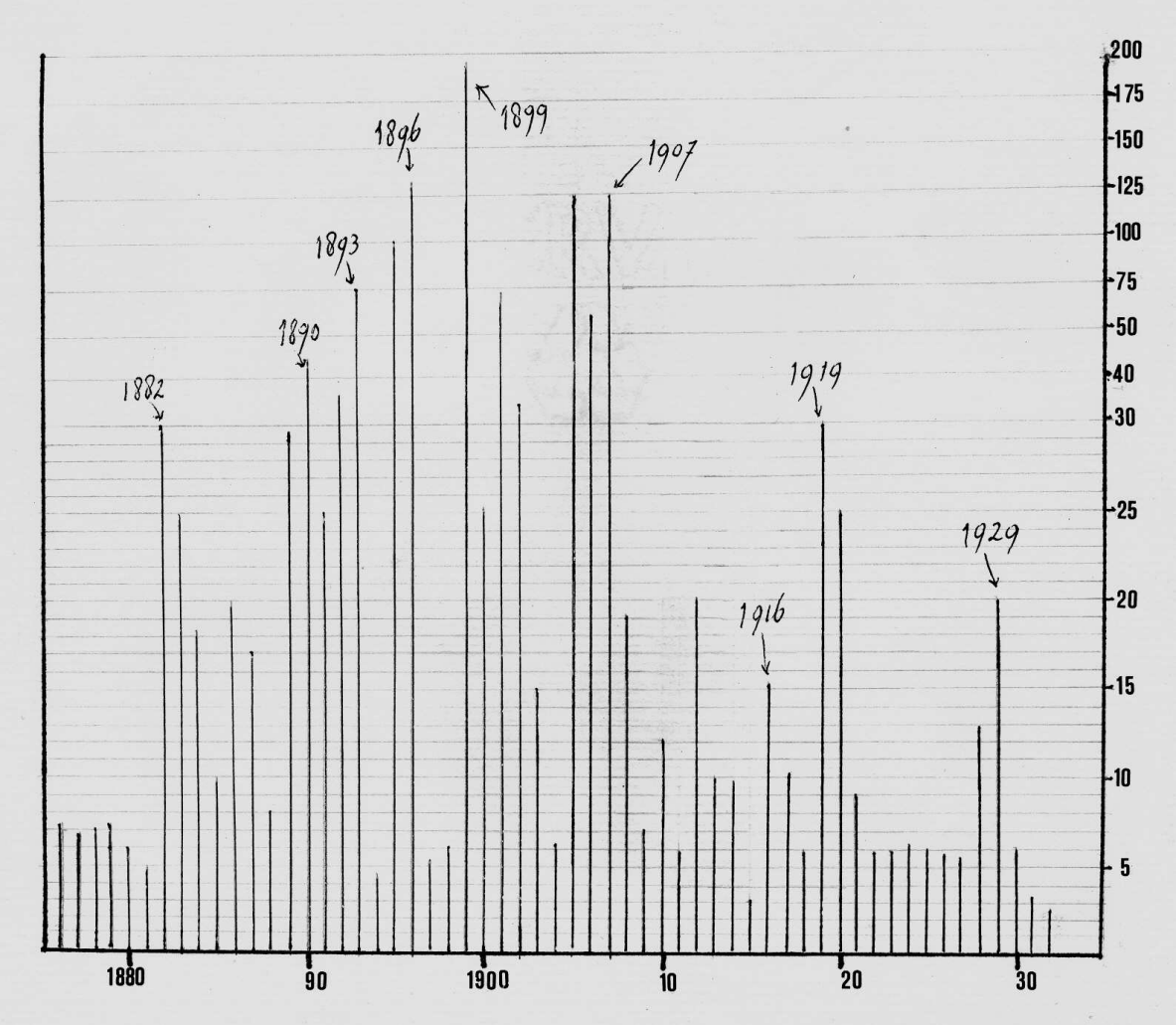
A=Asset; M=Money

Caesar was confronted by a collapse in real estate values probably as a percentage far greater than we have seen today. Lacking a central bank to smooth-out seasonal problems and to lend money to a particular bank area, the lack of any centralized control over the economy had produced the same higher volatility reflected in the Call Money Rates before the birth of the U.S. central bank – the Federal Reserve in 1913. As we can see from the chart below, interest rates had nearly risen

to 200% during short-term financial panics. Hence the Debt Crisis that he faced was widespread and resulted in a crisis whereby if someone could not pay, it was not a question of just walking away and letting the lenders repossess the property. The lenders would refuse to

CALL MONEY RATES 1876-1932

Yearly High Low taken from the New York Stock Exchange

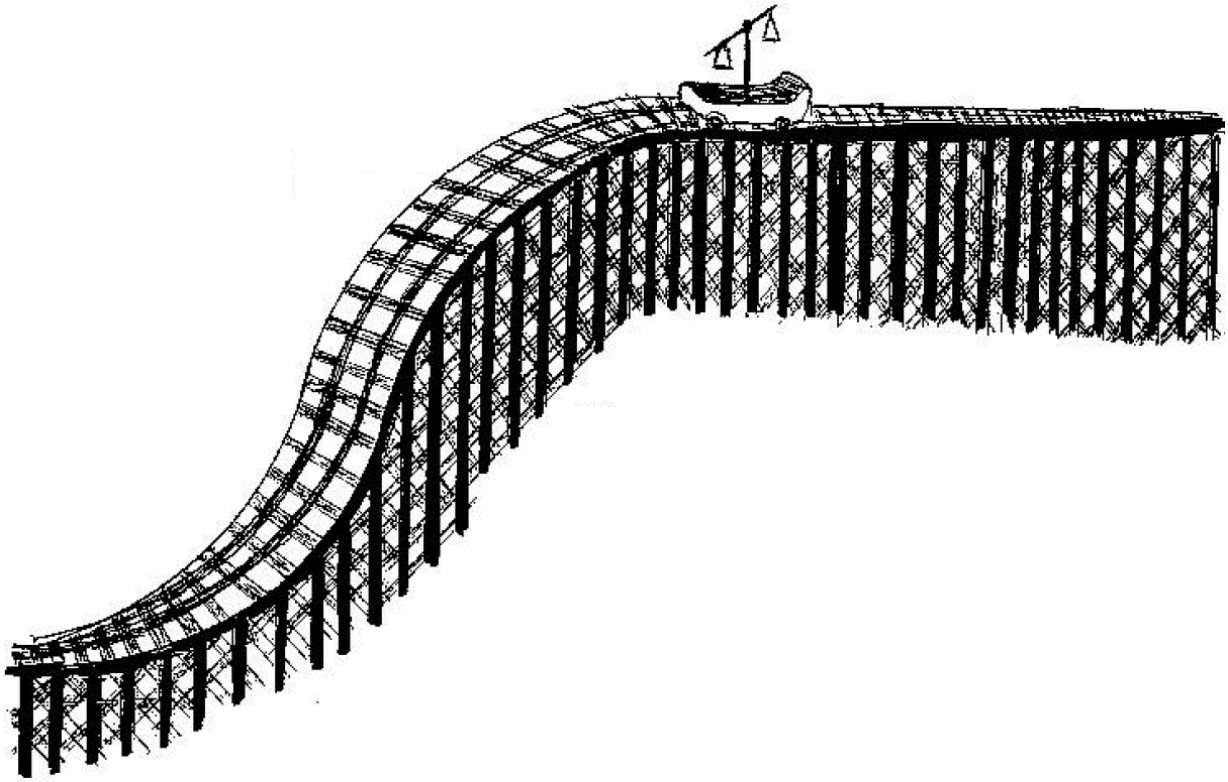


Note: pre-1913, volatility was significant higher lacking seasonal/panic smoothing

accept a simple return of the original asset to settle the debt. Thus, this Debt Crisis was much more difficult to solve. There was no option to print money or guarantee debts. Caesar had to truly understand the problem and come up with a solution that would not destroy the economy as the majority of the *populares* had been advocating. That would result in a Marxist style transfer of all wealth. By spreading the capital evenly among everyone, he realized this would in fact wipe out the economy as a whole.

Caesar dealt with this major extraordinary situation in a truly astonishing manner, realizing that assets and money are in a union of opposing forces acting as two free radicals, yet bound together forming an Economic-dimer that in fact resides at the core of the very economy. This is the ying/yang or the Dia-oikonomos (hidden opposing force creating the essence of economy).

Caesar understood that as the value of property rose, the measurement is money. When property declines, it is measured in money. This is not a constant relationship for money itself is not like a ruler, yet this is the very essence of our primary confusion. The way we measure the economy is we presume falsely that money is a constant. The truth is, there is no constant in that respect and money as we have fixed it within our mind is printed on a rubber-band.



~ Money Can Never be a Constant ~

Our greatest problem is trying to see that not merely do we live in a three-dimensional world with objects possessing height, width, and depth, but there is also movement that can only be measured by the one constant that exists – Time.

The problem we have is that the scale I gave on the previous page showing that assets exist on one side and rise and fall against the opposite side being money, now we have to see in our mind that the scale is itself on a real roller coaster. We may think we are making or losing money, but are we if money itself cannot be a constant?

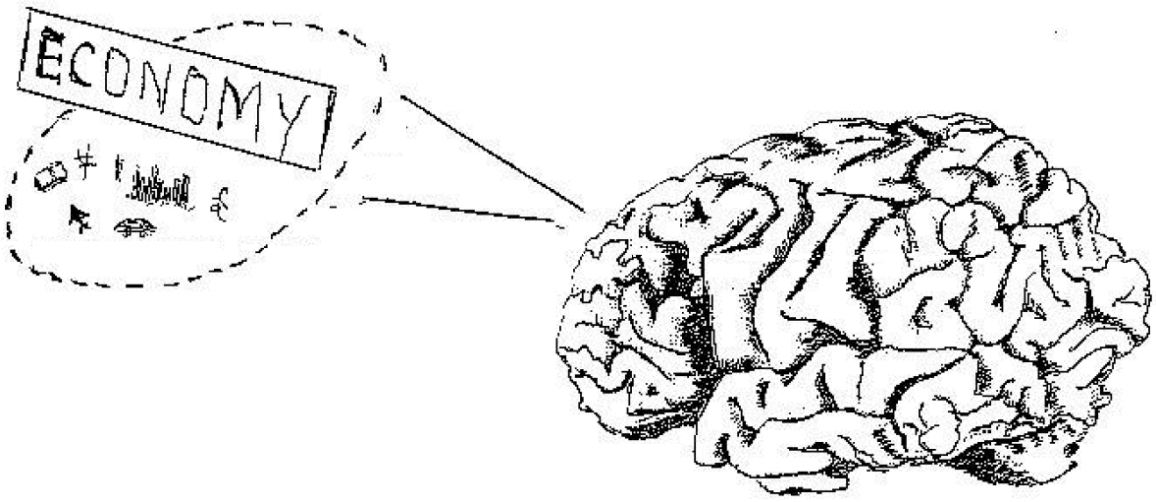
Albert Einstein was seen as a genius. He was asked how he thought. People just assumed that his brain was some sort of a fluke. He replied: “A new idea comes suddenly and in a rather intuitive way” and his thoughts, he exclaimed, moved in a “wildly speculative way.” He was told that people thought in words. He replied: “I rarely think in words at all. A thought comes and I may try to express it in words afterwards … I have no doubt that our thinking goes on for the most part without the use of signs and, furthermore, largely unconsciously.”

Most people assume that they think only in words. But they are wrong. People assumed that Einstein was just a genius, and did not listen to what he was saying. He visualized relationships and that leads to concepts. The concepts flow so fast, there is no time to even

bother to form words. The comprehension suddenly appears, and then you try to rationalize the idea in words.

We all actually think this way. We learn by visual and sound in a much more deeper way than in reading just a book. This much has been proven in studies and it is why I believe education must be changed reestablishing apprenticeships.

I find it difficult to try to explain visual concepts in words. What I am trying to provide is an explanation of the economy so that you can visualize the real solution, because it is a dynamic relationship between everything with no real constant. We are at a tremendous disadvantage because we have grown up thinking in a flat linear world that does not exist. We see the assets rise and fall as measured in money, but we do not take it to the next level. The reason this is true, is because money is itself a language in our mind. Just as Einstein was confronted by the question does he think in word, we also limit ourselves by thinking in money, against which we measure gains, losses, winners and losers, and government only thinks in how much money can it take from the people.



Words
Lead to
C O N C E P T S

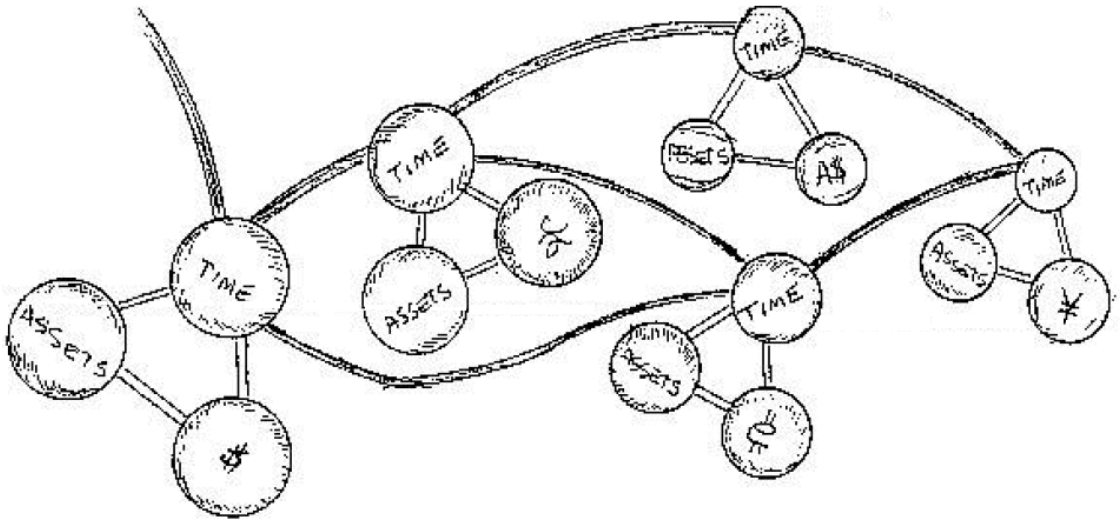
The unfortunate misconception about thinking in words created by the press who asked the question, has been a major set-back, I believe, in our evolution process. It may appear that we think in words, but this is not true. You are reading this right now and the words are being submitted to your mind. Individually, they do not form a conception per se. There are some words that stand alone and can spark an entire event that embraces a conception. That is separate. We may have experienced a date with a person where we fell in love. Our mind unconsciously is recording the collateral events. The music in the background. The place. The food and the wine. We are not aware that our mind is recording these events. Yet, we may then hear that music that was playing, and the mind will retrieve that moment based solely upon that sound and bring to the forefront that entire event as a distant memory.

I knew the famous painter Norman Rockwell. A banker friend of mine in Hieghtstown, New Jersey, had an estate where there was a pencil drawing of a young girl in a straw hat with

a monogram “NR” and I believe the date 1907. The woman had died. She had always told her children she lived next to Norman Rockwell as kids and when her family moved to New Jersey, he drew this as a departing gift. The banker knew I knew Norman and asked me if I could verify this story and the drawing. I mailed a photograph of it to Norman and then called him on the phone. He kept me on the phone for at least an hour telling me all about her and how he believed she was his first love, He could recall events from his childhood that were amazing. Our minds record everything and some of it is stored so deep, it seems to surface in old age as short-term memory fades. But we store events that can be accessed by vision, sound, smell, and all the senses.

The word is not how we think. When we read, we take the words in our mind and translate them into meanings and this will lead to the understanding of a pure concept. Words are merely communication devices. If we can speak more than one simple language, you may still translate in your mind foreign words into the native word. However, you begin to acquire the thinking process of that foreign language and suddenly you conceptualize an understanding for a concept that exists in a foreign word for which there is no direct translation to your native language. We are truly thinking in concepts that the core is the visual and spatial reasoning. If this were not true, then language would not require teaching and would be inherent.

Therefore, if we try to visualize relationships in our mind, you will find a clear way of understanding that broadens one’s knowledge. This leads to what I call dynamic thinking that is a break with the linear relationship so common in western thinking. This allows us to see the scale with the assets against the money, but by moving into dynamic thinking processes, we begin to visualize relationships and can see that the only constant is time.

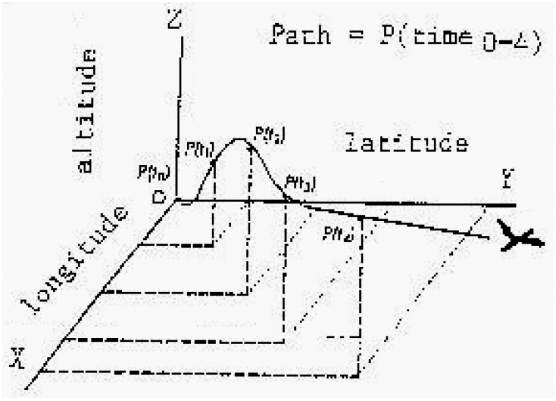


~ Time is the Only Constant ~

What Caesar saw in his mind’s eye, was that the value of assets relative to money fluctuates so much that it is all different depending on the Time. Now we must stop and realize that the value of anything can only be measured in a split second. At any time thereafter, its value will constantly fluctuate. The value we see in a local currency measuring the assets in dollars relative to a moment in time, is fixed at that same moment by taking those assets and recasting them in different currencies. Each investor around the world measures profit and

losses in terms of money that is his home currency. Hence, what one sees in dollars as rising in value, to another may see a decline if the dollar is declining at a greater percentage than the assets are rising as measured in dollars.

Caesar realized that at the time you purchased a house, the lender was willing to loan you $100,000. Now that real estate crashed and burned, it is worth only at best say $50,000. Your mortgage is now more than the property is worth. The bank still demands the $100,000 even though currently it could buy two homes for the same amount of money. Caesar realized there is a dynamic here. If the bank bought stock in a corporation for $100,000 and the stock went down in value by 50%, it would now have only $50,000. worth of stock. If the stock went to $200,000, the bank would then claim a profit. Mortgages are no different.



This is the problem of the real world. This is the illustration of trying to see where is the airplane. We can calculate the latitude and the longitude and then apply the depth being the altitude. But that is a brief calculation that is invalid minutes later because the plane is moving.

This is precisely the same thing we face in value. In our mind it may be fixed because we are also measuring that in terms of the money that we wrongly assume is a constant. Our conception is static and unrealistic. This is what Caesar understood and is thus reflected in his solution to recalculate to a point in time when values were equal.

Caesar was urged by the *populares* to just wipe out the debts. This, he realized, would benefit the people, but also wipe out the capital formation. He conceptualized for the first time that any politician has ever seemed to do, that there is a lack of constant. Caesar appointed assessors to revalue all property to before the economic crisis. He then ordered that all interest payments would be credited toward capital. Thus, he balanced the scales by settling the debts at where they originally stood. Suetonius tells us that "the creditors lost about a fourth of what they had lent." (Id./42,2). [Suetonius: "quarta pars (a fourth part) fere (about) crediti (of the loan/debt) depiribat (got lost)"] This may be true perhaps on an average basis, but I suspect it may have been at least 1/3rd. However, there was no other options of state bailouts. Caesar was no doubt assassinated for it, for the people who were the very creditors were often the senators. Even the image that Shakespeare gave us of Brutus, was far from the truth. This was a greedy and ruthless man in his financial dealings. (Cicero, *Epistulae ad Atticum* 5,21,10-13).

Therefore, Caesar is the only politician who seems not only to have risen to the level of a statesman and not merely acting out of self-interest for his party or for himself, but he saw the dynamic relationship that constitutes value. He realized that value is merely a tangible concept in and of itself.

Silver Denarius of Julius Caesar 44 BC

Gaius Julius Caesar was a man who could see his conception of how the economy would work and the best way to eliminate corruption. To see the Debt Crisis and the injustice of the economy, did not lead him to insane ideas that our current crop of politicians are trying to create both in Europe and the United States. They are against the individual, convince perhaps themselves that they need to strip the rich of everything they can to simply hand to the crowds whatever they demand. These ideas are Marxist by any label you want to apply to try to hide the truth of their actions be it "progressive", "liberal", or "socialism". The label does not matter. It is the action that we must follow.

Caesar was asked to take the Marxist approach and cancel all debts. This is a man that could have taken that concept and ordered it by decree. He still did not, and chose the high road that was best for the country. In contrast, our politicians only listen to Karl Marx. They see the "rich" only for what they possess. They do not see that what they are seeking to destroy is human individualism.

We are headed into fascism where the property remains nominally in the name of the owner, but the state dictates what you may do with that property, how you will manage the property, and what you shall pay to the state. The state is accomplishing the same experiment of Marx with communism insofar it results in a central control dictated by politicians. Just as Russia and China collapsed because the state is not in the front line and thus is incapable of innovation, fascism is leading to the very same end. When the state is concerned about what a business pays in bonuses regardless of if they are justified or not, that is embarking upon fascism.

Government is incapable of providing economic growth. They may own the hospital, but they are not qualified to be a surgeon. We need a divorce! The first time the two words were joined "political economy" it was the marriage in hell. We cannot tolerate what is taking place for our future is being destroyed.

Japan suffered the lost decade because the state dictated whether or not even Japanese investors could hedge. Nipon Life was told by the Government not to hedge because the politician thought that would make the market go down. They lost hundreds of billions of dollars because the Government fails to understand the economy. They created the Japanese "Lost Decade" that is now approaching the "Lost Quarter Century" and we are sadly facing the same insanity in Europe and the United States.

Caesar Died for his Economic Reforms

Caesar realized that money is not a constant. Neither are assets. The only constant is time. By evaluating all property and loans to a fixed point in time pre-war, he discovered the real constant. We may believe we are making money by the sheer increase in the number of dollars, yen, pounds, francs, Euros, or RMB. But if we then calculate that in a different currency and back-test that with time, we end up with a completely different perspective.

This is what I have argued that we need a single world currency created by a new central bank that does not control interest rates or individual values of national currencies. Each currency will float as will its interest rates. The new one-world currency is used among nations in international payments. Thus, capital will be able to freely flow, we will rise and fall on a international right to vote in the confidence of our political state. But make no mistake about it, the only "fixed" so called constant can only be the creation of money based on a constant formula of world GDP. The supply cannot be constant, just the formula.

Caesar appears to be the only politician who realized there was no constant in money, and its value expressed in assets rose and fell also with the winds of fortune and fate combined. His economic reforms were more than most politicians can do in 8 years, compared to less than 2 years.


Marcus Junius Brutus
(85 – 42 BC)

Make no mistake about it. Caesar paid for his economic reform with his life. Cato and Brutus were not the wonderful people their propaganda tried to relay. Even Plutarch reported in his Pompey "that the common talk among the cavalry was to the effect that, once they defeated Caesar, they must get rid of Pompey too. Some say that this was the reason why Pompey never gave Cato any really important command; and that, even when he was marching against Caesar, he left Cato behind ... because he was afraid that, if Caesar were eliminated, Cato may insist on him laying down his own command immediately." (Plutarch, *Pompey*, 67, 1-2). And as for the celebrated Brutus, Shakespeare's portrayal was far too flattering. None of his books have survived except the writings to Cicero. He was ruthless and had a nasty reputation for being extortionate and very cruel in his dealings with the provincials as governor. He was pardoned by Caesar, yet was a lead assassin, and when he lost in battle against Mark Antony and Octavian (future Augustus), he committed suicide knowing he would not be spared a second time. He cloaked himself in his relation to Lucius Junius Brutus who ousted the last Etruscan king, Lucius Tarquinius Superbus in 509 BC founding the Roman Republic. He put his own sons to death for their conspiracy to restore the king against their own father.

Cicero met his end on the order of Antony after the assassination of Caesar. His throat was cut, and then his head and hands were severed. They were sent to Rome. Antony ordered that they should be mounted in the Forum. Here were the hands that wrote so profoundly and tore Rome apart. Antony proclaimed, "Now let there be an end of our proscriptions." (Plutarch, *Cicero*, 49,1). Rome passed into eventually the hands of Octavian who assumed the purple and

became the first of the emperors of Rome who served between 27 BC and 14 AD. Caesar died for his reforms. It is appropriate we have named the month of July & the calendar after him.

~ *The light at the End of the Tunnel* ~

The only way out of this mess is not to guarantee everything and pour in money we create out of debt, and hope for the best. Enough is enough. We need someone like Caesar who takes the unbiased road and cuts down this beast we have created.

Caesar was a *popularis*. Yet he did not follow their demands blindly and cancel all debts. Neither did he with a wink-and-a-nod keep the corruption going. This man stood between both sides and decreed what was just and correct. He was a statesman, not a politician only concerned with his own party objectives right or wrong.

The elimination of usury laws that protected society and tempered and controlled the financial banking greed in order to raise interest rates going into the peak in 1981, has been a disaster. We need to do the same thing that Caesar did. We need to restore the usury laws at 8% cap for credit cards, immediately reduce all interest, ascribe all previous payment to the debt and retroactively reduce the interest to 8% maximum. This 20-30% rates are insane. They fed only the financial industry while suppressing economic growth and consumption of product.

Banks must be banks, not hybrids of everything under the sun. If you want to be a trader, then be a hedge fund. It is not right that a bank can raise money by deposits, pay for FDIC insurance, use the depositor's money for trading, keep all profits, share nothing with the depositor, and never reveal what risk is being taken with bank deposits. We can't be a jack of all trades.

We must adopt a national policy of indirect taxation. Eliminate all direct taxes including income tax. Once it matters not who is here for we will all pay the same, then the illegal alien problem will not matter so much and perhaps we will not be the next East Berlin. Don't forget. Putting up walls and cameras to monitor all the borders, also keeps citizens in.

Monetize the debt and stop borrowing. We are spending far more on interest than we are on actual valuable contributions to the economy. If we then move to one world currency and the exchange rate is then taxed, exchanging cash for the bonds will spark a surge in reinvestment within the United States that will be unprecedented. The job creation will skyrocket and we even may find a shortage of labor.

Eliminating the taxation will help by itself reduce healthcare costs by 30%. We need to then create a national healthcare system like we have fire and police. People will be free as they are in the UK to still seek a private doctor. But the system we create must create tort reform or else prices will never come down. The lawyers will still find someone else to sue in the future. It is the right thing to do and this will eliminate the legacy costs that will bankrupt almost all major companies in the long run.

Eliminating federal debt will reduce interest rates and spark investment. If the capital does not have $ 10 trillion of debt to buy, that capital will go back to then creating jobs. Do

this, and we will eliminate Marxism and preserve the liberty that is what Capitalism really is – Individualism. The freedom to come and go, to be what you want, and to earn what you want balanced against lifestyle. The nation will go broke and there will be no retirement funds that survive unless we reform now. Do we need a civil war to shake loose this current bullshit oligarchy? I hope not. We can survive if we just try.

Note by Tommie Hendriks:
Where Armstrong's rendering of the Penguin edition of Suetonius' The Twelve Caesars (Julius Caesar ~ Divus Iulius) differ from Robert Graves' original translation in the that same edition I have given both versions.
Armstrong's original article can be found here:
http://www.scribd.com/doc/16236015/Anatomy-of-a-Debt-CrisisThat-Appears-Only-Julius-Caesar-Ever-Understood-6309