

High Frequency Terrorism: How the Big Banks and the Federal Reserve Maintain Their Death Grip on the United States

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The following article is the third-part of a six-part report titled: "The Financial Oligarchy Reigns: Democracy's Death Spiral From Greece to the United States."

III: Financial Terrorism Operations: 9/29/08 & 5/6/10

In the aftermath of Goldman Sachs' public flogging before the world in Congress, and while under investigation, on the very day that Congress was voting on the "break up the too big to fail banks" amendment and cutting behind the scenes deals to gut the audit of the Federal Reserve, the stock market had its greatest sudden drop in history, plummeting 700 points in ten minutes – shades of September 29, 2008 all over again.

If you recall, back in September '08, as Congress was voting down the first bailout, the big banks made the market plunge a record [778 points](#) in one day, fear and panic then led Congress to pass the bailout. Trillions of our tax dollars, the money that we desperately need to keep our society functioning over the long run, then went out the window and into the pockets of the very people who caused the crash.

What happened on September 29, 2008 will go down in history as one of the greatest acts of terrorism ever.

9/29/08 proved that when you have so much power concentrated in the hands of a few, you can manipulate a computer algorithm and make the market and economy go which ever way you want it to go. So on 5/6/10, just as the power of the big banks was threatened again on the floor of the Senate and a deal on auditing the Federal Reserve was being negotiated, in came a sudden and unprecedented ten-minute 700 point market drop. A precision-guided High Frequency Trading (HFT) attack to show Congress who's boss.

If you think the massive sudden drop happened because one lowly trader hit one wrong button, if you actually believe that the entire stock market can plunge because of one mistaken key stroke by a low level trader, you are stunningly naïve. I hate to burst your *bubble*, but this was a direct attack.

In a market where 70% of all trades are executed by computer algorithms via High Frequency Trading (HFT), Goldman Sachs has the power to make the market crash or rise at will. In fact, Goldman has a major Weapon of Mass Destruction in its Program Trading monopoly of the New York Stock Exchange, as Tyler Durden described on [Zero Hedge](#):

“Goldman’s dominance of the NYSE’s Program Trading platform, where in addition to recent entrant GETCO, it has been to date an explicit monopolist of the so-called Supplementary Liquidity Provider program, a role which affords the company greater liquidity rebates for, well providing liquidity, and generating who knows what other possible front market-looking, flow-prop integration benefits. Yesterday [5/6/10], Goldman’s SLP function was non-existent. One wonders - was the Goldman SLP team in fact liquidity taking, or to put it bluntly, among the main reasons for the market collapse....

... here is the most recently disclosed NYSE [program trading data](#)....

What is notable here is that of the 1.4 billion in principal shares, or shares traded for the firm’s own account, Goldman was the top trader by a margin of over 100% compared to the second biggest program trader.

We have long claimed that Goldman is the de facto monopolist of the NYSE’s program trading platform. As such, it is certainly the case that Goldman was instrumental in either a) precipitating yesterday’s crash or b) not providing the critical liquidity which it is required to do, when the time came. There are no other options.”

For further investigation, I turned to [Max Keiser](#), who has written and authored similar Program Trading and HFT computer algorithms. I asked him if he thought this was an attack, here is what he had to say:

“May 6th was an unequivocal act of domestic financial terrorism in America. A day that will live in infamy.

To scare the lawmakers, themselves large owners of the very banks and stocks that they are supposed to be regulating, a financial Weapon of Mass Destruction was put to their head and they acquiesced.

As the inventor of the continuous double-auction, market-making technology (VST tech. US pat. no. 5950176) that is referenced 132 times by program trading and HFT patents since 1996, I can tell you that Goldman, JP Morgan and the gang simply pulled the ‘buys’ from their computer trading programs and manufactured a crash. And when the coast was clear, and it was clear the politicians were not going to vote for anything that would break up the ‘too big to fail’ banks; all the ‘sells’ were pulled from the computers and the market roared back.

This is a Manchurian Candidate market where program trading bots start the ball rolling in whatever direction Wall St. wants the market to go - and then hundreds of thousands of day-traders watching Cramer on CNBC jump on the momentum bandwagon and commit the crime for the Wall St. financial terrorists, who then say, ‘It wasn’t us, it was ‘the market!’”

On Friday, the next day, after the “break up the too big to fail banks” amendment was soundly defeated by a 61 to 33 margin in Senate and a deal was struck to eliminate key provisions from the audit of the Federal Reserve bill, Goldman was meeting with the SEC to work out a settlement in their case against them. Once again, Goldman proves that crime

pays. Welcome to the [New Mafia World Order](#).

Other than the two major operations carried out on 9/29/08 and 5/6/10, we must also recall a smaller attack on January 21st and 22nd of 2010, when Obama had a press conference and came out in favor of the [Volcker Rule](#), which would have limited these HFT and “proprietary trading” schemes. At that time, the market dropped 430 points. Soon after this attack, all follow up talk on the Volcker Rule faded away and this reform has not been seriously addressed by Obama since then.

The bottom line, the United States has been taken over by a financial terrorism network. Let’s face it, we are all hostages of these financial terrorists and our puppet politicians rather be in on the scam than defend our interests. If these terrorists don’t get their way at all times, they have the power to throw their tremendous weight around and turn millions of lives upside down in a matter of minutes, and as they have shown they have no hesitation in executing that power, no matter how many millions of lives they destroy.

They set off this crisis with a wave of bombings in their initial [Economic Shock and Awe](#) campaign two years ago, resulting in massive devastation. Just to name a few of their greatest hits within the U.S.:

- * 50 million Americans are now living in poverty, which is the highest poverty rate in the industrialized world;
- * 30 million Americans are in need of work;
- * Five million American families foreclosed upon, 15 million expected by 2014;
- * 50% of US children will now use a food stamp during childhood;
- * Soaring budget deficits in states across the country and a record high national debt, with austerity measures on the way;
- * Record-breaking profits and bonuses for themselves.

Like other terrorists, they don’t use IEDs, they use CDOs. They don’t use precision laser-guided missiles, they use High Frequency Trading. They don’t have WMDs, they have derivatives. Let’s also not forget that they have toxic assets and dirty debt bombs just waiting to be deployed upon the American public once there is any true growth in the economy. Their nuclear arsenal includes hundreds of Trillions in secretive derivatives and hidden debt bombs, just ticking away, waiting to be set off... at their whim...

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