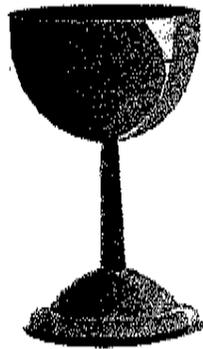


THE EGG OF COLUMBUS

or

The Hidden Movements in
Stocks and Commodities Markets



by
George Bayer

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As I came not into life with any knowledge
of it, and as my likings are for what is old,
I busy myself in seeking knowledge there.

Confucius.

Foreword...

The matter dealt with in this work is the hardest and most difficult subject anyone could touch. It attempts to explain the ways to make money in markets by the use of strange, natural, but true cycles.

A tiny little bit of the surface is here but scratched, when we consider that some writers have used up 20,000 pages such as Swedenborg did; Athenaeus used for the same about 3,000 pages; one old Greek text in my possession used 18 pages to cover the laws. And I try to condense the job down to the same size.

Of course, every reader will realize quickly, as soon as he has completed his first reading, that the 20,000 page work of Swedenborg covers everything of life that possesses a cycle of any kind or description, while we, for practical trading, require but the very common major moves to make money in markets. It would be a different story if we would want to get things down so close that each of the 400 or 500 contracts traded at this time during a trading day would be specified to the moment as well as to the exact eighth price. This actually is possible and in this direction I am at present working in my own research. You might gasp at this statement, but you soon will stop when you are through with this work, because you will have to catch your own breath to digest.

Do not think for a moment that there were not people living ages ago who were much smarter and wiser than anyone living today. I have my wisdom (that little which I have) from them, and don't owe the present generation a nickel's worth of thanks. The present generation actually held me back many years, having to wade through their works first until hard thinking put me on the right trail.

—GEORGE BAYER

Carmel, California
January 2nd, 1942

THE FEELING of security, the scare of the unknown, the what-will-be, are terms so great and so all-embracing that we could write volumes about them, and, truly, volumes about that had been written by philosophers mostly would-be philosophers who did not know what they were talking.

And yet, the entire problem about a feeling of security, about the scare of the unknown can be solved with one single word, even with one single letter: π (Greek pi, 3.1415953). This short statement is so huge and tremendous that it cannot possibly penetrate in your mind or anybody else's mind without years of research on the matter of movements, be they movements of wheat, of stocks, of people, nations or what-have-you.

We could not possibly think of a forecast of what is due to come, for example, what will be coming in wheat or in stocks next year, if such movements had not been figured out already in the regular cycle of events. Thus, all we can accomplish is to locate the cycle, then locate the place in which our present time moves in this cycle and lastly, act accordingly. The latter is not as easy as it looks to the novice. We must know that each one of our present living creatures on earth in itself or in himself is moving in a cycle all his own which may be contrary to the cycle of something else for a while, or for all times, or, it may be in harmony. Therefore, he whose cycle, for example, is completely disharmonious to stocks, will never think of stocks, will never trade in them or have the least bit to do with them. Others, whose cycle is somewhat in harmony with the stock cycle, will trade stocks, and—win, when the cycle is harmonious, and will lose if it is inharmonious at a certain time.

If your cycle shows that you will be unhappy in marriage, you will with the aid of the devil or whatever be his name, find the right female or male that makes life a living hell to you. You will go happily to the altar with a big rope around your neck, with a feeling of security and without scare of the unknown, without even thinking about that "what-will-be."

But, we don't have to take married life at all! We can just as well take a stock and apply the very same rule. Just read over the preceding paragraph once more and substitute for "marriage" the words "stock trading" and for female or male use the word "stock."

The Dutchman says:

Als je verliefd bent, ben je stapelgek,
Als je verloofd bent, heb je den strop al om je nek.
Maar,—als je getrowd bent, toen krijg je pas de straf,
Daar hang je aan den galg, en niemand snijdt je er af.

The English version being:

If you fall in love, you are crazy,
If you get engaged, then you already put the rope around your
neck.
But,—when you get married, then you really get punished,
Because you hang on the gallows, and nobody cuts you off.

Speaking about stocks and applying this little idea, we all know how hopeful people get right smack on top of a bull movement, how they buy stocks irrespective of price,—the volume of trading shows it. As soon as they have bought, they have the rope around their necks, stocks begin gradually to sink and they hang on the gallows and nobody cuts them off,—until we reach a major low: example, March 1937 to December 1941. Only when they are at the bottom do people sell their stocks, after they have tumbled 40, 50, 70, and more points.

You may remember from school days that in Antiquity they had the Seven Wonders of the World to show. This is what Encyclopedias tell you.

They were:

1. the Pyramids of Egypt
2. the Hanging Gardens of Semiramis at Babylon
3. the Temple of Artemis at Ephesus
4. the Sitting Statue of Zeus (Jovis) at Pheidias
5. the Mausoleum in Halicarnassus
6. the Colossus at Rhodes
7. the Light Tower at Alexandria

These things actually did exist once, some still exist. That those things had not been made and constructed just for fun or to create jobs any one who thinks deeper will realize. What they represented has been the subject of much study among the learned world for many centuries. What these students have found or discovered, sorry to say, is incorrect, to say the least. It will pay you to read on these subjects in any encyclopedia after you have completed this study and you surely will admit that my statement is right.

These productions represent nothing but the cycles of life in general, the cycles of bull and bear markets, the cycles which we are going to use in trading Stocks and Commodities, especially wheat.

These Seven Wonders of the World are representative of a Dinner from Soup to Nuts and even beyond the nuts.

Since the field of "Wonderland" is enormous and space does not allow to broaden out too far (we are here to find the cycles for stocks and commodities), I wish to draw your attention to the picture reproduced on the right. It



Le triomphe de S. Thomas d'Aquin. (D'après le tableau de Bruges de Caron. XV^e siècle.)

is taken from "La Vie des Saints" (Life of the Saints) published at Lille, France in 1889 by the Abbot Pradier, curator of St. Agne (Dordogne), approved, as it says, by the Archbishop of Perigueux (France). I own a copy of it and the picture is found on page 97 with the heading: Le triomphe de S. Thomas d'Aquin, meaning: The triumph of St. Thomas of Aquini. It seems to be a photographic copy from a picture by Benozzo di Gozzoli of the 15th Century.

In this picture we find the Seven Wonders of the World reproduced in some other way above. We find the Trine or Pyramid also. Close inspection will reveal even much more and I hope you will find it yourself.

This work does not go into further details about this picture, because we are touching the Seven Wonders of the World in a quite different way, by using the idea of Athenaeus, (Athens, capital of Greece). In ancient Greece there were quite a few heathen philosophers, who were supposed to have lived there as history teaches. The most important ones were Aristotle and Plato. They taught their pupils by "wandering around." It is advisable that you read in a library or in an encyclopedia all that can be read about them. After (only after . . .) you have done that, inspect the picture on page 4 again carefully and look at the heads of the two figures that "accompany" the Saint of Aquini. Next to their heads you find the two heathens' names: Aristotle and Plato and be sure and believe that I did not put those names there myself. They were there in the original, but the public who looks at pictures, looks the same way at them as traders look at the tape or on their wheat charts: they see nothing.

After giving you two good shocks out of the blue sky let us go to the third one which treats the Seven Wonders of the World in a little different way, even though, it is exactly the same.

In Swedenborg's Genesis, vol. I, page 374, we find the following: "They who have once conceived opinions, though most false, cling to them so obstinately that they are not even willing to hear anything that is contrary to them (to the false opinions); so they never suffer themselves to be informed, even if the truth be placed before their eyes."

Swedenborg, who lived from 1688 to 1772 was the only man within that period who knew all about the secret inner meaning of the Bible and his 40 odd volumes on the subject explain it sentence by sentence.

While I do not believe that he was just then thinking about traders when he wrote that sentence, it fits them like a glove.

The traders, each and all, get somehow vaccinated with false opinions as to what moves markets through newspapers and their commentators, through books written on the subject by people who know nothing whatever about the cause of the movements. Once their ideas that frost in Iowa or rain in Kansas moves wheat up and down or that car loadings influence the price of railroad stocks, etc., are implanted into a man's mind, they are very difficult to eradicate. That is why the public pokes fun at you when you say: "I use special cycle movements." They think you are dippy, when newspapers say it's the rain and they "know", at least they think they know.

You most likely have acquired from me the various works published, such as "Time Factors in the Markets", the "Handbook on Trend Determination for Stocks and Commodities", also the "Previews" of 1939-1940 which contained many articles on trading which can be used and applied any time.

Each of these works have as the basis special cyclic movements and neither rain or sunshine, nor frost and or kilowatt output. All these ideas have been eliminated, so that we were just naked, so to say, and had to start from scratch with something else. It is not something new, as some people might want to put it, because all the ancient books explain nothing but cyclic movements, whether it be the Bible, or the Koran, Cicero or the Gallic War of Caesar. Thus, all the ancient Hebrew writings, the Egyptian, Greek and Latin Writers explain only cyclic movements and their effect upon human beings and NOTHING else.

There is also a Greek work extant, called Athenaeus, the Deipnosophists or the Banquet, similar to Dante's Banquet and many other Banquets that are treated of in Ancient Works. The meaning of the whole story is: The arrangement of the cycles-in-correct sequences.

We know from our own works all about the cyclical influences that they are present and on which days we must expect a change of trend in markets. We have absolutely no doubt in that respect. The only difficulty which we experience, for example, with the use of our ellipses, 6 inch and 9 inch whether it is to be a 6 inch ellipse or a 9 inch, whether it even could be but half of a 6 inch ellipse and we break out of it. In many cases we have no trouble, but, for safety's sake, when we have additional help to assure us of the correct trend, so much the better.

I originally bought my 5 vol. set of Athenaeus on January 15th, 1940 and went at it immediately to co-ordinate its contents with all the other works of similar type. The "Banquet" idea connected immediately with Dante and his "Banquet". I found that this Greek Banquet was much more elaborate than Dante's. Since we must take for granted that the ancient works were written with the idea in the man's mind to help others grasp the Laws of Motion, their style is rather monotonous and dry on the surface and not to the liking of the average reader. However, this work and all the others are full of juice if one knows what he or they are talking about—that they are explaining repeating cycles.

From the study of Athenaeus I have taken what I am about to show you in this little work about cycles. When, after a while, you are through reading this and you still believe that markets are "man-made", like millions of traders do and always will do, all my work went into the wrong channel and I am sorry. However, there is a natural law which says: you'll get what is coming to you and you never will get that which is not meant for you and therefore you should be able to see quickly how marvellous Nature shows itself all things.

To make sure that our mind, rather your mind, is not drifting into wrong conceptions, be it said right here that Nature itself is dead and is not alive. What makes it alive is some agency, whatever that may be.

This agency activates Nature*. When we consider that Fixed Stars in the Heavens form distinct pictures of animals, such as the Swan, the Fishes, the Bear, etc., which are a part of Nature, and then note that the actual animals are running around our globe by the millions, which are little tiny fixed stars in themselves. You may object and say: these earthly animals die. Yes, but don't forget that they perpetuate themselves through progeny, so that, even though the individuals die, they only die AFTER the next progeny or cycle has begun to live. This means for our purpose (keep that well in mind!) that a certain cycle begins, passes through the cycle, but, before it ends, conceives a new cycle and only during the time that the old cycle is about dying off the new one is already running and only after the new one has been running for a while does the old one die of itself.

THIS MUST BE CLEAR. There is an interweaving of cycles. Those who work with ellipses know that the new cycle has to be set within the end of the old ellipse!

The secrets contained in Athenaeus could be written with one word and he actually has called a 3,000 page work with the title: Dinner-table.

As we now can understand from what was explained above, the cycles of markets, of business, the life of a human being, bank accounts, trading accounts, wheat, cotton, and every commodity consists of a series of cycles, long and short, which series form one whole. Links form a chain. We may call these cycles serpents. The formation of these serpents is represented in things which we eat and IN THE ROTATION HOW we eat the various foods. You would not start with the roast when eating a seven course dinner, but you begin with the Hors d'Oeuvre or Antipasto, that is with radishes, green onions, pickles, salami, anchovies, caviar.

The serpent, called Stock Market, had its beginning on May 17, 1792. The beginning of trading Commodities we do not know, but, on hand of what I shall show here with a dinner-table, we can always find and locate the link of these serpents at any period in which we may be for the moment.

Of course, anyone who makes an invention, has to know about the subject thoroughly and discover weaknesses in it which can be improved or changed. I am not inventing anything here for you, but simply digging out again rules that had been known to the Ancients thoroughly. But, when the thing has been re-discovered and made known to others, they in turn have to be acquainted with markets as to their generalities in order to understand the improvements that were made.

This knowing or knowledge requires that we know something about eating and the series in which the various dishes of food are served at a dinner. Purely for record I shall give the correct sequence of how a dinner shall be served:

We begin with the Hors d'Oeuvre and a cocktail. Next follows the soup. After the soup comes the fish with which is served white wine.

Nature is moved by a thing found engraved on every violin which is made. It has the form of an "f". I will not define it any closer, but that is the "f".

When the fish has been eaten, we start with the roast and with the roast goes red wine. After the roast comes the sweet stuff; with it should be served champagne. Then we get cheese and crackers, and lastly, we get almonds and nuts with which goes a little Cognac (brandy).

That there are potatoes served with fish we all know and also know that they are either small round rissolées potatoes or small boiled potatoes with parsley butter. With roast is always served a vegetable or two, a baked potato or some French fried potatoes, also a salad.

Note especially the types of potatoes I am quoting here. In order to make matters for our purpose very clear, I have to mention yet the shoe string potatoes which often are served with fish, but which become French fried potatoes when they are served with the roast.

The sooner you work your mind fully into such a menu and go over once more the various dishes and their sequence, the better you will understand the cycles of markets and don't forget, that you have a choice on the soup: thick soup or clear soup . . .

When we remember that the Scientists, Economists and others use all kinds of theories, such as the Dow Theory to forecast markets, we shall deviate from them by simply using common sense and Nature which feeds us the food so that we can live and—the market lives upon the very same food, though not actually food, but food in pictures, arranged in the form of a regular first class meal, including wine and champagne.

One group is guessing for want of having something, our method is well ordered, based on solid ground and brought over from the Ancients under covered language for our use.

It is not that I want to belittle these economists. I was in their shoes once, too. I believed everything I read except what one would say to me about planetary influence upon us until some fellow forecasted an event for me five months ahead which came true to the day and to the exact effect. This original believing cost me plenty, first in dollars and cents, and after that, in years of patient work digging into holes where few dare to dig to locate the causes of market movements. The greatest difficulty was to dig into the right hole. I tried optics; I tried the magnetic needle; I tried the laws of sound; I tried colors; I tried "book"-astrology, until I reached actual astronomy as shown in the "Handbook of Trend Determination" and last not least I have become a full fledged cook to crown the thing off. All these things combined had to do with Nature, but they do not show patterns equally well. So that as a final answer we must say: Astronomy plus Gastronomy (the art of eating) gives us what we want. This shall now be shown.

Anyone with a fair amount of brains can study chemistry and specialize in it; else, he can study physics and specialize, mathematics and specialize, astronomy and figure the way the stars move, be a cook and cook delicious food. These individual branches of science deliver chemists, engineers, mathematicians, astronomers—useful in the business world. But, you never will make an astronomer out of a chemist, nor a physicist out of a chemist, etc. To forecast markets, i.e., to find the laws

to forecast, one has to be a linguist first of all, in order to read the old texts and their difficult language, aside of translating the meaning of their words into what it actually means, then, you have to find out into which field of science the meanings belong, to use them right, so that unsurmountable difficulties represent themselves right along. One who is not flexible in thought and mind, never would think to call a small gap an onion or a radish or a potato rissolée and to call a reaction after the fish formation "white wine".

Not only do we have to know about eating and the various foods that are served and in which sequence this serving is done when forecasting markets, but we even must have some knowledge about our body, in short we must be even a doctor. What I say now is not any too refined, but it is necessary for clear understanding of the principles involved: What we eat at a dinner has to be disposed again; what we drink has also to be disposed again. We cannot eat and drink together (eat means "up" and drink means "down"); therefore, we cannot dispose of food at the very same moment as we dispose of waste water. Furthermore, depending upon the disposition of a person who has eaten and drunk and the type of food as well as drink that has been consumed, so will be the type and shape of the wastes released later on. Some people are fond of fish, others are fond of turkeys with RED cranberry sauce; others are fond of soup; the poor people have to live more on soup than on turkeys, more on potatoes than on peas. The rich people have everything their heart desires and for this reason a "complete" dinner is always for the rich. The poor people as a rule (I say so because I need this idea for the explanations of my cycles) have a difficulty deposing waste matters, while urinating is rather easy; others again who have "eaten" something wrong contract diarrhoea and get deadly sick. Those especially who drink much water, wine or other beverages have plenty liquid available for disposal.

From all this we can now recognize the first time that the markets, stocks, wheat, hides, cocoa and all other represent fully a man who lives, eats and disposes of waste matter.

This is the whole secret I have re-discovered.

Therefore, if from now on you take any chart, say the chart for wheat, daily high and low plottings, all you do is look for the Hors d'Oeuvre, then for the soup, afterwards for the fish and its fins, then for the roasted bird with its neck sticking out and even its beak from which it spits out a nut or an almond, then you have gone through the complete bull phase. And you know the phase is over because (pardon now the rough but illustrative words) he has to get rid of that what he has eaten and begins first to p-- and then to s--- and he repeats that several times, in fact, he does this so often until the tongue hangs out of his mouth, because he is so hungry again that he MUST eat at once.

The hanging out of the tongue is the surest sign that he is cleaned from what he had eaten and you never will forget the picture of a tongue if you see one: Wheat, May 27th to August 16th, 1940 was a tongue.

While I think of it, i.e., about the 6 and 9 inch ellipse or half of the 6 inch ellipse, it is now plain to say when we have to use each individual one: The tongue takes half an ellipse; the fish takes a 6 inch, the bird and its neck can take a 9 inch, whereas the bird alone might be satisfied with a 6 inch size ellipse. The disposal "bear move" takes a 6, 9, even 12 or 18 inch ellipse, depending upon the size of the dinner, whereby the first p. can be a 6 inch ellipse with a comeback of half an ellipse when the hill of s. is made, following by another p. and a s. and a p. and a s., etc., until all intake is thoroughly disposed which can be seen ONLY when the tongue sticks out downwards.

The size of the move (always applicable to any commodity or active stock) depends upon the size of the tongue that sticks out. In this tongue hidden within we find our Hors d'Oeuvre, such as olives, green onions, pickles, salami, anchovies, i.e., very small moves with gaps aplenty, short ups, reversals, gaps down, green onion, followed by a little radish (gap) upward (excuse mis-statement: red is down, so a red radish is a gap down!). The form and shape of the Anti-pasto or Hors d'Oeuvre is that of a tongue hanging out of the mouth downwards.

This happened in wheat from May 27th to August 16th, 1940.

On that day (August 16, 1940) everybody was in a soup. It was a thick soup, lasting 10 days. Thin soups we had in hides for example on Thanksgiving 1937 of which you have a chart in the Handbook for checking.

Therefore, the soup lasted from August 16th to August 26th, 1941. This is a period of sweating for the longs, of selling out distress commitments and weak accounts. The previous period, the Hors d'Oeuvre period is the one that fatigues all long accounts, where timid buying comes in, but which is quickly chased out again when radishes make their appearance. They buy on olives, live on hope, during the green onion, but sell on the anchovies and radishes. Jiggle back and forth is all we then can expect and no chance for a "break-out" upwards until we get the soup! Plenty of money can be made while the tongue is formed and we don't have to be timid either, short or long, both ways. The form of the tongue is the limit within which the movement has to run.

After the soup comes the fish upwards. It starts with the tail and not with the head. Nature does that. Incidentally a few months ago I actually saw how a big fish eats the small ones and it reminded me immediately of that fish from August 26th to November 18th, 1940, made by wheat. I bought in Monterey an 8 pound fish at the wharf and had it cleaned there. When they opened the belly there were two fish in it tail at the tail side of the big fish and heads towards the head of the big one, indicating that they catch their food moving FORWARD, gulping the small fish by surprise. So does the market. The fish moves forward, its scales and fins above and below, showing very clearly in the picture of the wheat chart for that period.

Since Nature does only one thing at a time, either eat or drink, the white wine (which is "light" by the way) comes after the fish and is not within the fish. Thus, we got a reaction from November 18th to February

18th, 1941 which was just a gradual sagging; the trend was down, because "drink" means decline.

With February 18th, 1941 we began to form the roast, the bird and to go right over to the end of the bird we find it came on September 12th, 1941 which included the neck, of course, which neck we had given in our menu a special name, i.e., dessert or sweet stuff. But, to speak of the roast or bird proper, we find its shape to be that of a bird and not at all that of a fish. A fish is narrow and long stretched; a turkey has more the shape of a football, oblong, fat in the middle and narrow at the ends.

In school we learned that a bird has feet, a body, wings and a neck. Our "Market-bird" for wheat during 1941 made its feet or legs from February 17-18 which ran, so to say, right into the body of the bird by April 4th, 1941, then was the body proper formed. Imagining the form of an actual bird, we know that the legs actually disappear within the bird and therefore, the body that was being formed after the legs were run through had to be LOWER than the end part of the legs. The body extended from March 31st (note that I allow for the rear end of the bird and I also allow for the feet to come into the bird and the picture for wheat also shows this condition very clearly) over to May 2nd, 1941.

From May 2nd to May 20th we had the first wing of the bird, followed by the second wing which consisted of a double movement: the first part was down to May 31st, and then the second part was the upmovement to June 27th, 1941.

Now then, if we want to be real finnickly we even can say: where is the heart? That heart is right on June 18-19th, 1941. This heart happened to be the half-way point of the entire movement extending from February 17th to September 12th, 1941, which is, however, a coincident and not a rule!

Just because the heart is located underneath the wings towards the upper part of the body, we cannot say that the small top of June 9th was the end of the wing, but June 27th was it.

To explain everything fully and clearly I must go back once more to the fish and describe its mouth as it was formed from October 25th to November 1st and up to November 18th, 1940. Note that the mouth was wide open as if gasping for breath. Gasping for breath meant: I can go no further; I have to react now, I have to drink some white wine. It did.

The bird started in strong on February 18th, 1941. Its end was actually on June 27th, 1941. From that day on a sharp break with a "no bid for Cottonseed Oil" came into CSO, Lard, Soybeans, but not much did it affect wheat which only declined 4c, whereas the others declined 200 points and more on the "Red Wine". In order to see such conditions we absolutely should have charts for a couple of other commodities, because, were it not for CSO, lard or beans, we would not have noticed that the Red Wine went through our time cycle, although it was present. We might have taken them for a "wing" of the bird. However, in the special situation of wheat, we were arriving at the end of the 9 inch ellipse and we know that any bird has a neck which sits on top of the

body. The necks can be like that of a flamingo or of a swan, such as beans had after their reaction on June 27th, 1940, or, it may be but a bird with a short neck such as wheat had (of a goose or quail). So that from the shape of the body (February 18th to June 27th, 1941) we can draw conclusions about the shape and length of the neck, provided we have some knowledge of ornithology. The size of the body is always in proportion to the size of the neck.

The neck, which we shall call the sweet stuff of our dinner must have been upward and not down because the neck implies that something is stretching itself further on. Therefore, even though the 9 inch ellipse had run its course, the move upward could not be over because a live bird does not walk without a neck. It was rather sweet, that move, I mean. It ended on August 31st to be accurate because I have to supply you with champagne yet, which "pops"—the cork of a champagne bottle should jump up clear to the ceiling. We got that jump or "pop" from September 1st to September 12th, 1941. September 12th, 1941 ended everything.

We had some cheese and crackers from September 12th via September 20th up to October 2nd, 1941. Then came a nut, a gap from October 2nd to October 3rd, 1941.

We got after that into the p. and after October 17th we began to form the tongue, which ended November 26th, 1941, in which we are still at this moment.

When we go back a year, to April 22nd, 1940 and follow that specific downcycle, you find the cheese and crackers as May 1st, 1940 and May 10th, the almond on May 13-14th, 1940 and what a p. we got to May 18th, 1940. The s. was formed from May 20th to May 31st, followed by the long stretched tongue downward to August 16th, 1940, the place where we began our previous cycle just explained.

So goes the cycle, and every cycle and all cycles.

If we go back several years to 1924-1925, the wheat market made at that time a dinner-table that is very exquisite: length was one year. height was 100 cents, pattern exactly like the wheat picture from June 1940 to the present time.

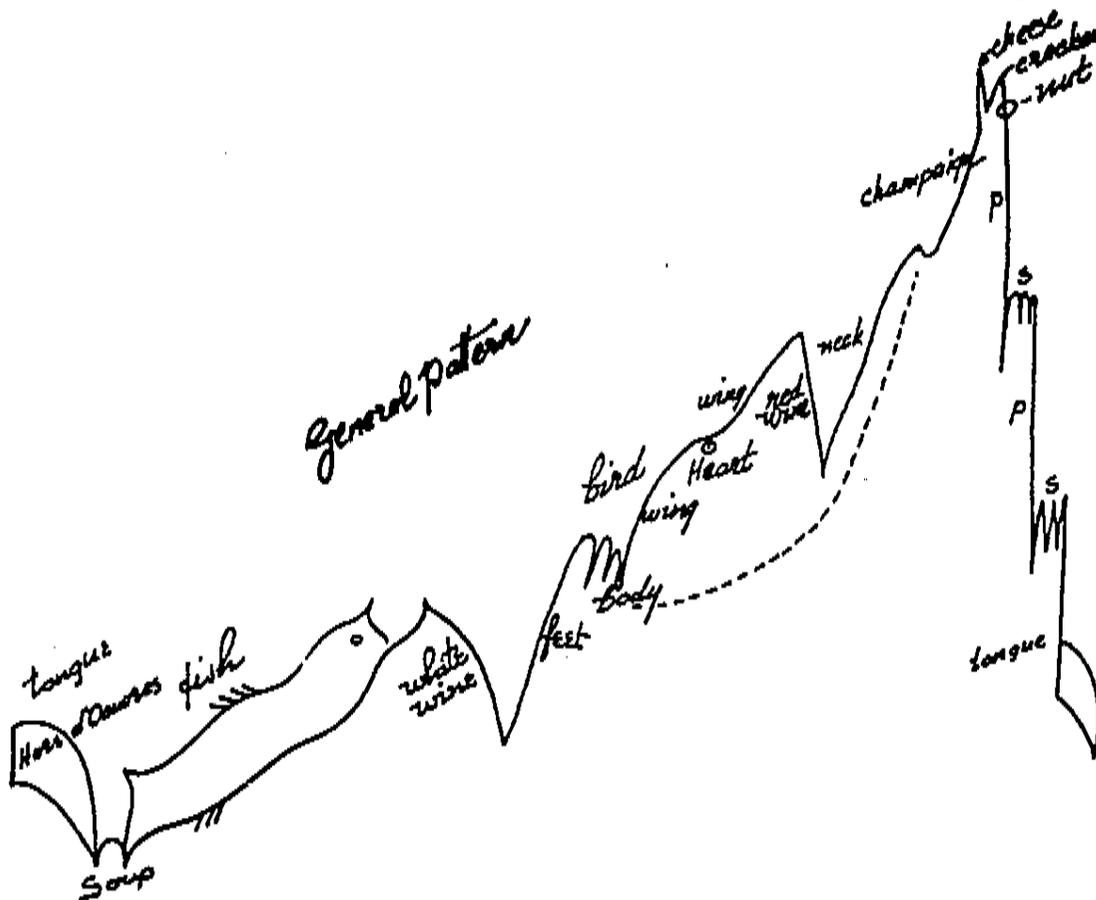
In each animal cycle we even can find several smaller but complete minor dinner-tables hidden, provided we look very carefully for it, but for practical purposes I would not advise to try for them because the main movements are worth while only.

There is a difference also in the types of fish, but as a rule I found them to be narrow and full of little "thorns" (fins). The fleet fish produce long legged birds with long necks (see Soybeans). Any bird which, after having formed its legs (see wheat February 18th to April 5th, 1941) and makes its entrails (wheat April 5th to May 2nd, 1941) but refused to continue making its regular body by going higher is a stunted bird, just right to leave alone (see cocoa and pepper April to September 1941). These are deformed birds who have little or no life to them and must be avoided. For that reason when commodities make their tongue watch

the type of tongue, the type of soup, the type of fish and, accordingly expect the bird, the neck and the rest. "Many are available, but few are selected!"—meaning many commodities or stocks.

With this knowledge now in your possession it should be impossible for you from now on to sell short at the bottom or to buy at the top of any move. It should provide you with the proper patience to see each animal formed and completed and to act at the right times.

Below is a drawing of the general pattern of the dinner table:



Get this pattern's picture thoroughly engraved into your mind!

This is the Egg of Columbus about Trading Stocks and Commodities and if you can make plenty of money with it I shall be glad. You need no calculations of any kind, nothing but an ellipse for intermediate moves, a daily high and low chart of the commodities and the knowledge of these patterns . . . And men break their heads to even get an inkling of what could move markets, if it is not rain or snow . . .

The movements were explained on hand of the present, the nearest cycle, which is still in actual memory. The farther back we take our cycles for comparison, the more difficulty we have to even think of what has happened unless back charts are available.

Most of the traders, when you tell them about what has happened will tell you immediately: I don't care what has happened; what has that to do with the present! Oh, how blind, how dumb they are; how little

do they know or even suspect that cycles repeat! They are happy in their ignorance and like it. Therefore, it is a useless task trying to even speak to them about cycles because they don't know anything about them and, as said in the first sentence where we began: they are not even willing to hear anything.

We shall now go back one actual cycle and at the same time compare it with the current one to see how they fit and also what their different lengths are.

The immediate previous cycle began on April 8th, 1938 with the peak of the neck of the bird. The cheese and crackers were formed via April 12th, 1938 up to April 19th, 1938. For the year 1938 I am using the Winnipeg wheat chart since I mislaid the Chicago chart, but the movements of both were pretty well alike during that year, at least from the period we are inspecting just now. (Use chart contained in Handbook)

The nut was made on April 25-26th, 1938 followed by a p. of 20c to May 31st, 1938. Then came an s. 50% back rally to June 21st; then followed another p. to July 27th, 1938 and then we made immediately thereafter the tongue. And what a tongue that was! 20c was its length. It seemingly ended on September 6th, 1938, but actually we must say no, it ended on October 5th, 1938 only. Why? Because during that down-move from July 27th to September 5th, 1938 there were no onions, no radishes, no green onions nor celery sticks. They came between September 5th and October 5th, 1938.

The soup of that cycle lasted a whole month, from October 5th to November 3rd or 8th, 1938. This meant one month, against the present cycle taking for the soup just 10 days, August 16th to 25th, 1940. Thus we learn that we cannot use counts of days and say: this part of the cycle takes 10 days and also 10 days in the next cycle, or it takes 35 days in this cycle therefore it must take 35 days in the next cycle, too. We would be all wrong. This shall be shown and explained on other parts of the cycle as we go along.

The fish formation began on November 8th, 1938 and lasted until May 31st, 1939. This meant nearly 7 months against the fish of the present cycle which lasted from August 25th to November 18th, 1940 or, not quite 3 months. Next comes the white wine which lasted from May 31st to August 9th, 1939. This white wine looks somewhat like being a tongue, but we had a fish before and not a p. and s. formation, so it could not be a tongue (antipasto) formation, since the sequence of the dinner table is always kept exactly. Nature does not make mistakes; we do. The low of this white wine was lower than the fish itself which did not happen in the present cycle, where the white wine was formed between November 18th and February 17th, 1941. However, we also can see from the chart, that the fish of November 8th, 1938 to May 31st, 1939 was a flat eel with very small undulations sidewise, the present one of August 25th to November 18th, 1940 was mounting upward.

We could not buy in that case (in the 1939 cycle) on June 23rd, 1939 unless it was for a small rally, because white wine has two sections or

two gulps, so to speak, which we can also see in the white wine from November 18th, 1940 to February 18th, 1941. In fact, each of these wines had three gulps if you look closely:

May 31st, 1938 to June 23rd, June 29th to July 25th and July 31st to August 9th, 1938, whereas the white wine of 1940-1941 has the same as follows:

November 18th to December 17th, 1940, January 10th, 1941 to February 1st and February 6th to February 17th, 1941.

We never work with points (i.e. with the cents profit) but with forms of the picture. Bear this constantly in your mind!

The feet of the bird were formed from August 9th to September 14th, 1939. Note, that I did not say: till September 7th, 1939 for very good reasons. The feet, as said above have to be buried within the body of the bird and are not sitting in the tail end. From other work, presented in my "Handbook of Trend Determination" September 7th could not be seen but that 15th of September 1939 stuck out like a sore tooth.

The body proper of the bird was formed-between September 7, 1939 (now I have to use that date) over until either November 28th, 1939 or to December 4th, 1939. We do not have to be too picky in that respect, because we know the wings of the bird and the neck have to come yet, just the same as is was on May 2nd, 1941. The length of that body was also longer in time than was the body of March 31st to May 2nd, 1941.

But, note, that within one cycle the proportions remain very well the same, so that, a big long fish calls for a long bird, long wings, etc.

The first wing of the bird was from November 28th or December 4th, 1939 to December 19th, 1939, the reaction or red wine lasted to February 1st, 1940. The second wing last from February 1st to February 23rd, 1940. The heart which we located so well in the 1941 cycle shows for February 14th, 1940, but this time it was not the halfway mark as it happened in 1941. The sweets or the actual neck of the bird had its beginning with March 2nd, 1940 and had several kinks. Instead of making a swan's neck to 1.50 it wiggled back and forth, staying very strong though, until April 22nd, 1940. The champagne was not missing. It started with gap upward on April 8th, 1940 and is actually a part of the neck or what we also term "sweets". This neck formation was in length very well in proportion to the entire cycle respectively in fine proportion to the other parts of the cycle just explained. The cheese and crackers were made from April 22nd via May 1st to May 10th, 1940, followed by the immense p. from the nut made on May 12th, 1940 and ending on May 18th, 1940. The s. and tongue followed and we entered into a new cycle which is about to end here. So we are now at the same spot as we were in September 1938 and in June 1940, making the radishes, pickles, green onions and the salamis.

The way wheat makes its dinner table, serving complete meals at all times, the same way do other commodities, also stocks. We have to watch, of course, for stunted birds which refuse to make a nice long neck such as pepper and cocoa did during the summer of 1941.

Using cycles in the way and manner explained will make you trade in swings and will get you movements of many points without needing to watch the market from moment to moment. Only when one major part of a cycle is drawing to a close is it advisable to sit with the broker and, to pass time waiting for a top or a bottom having in your mind your dinner table, you have ample time to sort of sound out the sheep that sit in there, who don't know whether we move up or down, but who are people who have money to gamble with, to risk it without knowledge. They talk smart and it "sounds" alright, but all their talk is a lot of p and s for practical use. After you have changed your position avoid them like those in olden times avoided lepers.

These patterns repeat all the time. All we must have are charts to pick the place where we are. Sometimes the fish are longer, at other times a little shorter; sometimes the birds are bigger, taller or fatter, at other times they are thin, short, even somewhat deformed just like men are. This spring and summer we had a monster bird in Cottonseed Oil and in Soybeans, whereas in Cocoa we had a goose or a duck, whose neck was leaning back on its body. Soybeans had a neck of a flamingo and butter one of a quail or a like bird with a very short neck, or, let me call that formation a pelican (also visible in eggs, cocoa and hides).

The best period, therefore, for buying is during the time the tongue is made and the best time for selling is after the champagne has been served and a nut or two swallowed (swallow means make a gap downwards).

If, from now on, you dare not to buy around a bottom, but only get all your pep together and buy on the top, it is your own fault.

Know that a complete cycle from tongue to tongue can run from one to three years, that the different forms of animals are very clearly visible.

As far as a general rule for buying and selling is concerned, we have to use weakness to buy and strength to sell on while the direction is still the same. For example use weakness in the tongue formation to buy and not when the fish is already in the making. During the resting period between fish and bird you can buy again for the bird; when the bird is completed, you can buy for the neck which is sometimes long, sometimes short. If short, your profit chance is small, but you should not have to take any losses even if it be short, whereas, if it turns out to become a flamingo neck like visible in Soybeans in August 1941 . . . what profits pile up then. When almonds appear on the top short quickly until full discharge has occurred and know that there are several discharges in succession and the hanging tongue to come thereafter.

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