



**Haym Salomon** @SalomonCrypto

Aug 6 · 29 tweets · [SalomonCrypto/status/1555762199016062982](#)

Tr

## (1/28) The History of Modern Finance: From 1492 to 2022

In the 16th century, Europe catapulted from the backwater of Eurasia into the forefront of global dominance. The secret? The invention of modern finance.

Read on to learn why the world needs [@ethereum](#), ASAP.

(2/28) By definition, history does not begin nor end; everything comes from before, everything leads to something. For 1000s of years our ancestors struggled, fought and built to make the world we have today.

For the sake of brevity, we will skip to the turn of the 16th century.

(3/28) Fans of European history will know that in the 1490s a ton of the action was taking place on the Iberian Peninsula. Isabella and Ferdinand, The Catholic Monarchs, are bringing the Reconquista to its dramatic conclusion.

The Moors are about to be expelled from Spain.

(4/28) The Reconquista was not a single war; it was 800 years of rigorous, grueling warfare. The Catholic Monarchs were just the last of countless rulers who had spent their life fighting.

It was on the Iberian Peninsula where peasant militias turned into professional armies.

(5/28) But the peninsula was not just a place of war. While The Catholic Monarchs waged holy war against The Moors, the Crown of Portugal had her eyes set across the sea.

In 1139, Count Afonso was proclaimed King of Portugal by his soldiers, breaking free of the kingdom of León.

(6/28) As time progressed, the christian kingdoms pushed the Moors south. However, Portugal quickly pushed up against a truly unbeatable foe in the war of expansion: the Atlantic Ocean.

So while León and Castile waged war, Portugal began sailing.

(7/28) While exploration began early, it truly took off under Prince Henry the Navigator. During the Age of Discovery, Portugal explored the Atlantic Ocean, built a trading network around Africa, South America and the Indian Ocean.

(8/28) The Age of Discovery is a Portuguese term, but it describes an international phenomena. Portugal showed the world the extraordinary opportunity beyond the horizon and the possibility of a global empire, all while developing the technologies needed to make it happen.

(9/28) What did the Reconquista and the Age of Discovery have in common?

They both required the concentration of capital and financial logistics never thought possible before this time.

(10/28) The costs, risks and luck required were staggering, yet these monarchs took them eagerly. Because when these gambles paid off, they paid off asymmetrically.

They gave the power to conquer the world.

If the opportunity is there, people will find a way to make it happen.

(11/28) Sovereign debt, mass logistics & mobilization, insurance & underwriting, resource management and so many more tools were developed to further the ambitions of the Iberians.

As they reshaped the world around them, they laid the foundations of the modern financial system.

(12/28) The professional Iberian armies spread throughout Europe, modernizing warfare. Magnates like Jakob Fugger were able to build fortunes powering these war machines. Fugger used his proto-bank to sway the election of the Holy Roman Empire.

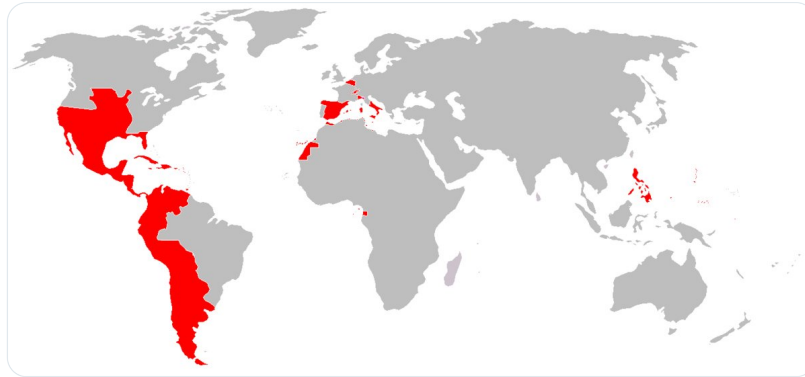
Capital. The State. Industry.

(13/28) The climax of our story is in 1519. Emperor Maximilian has died and his potential successors are scrambling to claim his title. Fugger, the richest man on the planet, made his bet.

He has provided 19-year old Carlos I with a staggering loan needed to capture the throne.

(14/28) With it, Carlos I, grandson of Ferdinand and Isabella, Archduke of Austria, King of Spain, Lord of the Netherlands and Duke of Burgundy was elected Holy Roman Emperor.

Carlos, now Charles V, became the first emperor of "the empire on which the sun never sets."



(15/28) What happened in these critical years at the dawn of the 16th century set the rules for the next 500 years.

The principal: capital concentration and executive control. The goal: growth at all costs. The tools: modern finance.

(16/28) The next ~400 years of European history follows roughly the same pattern:

- a society makes this realization,
- concentrating wealth as much as possible,
- taking over the world
- growing, extracting, and oppressing
- weakening and finally breaking under its own weight

(17/28) This pattern continues up through World War I and II. Every world power has spent and lost their entire military, every country's industrial capacity has been destroyed, no civilian has the basic necessities needed to survive.

Well... no country except the USA.

(18/28) Ever wonder why America never "took over" the world in 1946; who would have stopped them?

Well, the reason America never sent her armies out for world domination is she'd already taken what mattered:

The British Empire's position at the center of the financial economy.

(19/28) With primacy over the global financial system, the suits in Washington D.C. used the same principals The Catholic Monarchs, Jakob Fugger and Charles V pioneered 500 years ago:

Concentration of capital. Manipulation of the rules. Growth at all costs.

(20/28) As head of the global financial system, the USA spent the later half of the 20th century colonizing the world. But unlike their more direct European brothers and sisters, the Americans favored a more palatable flavor: economic rather than physical.

(21/28) Most North Americans are pretty blind to this fact; most Central and South Americans are painfully aware of it. Particularly Cubans and Venezuelans.

As are the North Koreans, Persians, Syrians, Russians, Afghans and a whole host of entire cultures.

(22/28) And herein lies the real tragedy. Not only do most Americans not understand their role in this globally extractive system, they also fail to that the same system is pointed right back at them.

(23/28) The purpose of our financial system is concentration and action.

Concentration means wealth is pulled away from the people. Action is used to increase concentration, causing more deprivation.

As we strive for progress, we force others to stay behind.

(24/28) The climax of THIS story... it might have come in 2008. The system had become a caricature of itself - growth and concentration were considered almost holy.

The result was a catastrophic meltdown that still affects our lives and our politics.

The entire system failed.

(25/28) If the climax was in 2008, it was because it was the wakeup call Satoshi Nakamoto needed to release his work. Look at the [@Bitcoin](#) white paper, you'll find Satoshi responding directly to these issues

You'll see the vision of [@ethereum](#) that [@VitalikButerin](#) saw from day 1

(26/28) [@RayDalio](#) talks about the the changing world order: global society is arranged around the an entity's economic supremacy, experiencing chaos when it changes.

The question [@ethereum](#) poses: what if the entity wasn't a sovereign or a nation?

What if it wasn't even human?

(27/28) By definition, history does not begin nor end; everything comes from before, everything leads to something.

Looking backward, I see centralization and control.

Looking forward, I see The World Computer.



**Haym Salomon**  
@SalomonCrypto · [Follow](#)

(1/7) The Hitchhiker's Guide to **@ethereum**

In 2014, **@VitalikButerin** gave us an idea that WILL change the world. Have you wrapped your head around The World Computer yet?

DON'T PANIC, I'll break it down for you. Read on for 4 threads that will show you the future.



# Ethereum

*The World Computer*



- Virtual Machine (EVM)
- Ethereum Blockchain
- Ethereum Network

1:01 AM · Aug 3, 2022



367  Reply  Copy link

[Read 15 replies](#)

(28/28) Bibliography:

The Verge by [@Patrick\\_Wyman](#)

Literally could not recommend more. This book changed the way I see the world.



**Haym Salomon**  
@SalomonCrypto · [Follow](#)

Replying to @SalomonCrypto  
(2/25) The Verge

I cannot recommend this enough!

Thesis: "The West' was created by the development of modern finance." In 1490-1530 all these historical factors converged and into finance and supercharged The West into global hegemony (for now?).



★★★★★ 471

amazon.com  
The Verge: Reformation, Renaissance, and Forty Years that Shook the Wo...  
The Verge: Reformation, Renaissance, and Forty Years that Shook the World

11:30 PM · May 15, 2022

♡ 12    💬 Reply    🔗 Copy link

[Read 2 replies](#)

Like what you read? Help me spread the word by retweeting the thread (linked below).

Follow me for more explainers and as much alpha as I can possibly serve.

 **Haym Salomon**  
@SalomonCrypto · [Follow](#) 

(1/28) The History of Modern Finance: From 1492 to 2022

In the 16th century, Europe catapulted from the backwater of Eurasia into the forefront of global dominance. The secret? The invention of modern finance.

Read on to learn why the world needs [@ethereum](#) ASAP.

3:46 AM · Aug 6, 2022 

 [Read the full conversation on Twitter](#)

---

 482  Reply  Copy link

[Read 30 replies](#)

...