The Global Slowdown, Pensions & End of US Dollar Imperialism

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*"The truth is, massive central bank monetization of the debt has essentially pulled the plug on fiscal management, but in so doing it is also setting up the system for a thundering **day of reckoning**."*

- David Stockman, Author, *The Great Deformation*

"No doubt, the perverse effect of central planning on the economy is tending towards a maximum. This tendency can be traced back well over a century, with the advent of the Fed and the federal income tax in 1913."

- Pater Tenebrarum, Market Analyst, Acting-Man.com

"Capital will always go where its welcome and stay where its well treated...Capital is not just money. It's also talent and ideas. They, too, will go where they're welcome and stay where they are well treated"

- Walter Wriston, Citicorp CEO (1919 - 2005)

"What would you do if you were stuck in one place and every day was exactly the same, and nothing that you did mattered?"

— Phil Connors (Bill Murray), Groundhog Day (1993)

"There may be a recession in stock prices, but not anything in the nature of a crash."

– Irving Fisher, leading U.S. economist, *New York Times*, Sept. 5, 1929

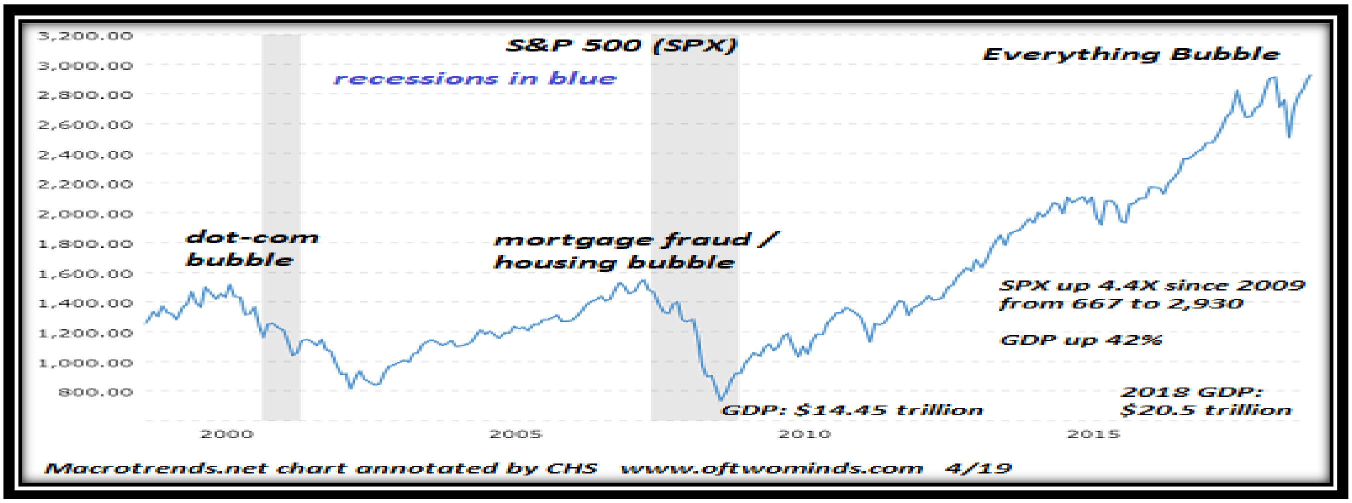
The next *"crisis,"* will be the *"great reset"* which will also make it the *"last crisis."*

- Lance Roberts, Senior Analyst, RealInvestmentAdvice.com

November Greetings to All,

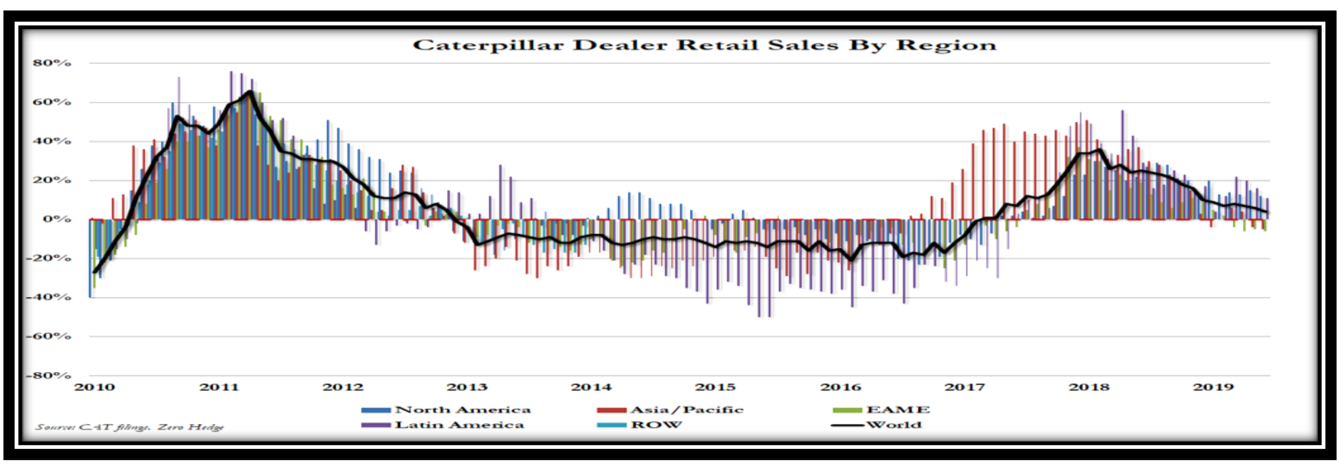
I was a bit delayed getting this newsletter out, but let's get going. When it comes to rigged markets and metals it all feels like **Groundhog Day -** indexes *all stay about the same* and **complacency** rules the day! But that is all about to change as hard financial, economic, fiscal ***reality*** comes to bear in the coming months. **The central banksters** have inflated and leveraged the global economy to dangerous and *unsustainable levels,* and the collateral damage will wipe out **public pensions** in the **US** and even challenge the **US dollar** as the **worlds reserve currency**. This is the theme of this timely report.

The Everything Bubble & *Global Slowdown!*



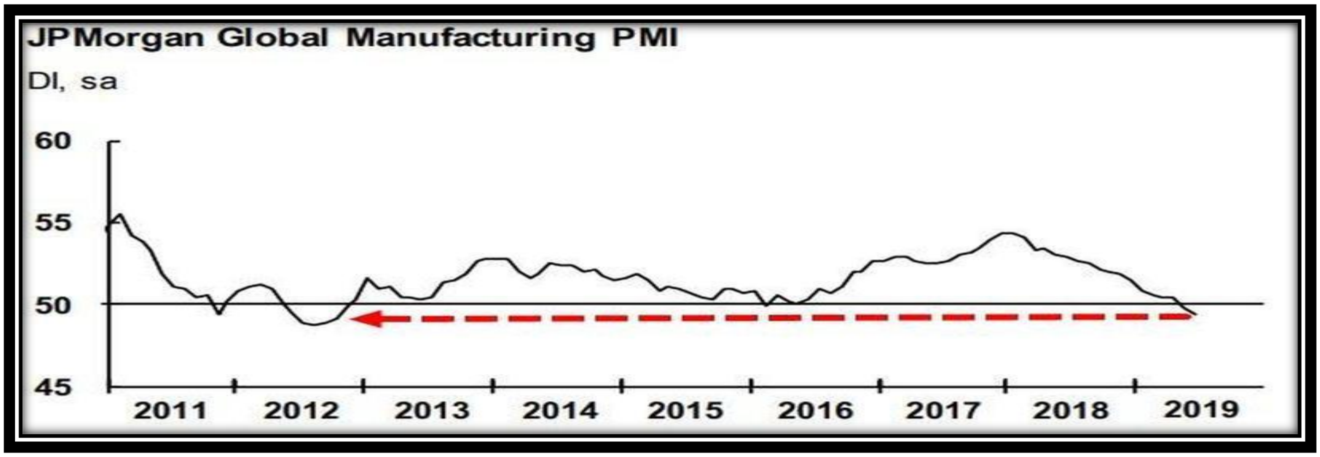
Central bank interventions since 2008. As indicated above, the broad **S&P 500 Index** is up *fourfold* and the **Dow Index** has risen more than ***400%***. Has this been a market-driven recovery? Nope. It has been purely driven by central bank/easy credit policies (**QE**) and low interest rates (and **Trump** wants zero rates!). Pumping fresh money has created **asset bubbles** in stocks, bonds, real estate, etc. and also contributed to the **wealth effect** and wealth inequality. Consider that **85%** of stocks are owned by the *top **10%** wealthy class*, and low bond yields keep speculation in stocks being boosted with stock buy-back schemes (all on margin!). This looks more like a **rigged casino** or a *crime scene* than a legitimate marketplace, or even worse a *meaningful metric* for the health of the **US** economy! **I am sick of it.**

In a recent panel discussion at the University of Zurich (9/6), **Fed Chair Powell** was asked about the indications of a **recession** (slowdown). **He replied**, "Our main expectation *is **not at all*** that there will be a recession." Such is the conceit and arrogance of **central planners** and social engineers. ***Not at all* Mr. Powell?** The banksters and Establishment economists are always the last to get it. Just prior to **The Crash of 1929**, Wall Street economist **Irving Fisher** boasted, "There may be a recession in stock prices, ***but not anything in the nature of a crash***." Well, we know how that ended. Retail activity for **Caterpillar** is considered a **bell-weather indicator** for the **global economy**, and what do we see here? A ***steady decline*** in all sectors since the **US** stock market swoon in **December 2018.**

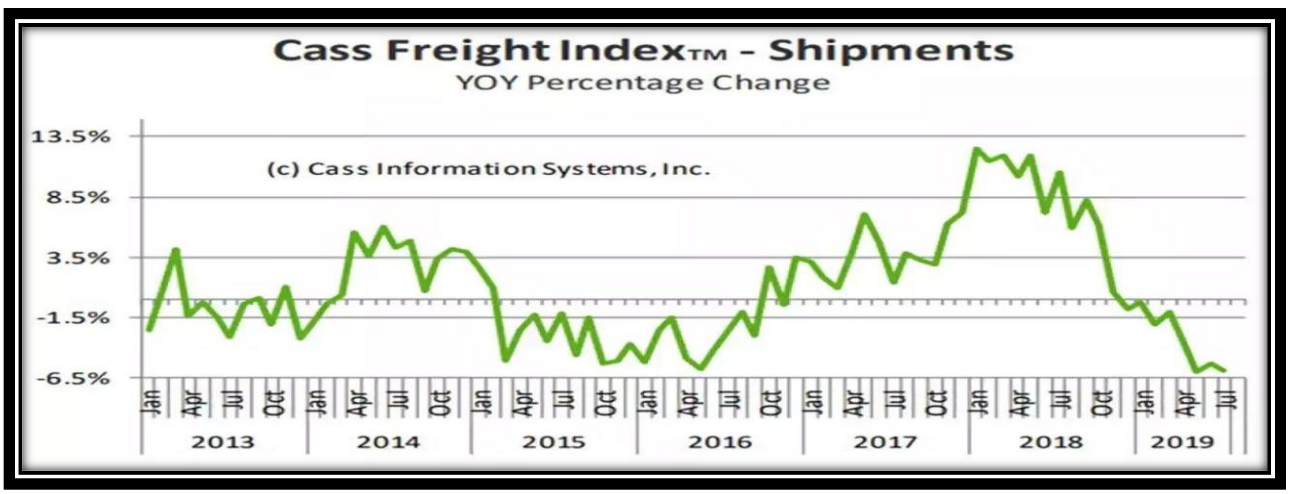


The above chart is being avoided by the financial media. As you can see, the **animal spirits** were released when the **Bragger in Chief** arrived on the scene; but all that has faded like morning mist on a warm summer morning, and now we are entering a **Kondratieff Winter** (massive debt repudiation and deflation) - THIS LINK. In **Dec. 2018**, **The Grinch** almost ruined our **Christmas** joy; but just like **Santa Claus**, the **Working Group on Financial Markets** (**Plunge Protection Team**) massively intervened, and now the major stock indices have recovered their ***20% decline***. It's all just like magic!

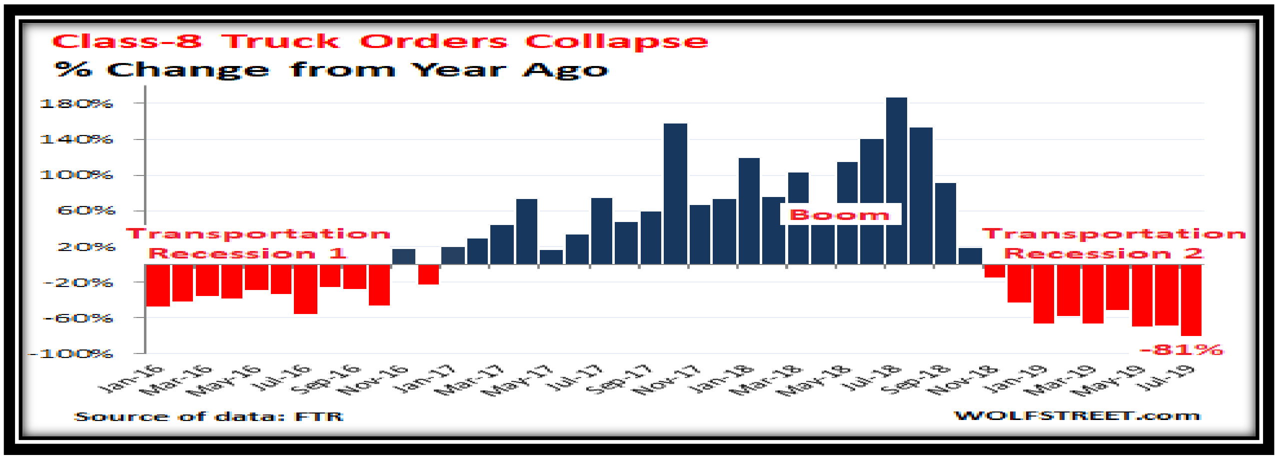
But the following charts tell a very different story. And this is why I search the **Internet** for **charts**, and just your narrator....**your messenger** connecting the **dots**. Is the **US** (and the world) lapsing into a **global recession** that Jerome Powell, Larry Kudlow, Steve Munuchin, Peter Navarro and The Donald can't see? Yes it is. And here is why. Since **December 2018**, the **JPM Global Manufacturing PMI** has been dropping sharply. The **PMI** stands for Purchasing Manager's Index, and is a broad index for ***sentiment*** in the global manufacturing sector based on orders/output. This does not look very robust:



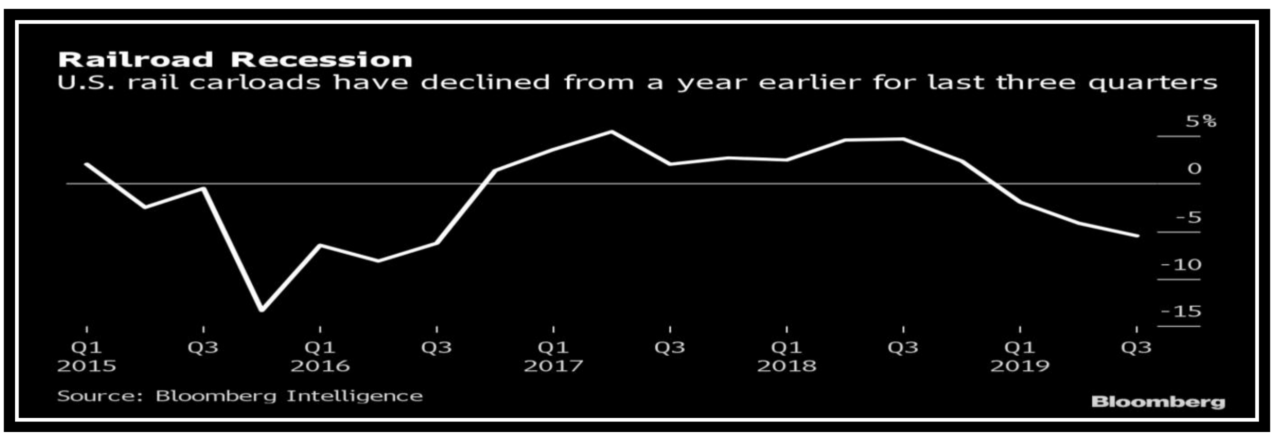
The JPM PMI Index has been a fairly reliable indicator for the global economy. More recently the historic **Inverted Yield Curve** in the **US bond market** is signaling a **recession**, and it has never been wrong for over **50 years**, but it is "politically incorrect" to focus on that because the **Fed Chair** has *firmly stated* that their "expectation is **not at all** that there will be a recession." Ok, got that? But the **following chart** contains **hard data** in the **trucking industry** known as the **Cass Freight Index**, and this measures the shipment of (manufactured) goods on our freeways in the **US**. This is a very *dismal decline*, and you will notice that the Cass/PMI Indexes both line up with **the December swoon.**



So, what to make of this hard data? It is being supported by **the chart below,** regarding **big rig orders**. According to THIS LINK, there has been a year-over-year decline of ***81%*** of Class-8 trucks. The trucking industry is facing a **bust** after the **boom**, and you will notice that this can also be traced back to the **December 2018** market swoon (and Fed intervention). According to the **BLS**, the trucking industry has lost ***4,500 jobs*** in the third quarter, and **640** trucking companies have filed for bankruptcy so far in **2019**. This is ***more than triple the figure*** of last year of **175**. What does that tell you?

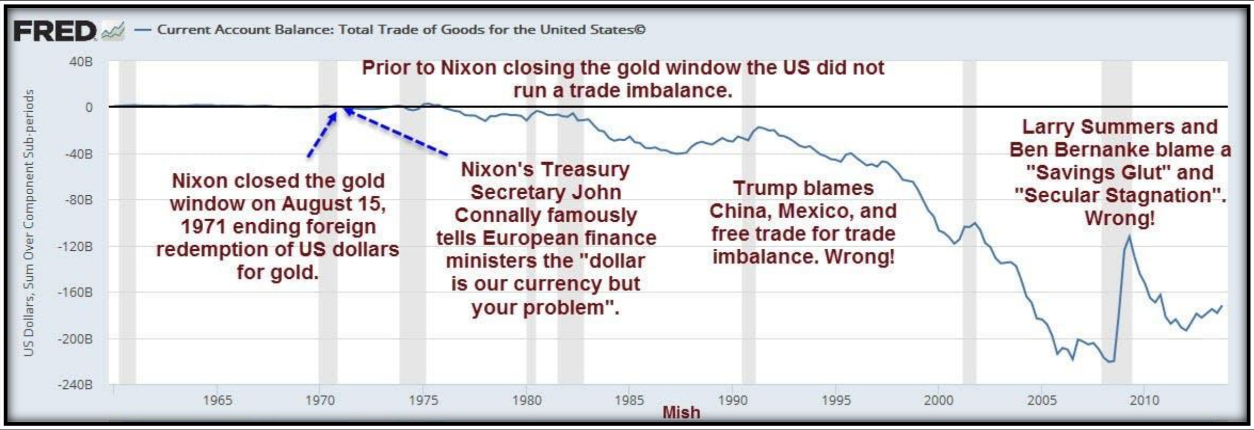


Trucking is a leading indicator of the real economy. More than **70%** of domestic goods are moved on heavy-duty Class-8 trucks, and the data is indicating that we *are already in a recession*. But what about **the railroads**? According to the **American Association of Railroads** carloads have suffered the *biggest decline in three years*, and this also dates back to **December 2018, as we see below**.



In addition, "...the bankruptcy rate for **airliners** is exploding, *at a pace never seen before*," as **noted** in THIS article. What can explain this, but a **global slowdown** and **recession** that actually began in **December of 2018?** Economist **John Williams** has provided a **survey of economic conditions** in all **50** states provided by *real people* living with *real hardships* that can be accessed at THIS LINK for a very revealing download in **PDF format**. Things are not great folks. In fact, the **Commerce Dept.** recently reported that **US manufacturing** is now down to *the lowest level....**since 1947!*** This report notes how **Trump** promised a "factory renaissance, but *the opposite* appears to be happening." In fact, **the chart** provided at THIS LINK illustrates how **US manufacturing** has collapsed from **25%** of the economy *down to **11%*** in the last **30 years**. What can account for this? Is it "bad trade deals" as **The Donald** would like us to believe? **Indeed**, *exactly* why has the **US** had a **trade imbalance** (or deficit) since **1971?** And why is **August 15th, 1971** such an important date to explain all of this?

US Dollar Imperialism & *US Trade Imbalance!*



<u>My friends, and Trump supporters, I want you to bear with me as I explain this issue</u>. I am just your messenger, and we need to start with **the above chart** for your consideration. Put simply, **Nixon** *defaulted* on the **1944 Bretton Woods Agreement** that established the **US dollar** as the safe, gold-backed **world reserve currency**, <u>and he did this in late **1971**</u> (more on this issue on **p. 12** below). Prior to **1971**<u>, the **US** *did not* have a **trade deficit** (as noted above), but they have been *perpetual* ever since</u>. A "negative trade imbalance" is a <u>monetary issue</u>, and not a "trade issue" as noted in <u>this comment</u>:

"<u>What a privilege for the US</u>! America issues <u>a currency</u> which is accepted and is in high demand around the world. *In this way the Americans <u>can borrow easily</u> from the savings of the rest of the world: They can consume and invest well beyond their own resources...* ***<u>This is undoubtedly one of the reasons why the US 'enjoys' a negative trade balance – meaning that the US imports more goods and services than it exports</u>***<u>*; in other words: capital imports into the US exceed capital exports out of the US."*</u>

<u>And so, there you have it</u>. <u>The **US** has a trade deficit since **1971**</u>, and mostly due to our "privilege" to issue fiat dollars. **Trump** is trying to punish our trading partners and *impose tariffs!* **Mish Shedlock** says that, "**Trump** is barking up the wrong tree, *and loudly*." **<u>As he illustrates below</u>**, **NAFTA** and even **China** are not to blame for our perpetual trade deficits. But **China** did "accelerate the issue" after they joined the **World Trade Organization** (WTO) in **2001**. In other words, **US** firms have been moving operations to **China** since **1990**, but in a *big way* since **2001**. This is our trade deficit issue.

"Capital will always go where its welcome and stay where its well treated. - **Walter Wriston**

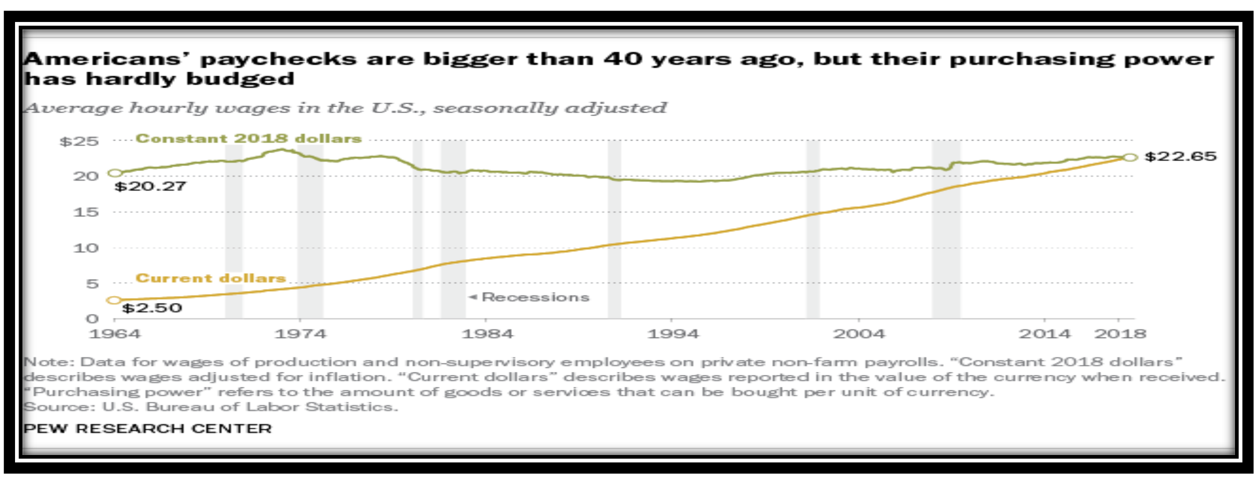
The above maxim is an elegant and very precise observation for our times. In fact, this logical and empirical observation has become known as **Wriston's Law of Capital**, or simply **The Wriston Rule.** Wriston was the **CEO of CitiCorp** from **1976-1984,** and understood **capital flows**. In other words, the reason that **US** firms have moved their manufacturing platforms to **China** is because capital is "*not* well treated" in the **US**. In other words, it is simply *too hard* to run a business in the **US** with all of the regulations, taxes, unions, benefits and so on! This is essentially a **Labor Arbitrage** described below:

"Trump is focused on and obsessed with is that we bought $543 billion worth of stuff from China last year, and we sold $120 billion. It's not because of bad trade deals The Donald thinks that his predecessor made. *The reason is* ***the economic differential — our average wage is over $30, which includes the cash wage plus the health benefits, retirement, and Social Security taxes, and all the rest of it. And in China, it's about $5, and when you have $30 versus $5.......This tells you all you need to know."***

The above comment was made by David Stockman, and you can read it all at THIS LINK. **The Wriston Rule** implies that capital and dividends is not a *patriotic* or *ideological* issue, but rather a function of profit, growth and return on investment. The **labor arbitrage** from the **US to China** is a business decision, and it has favored **China**. As **Paul Craig Roberts** has recently commented:

"Indeed, China owes its faster than expected rise as a world power to the transfer of American jobs, capital, technology, and business know-how to China simply in order that US shareholders could receive capital gains and US executives could receive bonus pay for producing them by lowering labor costs."

One can argue if this has been in **America's** best long-term interest, but it is too late now, and starting a **trade war with tariffs** (taxes on US consumers) is *utterly foolish!* But **The Donald** keeps barking up the '**Tariff Tree**,' as if this will solve a **30-year labor arbitrage** and an institutionalized negative trade imbalance courtesy of the **Fed** (Nixon) since **1971**. **More in this in a moment**, but I leave you with this quote from **Michael Hudson**, author of *Super Imperialism*, regarding the ascendancy of **China** in the modern era. "Lenin said that capitalists would sell the Communists the rope to hang them. But as matters turned out, capitalists let China sell them the labor that served to hang American capitalism." If **Progressive Liberals** in the **US** had *not driven our corporations out of the* **US** we would be in better shape today. As it is, we have become the **largest debtor nation** in the world with **flat wages for 40 years, as seen below**. The **global slowdown** has started, and this will be extremely brutal for an aging demographic and those depending on **public pensions, which we shall address.**



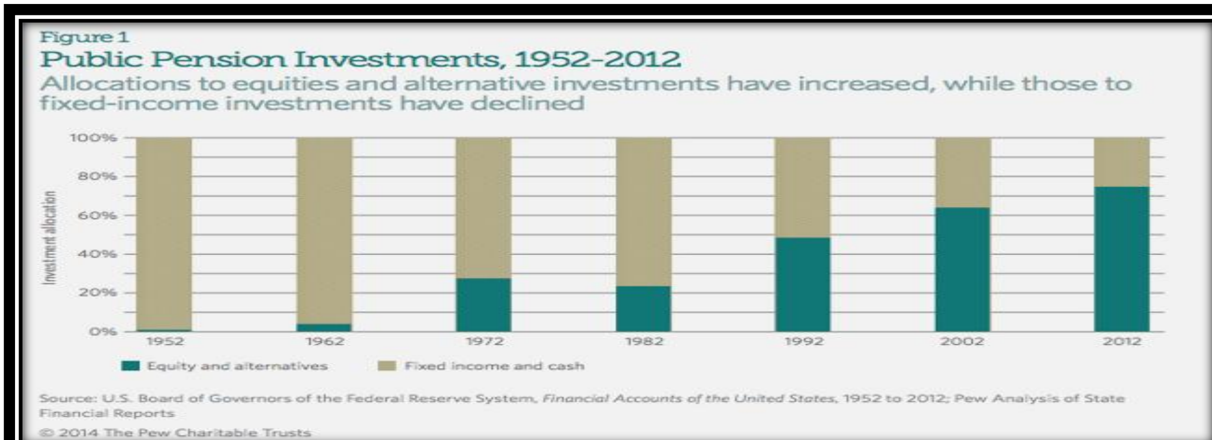
US Red Alert!! *Public Pensions & Public Debt*

Public pensions are in very serious trouble. I take **no pleasure** in sharing the following research and data as it concerns millions of **Americans** who are about to be devastated. I have written about this repeatedly in **past newsletters**, and you'll never hear anything about this in the **Mockingbird Media**. The *wholesale fiscal mismanagement* of **public pensions** is only a **microcosm** of the *fiscal mis-management* of our **national budget** and our exponential debt. So, let me start with **some hard facts.**

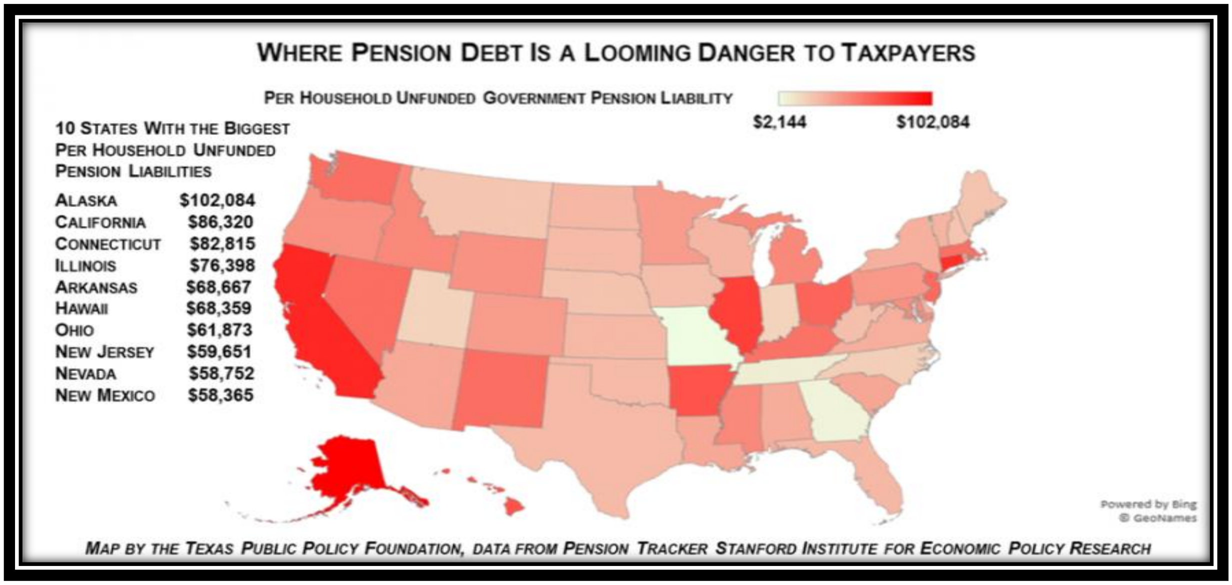
It is estimated that **public (government) pensions** in the **US** are *underfunded* to the tune of nearly **$5 trillion**, and even ***$70 trillion*** *globally* (almost exceeding global GDP of *$88 trillion*). This gap will grow to **$400** trillion by **2050**. Good luck on that one. Back in April, **Chris Martenson** had an interview with **public pension fund whistleblower Ted Seidel,** and this is well **worth a listen!**

Chris Martenson Interview with Ted Seidel: A Humanitarian Crisis!

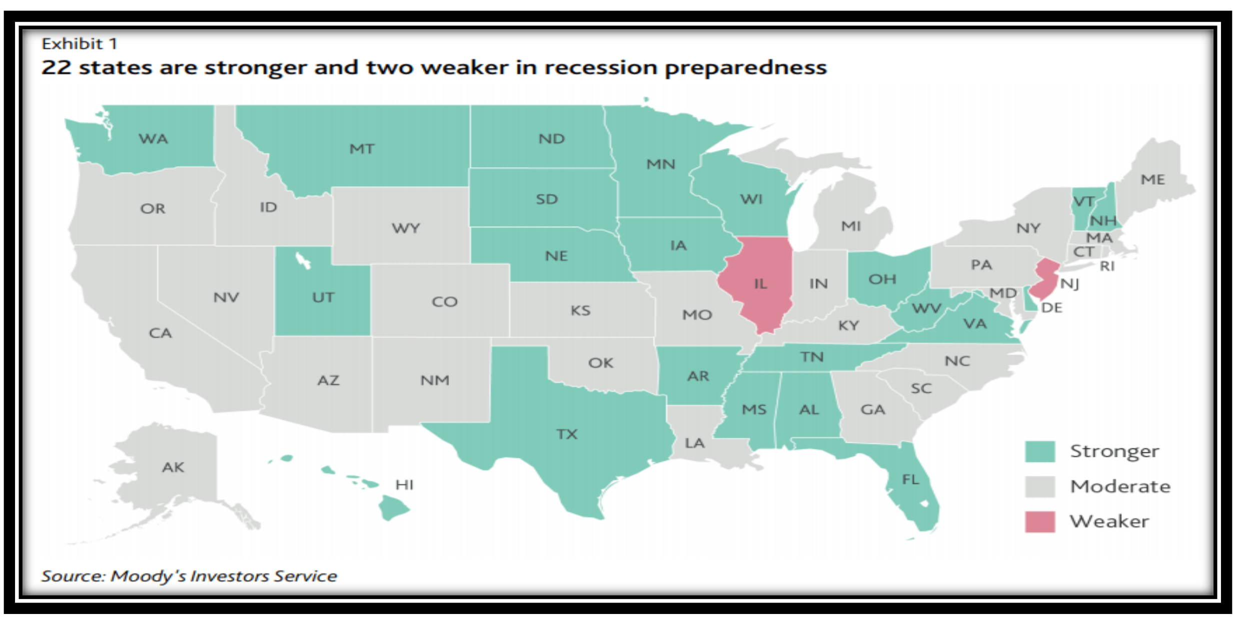
This is one whistleblower that should concern all of us! Not the *bad actors* in the Democrat Party. His conclusion? *"We are on the precipice of the **greatest retirement crisis** in the history of the world."* Yes we are, and the main reason is public pension boards are staffed with inexperienced members who naively project ***7-8%*** annual returns, but we are living in a world of nearly *zero rates*! As a result, public pensions have fled the relative safety of **fixed income** (bonds) to **highly over-valued equities** (stocks) as **seen below**. In **1982**, exposure to stocks was **23%**, *and now it is a **shocking 75.3%!***



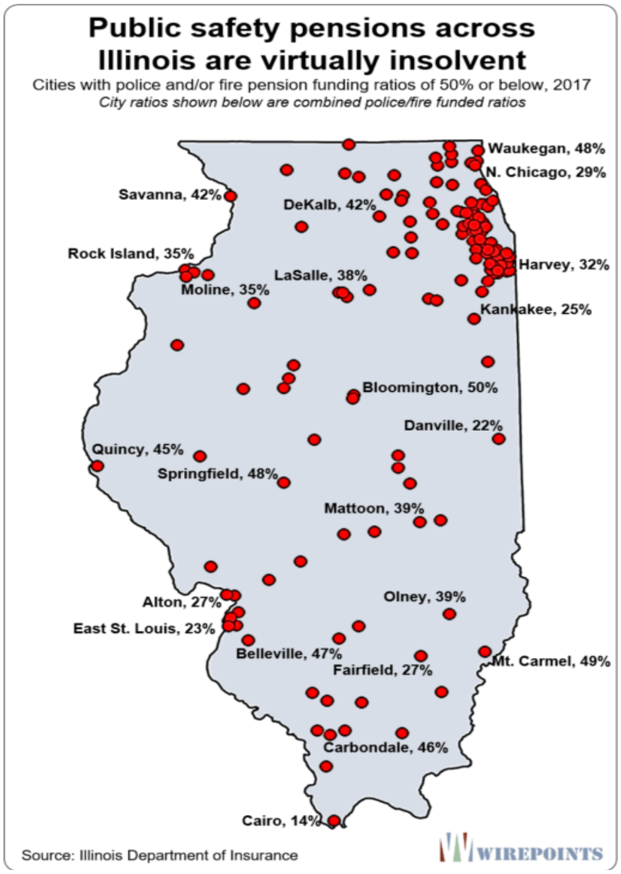
Let that sink in folks. And this is all you need to know why the **Fed** and their affiliates (primary dealer-bankster-crime-syndicates) are literally *hell-bent* to elevate the **Dow and S&P 500 Index**. As I stated in my introduction (p. 2), these **inflated asset valuations** are being driven by central bank/easy credit policies that have *distorted genuine price discovery and normal mark-to-market functions* in a **real marketplace**. What we have today is a **casino**, and **Trump** is playing fast and loose to maintain the *status quo* and the **central bank narrative** that we have the "greatest economy in US history." So, Americans are ill-prepared for what is coming. **In the private sector**, it is estimated that pensions are **$500 billion** in the red. The **Pension Benefit Guaranty Corporation** (sort of like the FDIC) is facing bankruptcy by ***2025***, but this is nothing like the public pensions. Oh no. A recent report indicates that ***97%*** of *ALL* **103** state pension funds are in the red. **And here is the national chart below:**



Of course, The People's Republic of California is a prime offender when it comes to **moral hazard** and **fiscal insanity**. **THIS** study reveals that pensioners receiving ***$100k or more*** has risen from 1,841 (2005) to 6,133 (2009) to *16,838* (2013) to ***over 79,000 today!*** Do you see an unsustainable pattern here? But the real prize goes to the **Land of Lincoln**, and this will be my focus going forward.



<u>The state of Illinois has distinguished itself as the most profligate, irresponsible and progressive state in the US</u>. As noted **above**, they will be *hard hit* when the **reckoning day** comes. Why is this? The statehouse has been mismanaged by **Democrats** for decades. Most of Illinois public pensions are **in the red as seen below**. <u>They have managed to do this even while funds have been exposed to an *inflated stock market*</u>*!* More than **50%** of their state budget is *fixed spending* for severely underfunded pensions and health costs. [The total liability] is now ***$145,000*** for each resident of Illinois.



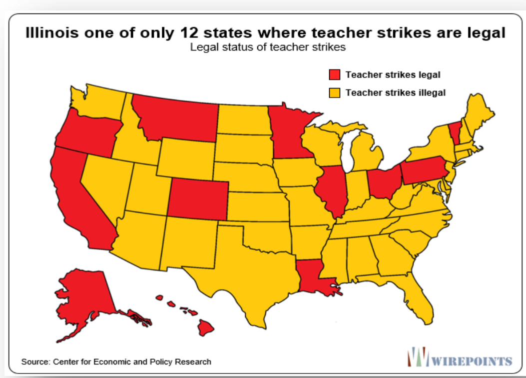
More than half of Illinois public safety pensions are less than 60 percent funded

Funding ratios of downstate police and fire pension funds, 2017

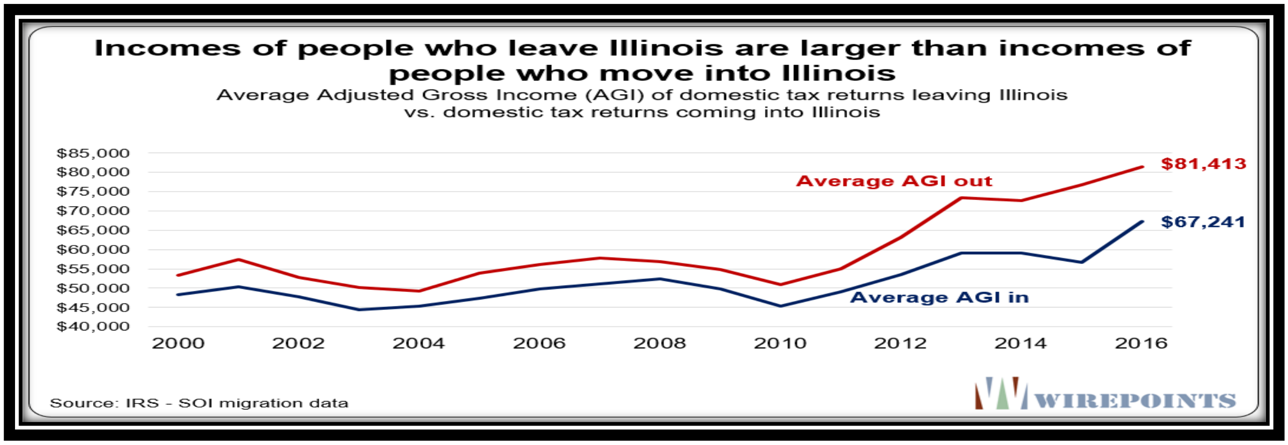
Funding ratio	Funds	Percent of total
0%-20%	16	3%
20%-40%	83	13%
40%-60%	259	41%
60%-80%	213	34%
80%-100+%	59	9%
Total	630*	100%

Source: Illinois Department of Insurance
*630 out of 650 funds reported 2017 data to the DOI.
WIREPOINTS

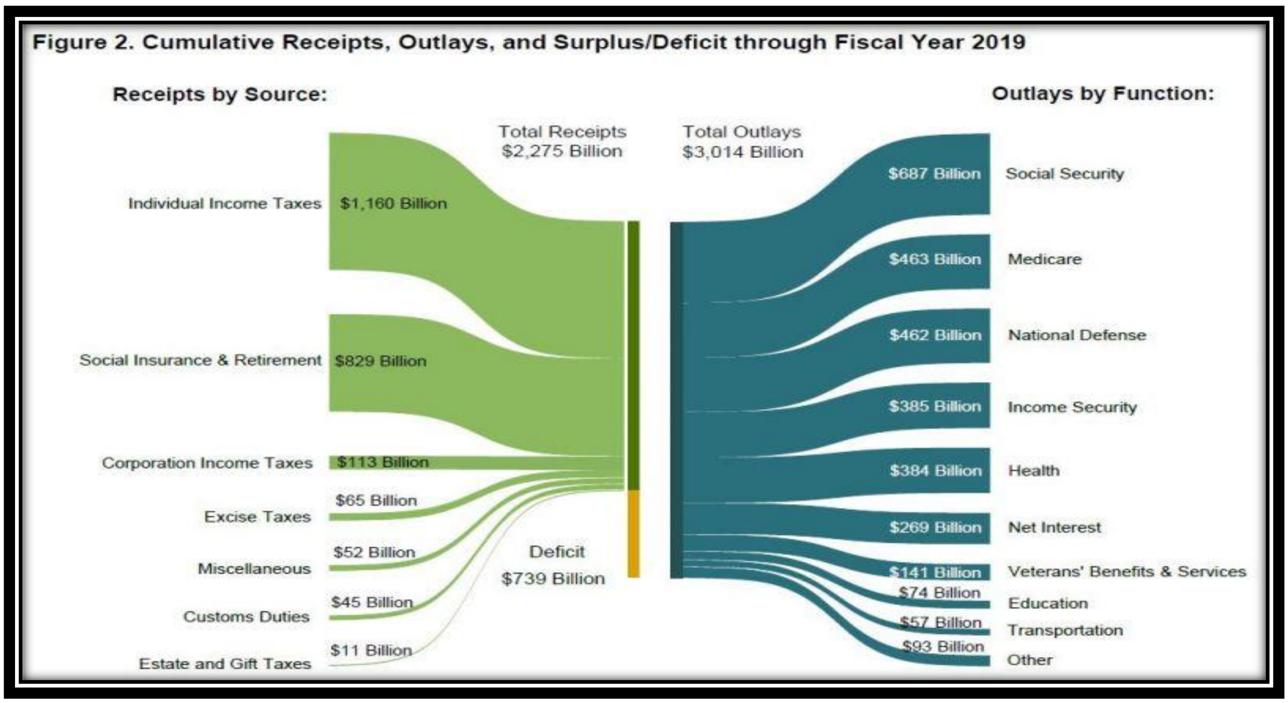
<u>Illinois is one notch above junk bond status (Baa3), and soon to be worthless!</u> In most states, it is **the teacher's pensions** that are the most costly. In **1967**, [collective bargaining] was allowed in only **12** states, and Illinois teachers have been *the loudest* with their unreasonable demands. Trust me, you will be seeing lots more protests like this one below, and even in the remaining **38 states.** ***What a mess!***



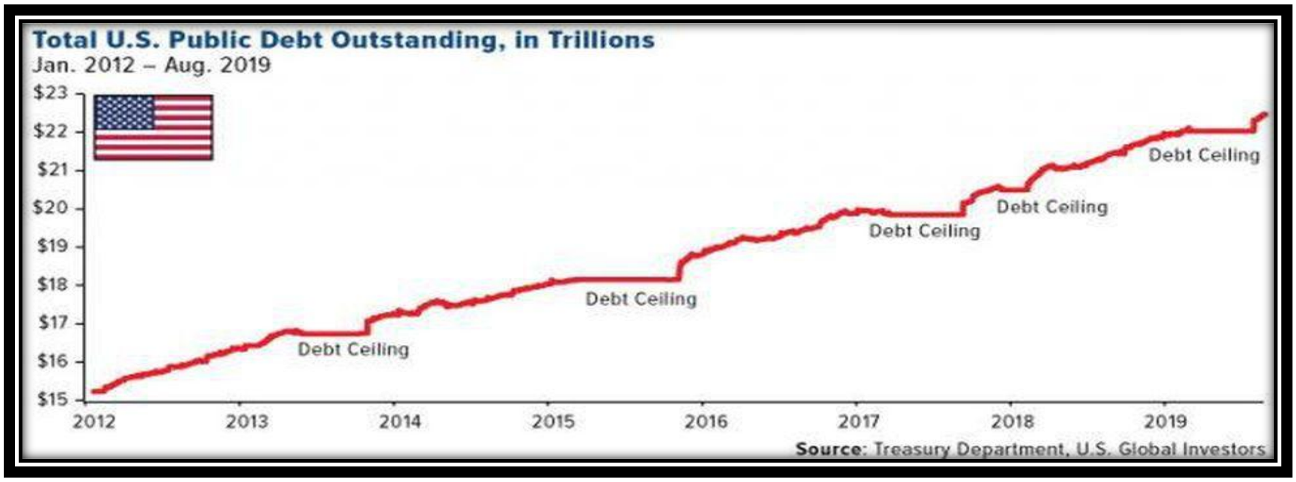
So, what is the solution for bankrupt public pensions? A federal government/taxpayer bailout of course! This is how redistribution of the wealth really works. While Americans were on their summer vacations in **July**, a **House Committee** passed the **Rehabilitation for Multi-Employer Pensions Act** that will likely be signed into law at some point. **This Act** is an effort to *shift* state public debts onto the federal government and literally ***nationalize and monetize*** all pensions into an inflationary hell. Almost like the federal government underwriting ***$9 trillion*** in mortgage loans (Fannie/Ginnie Mae, FHA, etc). You can learn more at THIS LINK and you can also **see a chart** of how **each state ranks** in per capita debt and bankruptcy at THIS LINK. Concerning Illinois, I leave you with **this chart** for some perspective. According to the **Census Bureau**, millions are fleeing Illinois to other states, and this points to **The Wriston Rule** on a domestic level (p. 6) - *people (and capital) are leaving!*



Public pensions are a dire threat, but a *mere microcosm* of our public debt, as seen here. Did you know that ***88%*** of our national budget is *fixed mandatory spending?* And just look at the outlays here. This is a projection of our new federal budget, and **Social Security** payments lead the way. Since **2009*, 10,000 babyboomers*** have been retiring **every day**, and this figure will increase to ***11,600 per day by 2022*** and continue into the late **2020s**! A massive humanitarian crisis is looming in the **US**.



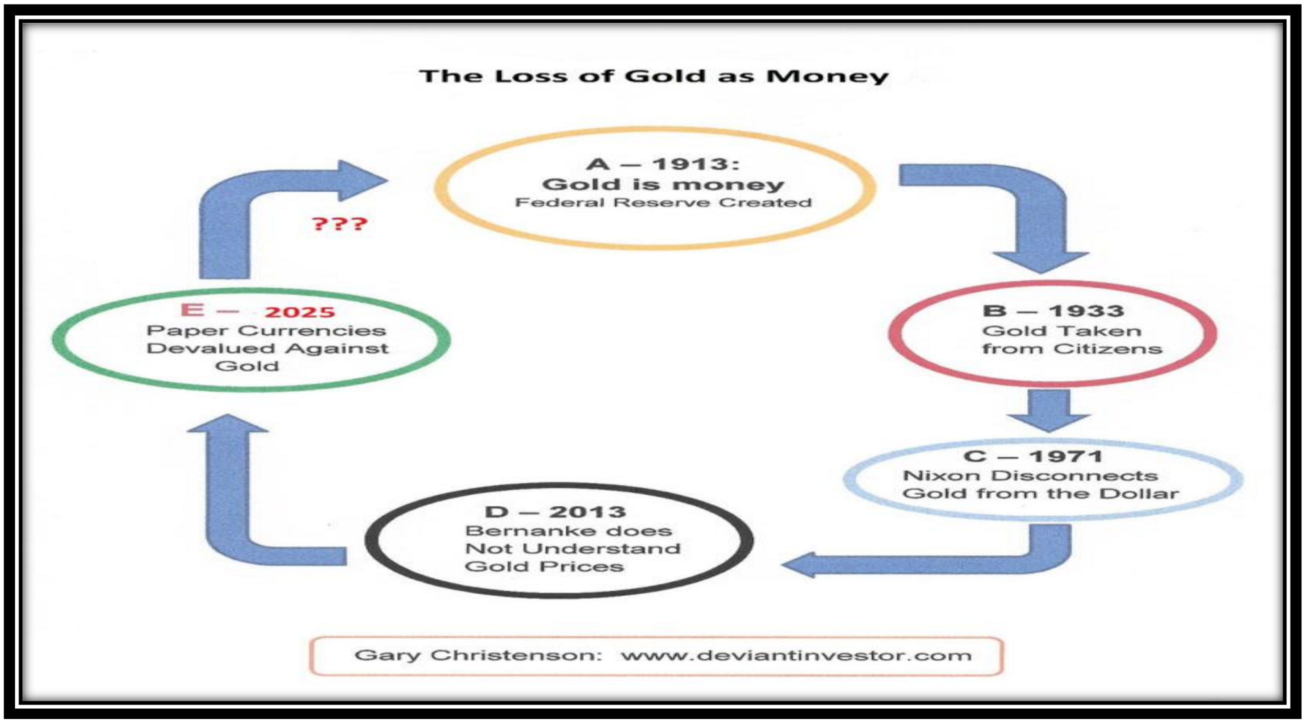
Endless Debt Ceilings & *Coming Monetary Reset*



*"The truth is, massive **central bank monetization of the debt** has essentially pulled the plug on fiscal management, but in so doing it is also setting up the system for **a thundering day of reckoning**."*

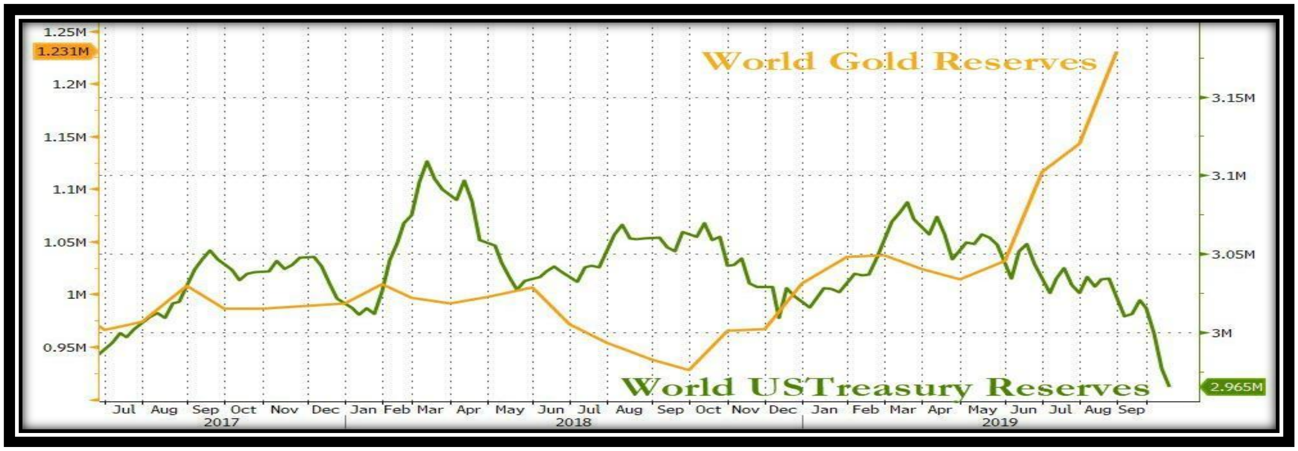
In July of 2019 (while you were on vacation), **Congress** enthusiastically voted unanimously to raise the **US debt ceiling** until **July 2021**, and **Trump** enthusiastically signed it. **One blogger stated** the obvious; that **our legislative-bureaucratic-administrative state** could care less about "*upholding freedoms and liberties" or "the long-term health of the nation*." **He concluded**, "*It's about doing the expedient – **and suspending the debt ceiling so the descent to hell can be made as comfortable as possible**.*" This comfortable descent into **fiscal/monetary hell** is what concerns me, and people like **David Stockman** with the above quote. However, **Stockman** likens our comfortable descent more like a **thundering day of reckoning**. As I stated in **my intro**, central banks have ruined the world, and the collateral damage will wipe out **pensions** and lead to a **global monetary reset**. In a recent article by **Lance Roberts**, he notes the pension fund crisis along with **$80 trillion** in sovereign debt, and he concludes, "The *next crisis* will be ***the great reset***, which will also make it *the last crisis*." In other words, we are facing a **debt-restructuring** and this requires some historical background to how we got into this world of fiat paper currency and the loss of **gold** (and silver) as **real money**. There was a time when the **US dollar** had a nominal gold-backing as seen here - **note the reference to *gold coin***.

The US had a gold-backed dollar from 1792 until 1933. The **US Treasury** printed **US Dollars** with a nominal 1/20th gold-backing, thus we had **$20 dollar gold coins** from **1850 to 1933** like THESE. As seen in **this flow chart below;** (A) **the Fed** was created in **1913**, but by the time of (B) **FDR in 1933**, he banned private gold ownership and reflated the economy by **75%**. As noted earlier (p. 5), **Nixon decoupled** a gold-backing on an international level in **1971** (C), and the US has been on a "floating fiat currency standard" ever since - *how crazy is that?* And as noted earlier, **this** is what has created our **negative trade imbalances/trade deficits** that **Trump** can't seem to figure out, and now he has his panties in a wad. But he is **barking up the wrong tree** as **Shedlock** said earlier. This is a ***monetary*** issue, not entirely a trade issue. For a full explanation of this **chart below** CLICK HERE.



You will note that eventually all fiat paper currencies fail and are devalued against gold (E). In my business we say that **gold and silver** is not getting **expensive**, *currencies are getting cheaper*, *and they know it!* When will there be a collapse of the monetary system? **Christenson** suggests by **2025**, but I think even sooner, and more in a moment. When the **US dollar** was "disconnected" from gold in **1971** we 'sowed the seeds' of our own destruction. **Michael Hudson** wrote a stunning article on this issue and says because the world needs our bonds, "this has enabled the United States to uniquely run balance-of-payments deficits for nearly seventy years, despite the fact that these Treasury IOUs have *little visible likelihood of being repaid*...This foreign central-bank recycling of U.S. Treasury securities gives the United States a **free ride**, financing its budget." Again, this is a basic **Econ 101** issue that **The Donald** cannot seem to grasp, but he will. **In the following link**, monetary historian **Grant Williams** provides a brief overview of events from **1913, 1933, 1971** and our trade/deficit issue (at 18 minutes). In this **41-minute** presentation he carefully explains financialization and the need for a **monetary reset** that will likely be the **IMF Special Drawing Right** (**SDR**) with a **new gold backing**. I will discuss the **SDR** in more detail below. This has to be the most creative software I have ever seen and **urge you** to find time to be pleasantly entertained as you learn. Most of this is in **my book!**

Grant Williams: Fall of the US Dollar & Return to a Gold Standard

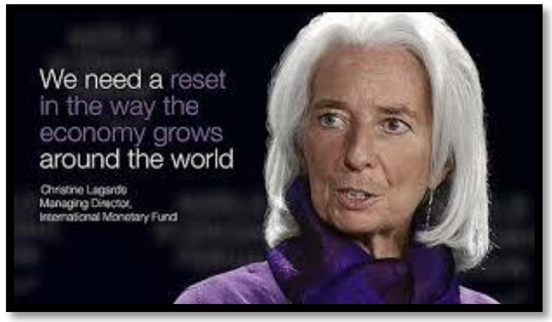


As noted in the above presentation by Grant Williams, US Treasury reserves are becoming less attractive than **gold reserves**. In fact, since **2010** central banks have been net buyers of **gold,** and the **Basel III Accord** in **May** of this year mandated that all central banks *hoard gold* (see above). What do they know? They know that *global sovereign debt is unsustainable* and that the **US dollar** cannot remain as the **world's reserve currency** - something has to give, and it will. As **Pater Tenebrarum** has observed "*the perverse effect of central planning on the economy [by the central banks] is tending towards a maximum*" and this can be traced back to the **Fed in 1913**, as noted. Again, the e**vil central banksters** have *ruined the entire world*, and here is how a blogger on **Zerohedge** put it recently:

"Central banks, or let's say handing them the powers that we have, are the worst thing we have ever invented,** and that's saying something in the age of Pompeo and Bolton and Trump and the Clintons. The latter may take us into war with Iran, or any other country from a long list, **but central banks are set to destroy our societies and economies from within."

This, my friends, is what we are facing. Whole **societies and economies** are being destroyed from *within*, and now the monetary system needs a **reset or debt-restructuring**. And it will be the **end of US dollar imperialism** since **1944** (and 1971). In the **past year** of daily research, I am seeing almost **weekly articles** noting the end of the **US dollar** in the **monetary system** and favoring a new basket currency like **the SDR**, like THIS, THIS and THIS. My **January newsletter** provided some "primary trends" for **2019**. Among them were the same pensions/trade war and reset issues. **Below** is a page from that **newsletter** that focuses on the **SDR issue** and my commentary. And, as it turns out, the former **IMF** chief (Christine Lagarde) has become the new **European Central Bank** President as of **10/31/19.** **Why is this important?** She has always been calling for a **global monetary reset** and below is an excerpt/description of the **SDR** and its practical, economic and **prophetic implications.**

The IMF/SDR & *End of US Dollar Imperialism*



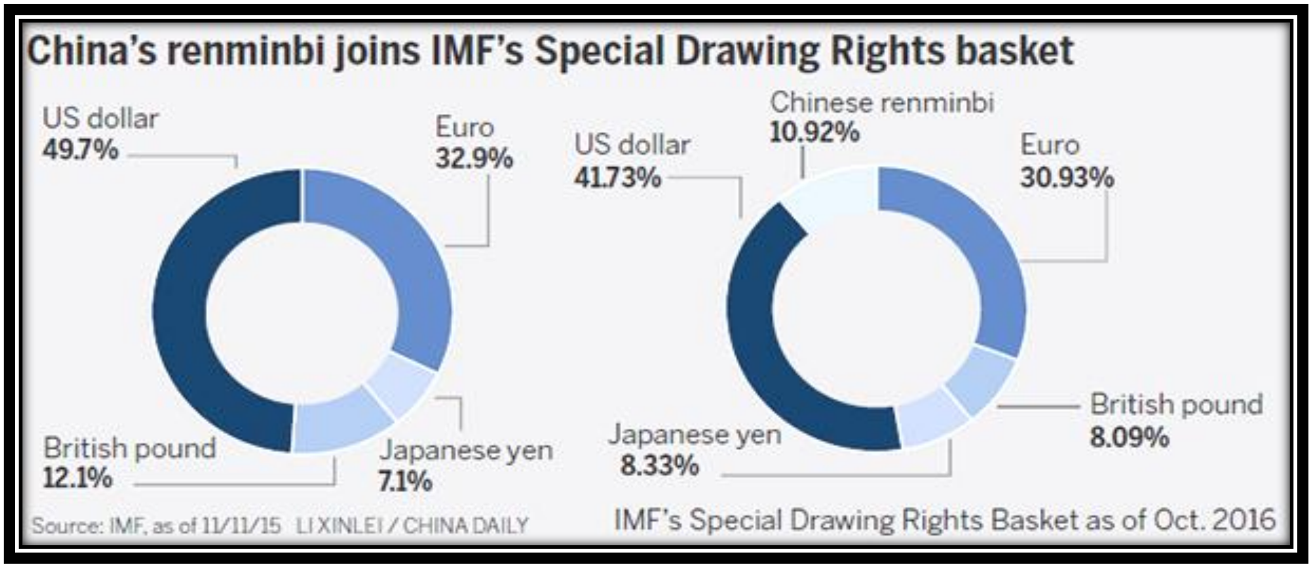
In a recent interview, [Jan. 2019] Mark Carney (Bank of England) described the **SDR** as follows:

*"The IMF's **SDRs** are designed for a specific purpose – **to supplement IMF member countries' official reserves and so help them to address balance of payments problems.** So they are not intended to become a widely accepted means of exchange – what **most people** understand 'currency' to mean."*

In other words, the SDR is not a new currency used on the street. It is a unit of account comprised of five currencies in different percentages - US, EU, UK, Japan and China (as of 2016). This is what the Chinese have lobbied for since **2009**, and now it is near. What will be ***the detonator?*** The insolvency of the **US**. Our own **S&P Ratings** downgraded **US** debt in **2011**. The **US** is facing a debt ceiling deadline in **March**, and **Fitch** is considering a downgrade with **Moodys** to follow. Is the **US** uncreditworthy? The **Chinese** (our bankers) think so. So does **Russia.** This is the **primary trend** or **theme** going into **2019**, and nary a word in the **US** financial press. **In THIS INSIGHTFUL article**, the author presents **three scenarios for 2019: 1)** Global Depression (assets falling 50%, unemployment); **2)** Systemic Meltdown (global economic crisis, credit freeze), and **3)** A Fairy Tale (that we can fix things, central banksters are trapped, hyperinflation). **This article** is entitled: ***Something Biblical is Approaching***, and how appropriate folks! We are living in prophetic times, and the **Bible** is very clear on **two things** in the last days - *no mention* of the **US** and the *prominent rise* of the **EU** as a global Superpower - a **Revived Roman Empire** as some refer (Dan. 2:1-45; Rev. 17).

In this Biblical scenario, global unsustainable debts cause a systemic meltdown, the **US** has a hard landing, the **Chinese/Russians** have a soft landing, the **Eurozone** is restructured into a smaller fiscal union (10) and the Bank of International Settlements (**BIS**) and **IMF** roll out the **SDR** with a new **gold** component repriced near *$30,000/oz*. This is all in my book. The major duopoly of currencies today is the **USD** and the **Euro**. The **Eurozone** can fix its structural problems. The **US** cannot fix its structural problems after decades of abuse. The **Eurozone** "has a large trade surplus with the rest of the world" as noted HERE. All they need is a dynamic leader to restructure their fiscal/political issues, and the **Bible** refers to that person as the "rider on a white horse" (Rev. 6:1-2). Just today,[Jan. 2019] I read an article out of Canada about the **Eurozone** and it concluded this way: "The demand for a 'man on a white horse' across **EU** member states is building, and whilst in this blind rage, people tend to forget that a man on a white horse *is not always good*... and that's what makes the entire **Eurozone** so incredibly dangerous." [*END OF EXCERPT*].

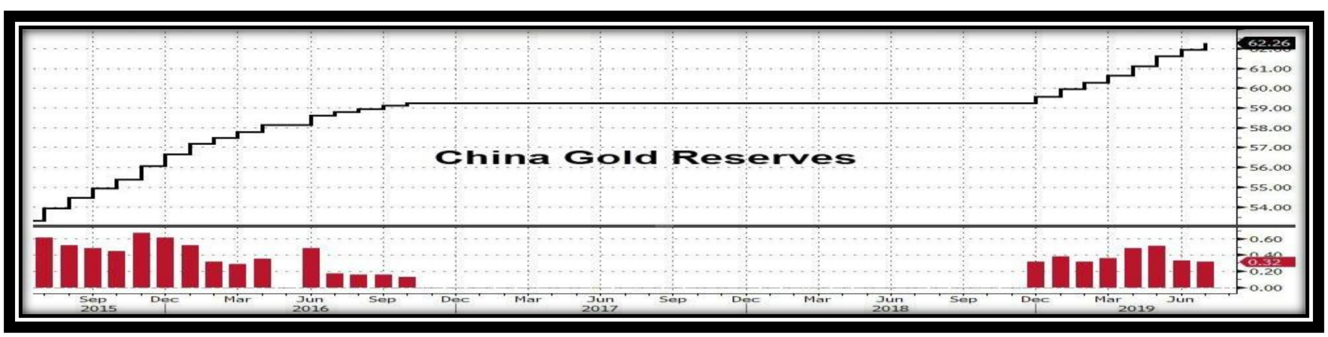
Amazing, and several things are to be noted here. Indeed, we have been hearing more about the **US dollar** losing its reserve currency status in addition to the idea of a **"reset"** in the system. We are experiencing a **credit issue** and the **Fed** is pumping billions into the **repo facility**, and global events keep lining up with a **prophetic matrix** that is described in the **Bible** (and also outlined in my book).



*"**In today's multipolar environment**, acting in such an **imperious manner** leads to the acceleration of de-dollarization as a way of circumventing sanctions and bans imposed by the US. A reserve currency is used to facilitate transactions. **If the disadvantages come to exceed the benefits, it will progressively be used less and less, <u>until it is replaced by a basket of currencies that more closely reflect the multipolar geopolitical reality</u>**."*

<u>The above quote is from Federico Pieraccini at the Strategic Culture Foundation</u>. **<u>His article</u>** notes the decline of **US** imperialism, and particularly the **end of US dollar imperialism** and the need for **new** "basket of currencies" to reflect geopolitical reality. This, of course, is a reference to the **SDR** and **the above chart** is the currency basket of currencies as of **2016**. The **Chinese renminbi** (yuan) was accepted in **2015**, but the main calibration is still the **US dollar** and **Euro**. When the evil central banksters finally succeed in **destroying our domestic economies,** and bring on a **thundering day of reckoning,** we will see a default from the **US dollar** to the **Euro**. As *unlikely* as this may seem, it fits *perfectly* into an eschatological scenario; and if you *really* want to know more I invite you to read my **May 2, 2015** Newsletter entitled ***Monetary Reset, SDR & the Globalist End Game*** at <u>THIS LINK</u>.

<u>In the above report</u>, I go into **Triffin's Dilemma** and history of the **SDR**, the inclusion of **China** in that same year, in addition to their vast **gold holdings**. As you can **see below**, their *actual holdings* are a state secret - see that *straight line* from **2016 to 2018?** Not normal. The **Chicoms** are lying.



According to <u>THIS</u> link, the **Chicoms** have ***30,000 tons of gold*** (not the official *1,948*). And this is almost *four times* the **US** and more than *twice* the **EU**! As I indicated earlier, both **China and Russia** will have a "soft landing" in the coming **reset** because they have been hoarding tons of **gold.**

Dr. Stephen Leeb: China, SDR & the Case for $20,000 Gold

In a recent interview, Dr. Leeb explains the influence of **China** on the world stage, their inclusion into the **SDR**, and how a **gold** component in the **SDR** will **reprice gold** to ***$20,000 - 30,000/oz***. Yes, you heard me right, and you can listen to this **15-minute** interview on **KWN** at the **above link**.

It is highly significant that the SDR is recalibrated every five years. The next re-weighting will be in **2020**, and it is also highly significant that the *ultra-secretive* Bank of International Settlements (**BIS**) has mandated the **Basel III Accord** that central banks (and mega banks) acquire **gold** and move it to a **Tier 1 Cash Asset** equivalent. As most of you know, that deadline was in **April** of this year, and it is clear that they are anticipating a collapse and repricing of gold (and silver). The original **SDR** (in 1969) was gold-backed, and this new proposal will include major currencies and perhaps **20% gold** to *restore confidence* in a new monetary system, as indicated by **Dr. Leeb**. As former **Fed Chair Volker** once said, "Gold is real money. Paper money only exists when you can fool the people...gold is the ultimate measurement of value." **The banksters** have been pretty good at fooling the masses, but they are now speaking out in favor of replacing the **US dollar** with the **SDR**. As geopolitical researcher **William Engdahl** notes, in **August**, the **Bank of England** head **Mark Carney** stated that "we need to change the game" and that the **SDR** "should play the central role creating a new monetary system." But has also stated that "...history teaches that the transition to a new global reserve currency may not proceed smoothly." The coming **reset** will be very disorderly, and it will necessarily be the end of **US dollar imperialism**. You can read his entire article at THIS LINK.

It is little secret that both China and Russia are moving away from the US dollar. Earlier this year, the **EU** established a **Special Purpose Vehicle** (SPV) to facilitate non-US dollar transactions. This **SPV** is known as the Instrument in Support of of Trade Exchanges (**INSTEX**). Always count on the Eurocrats to come up with new entities. Why did they do this? They are also very tired of the **US** imposing sanctions on countries and telling them what to do. In this case, trading with Iran. This is a new geopolitical development that indicates how the **EU** is pivoting to both **Russia** and **China**.

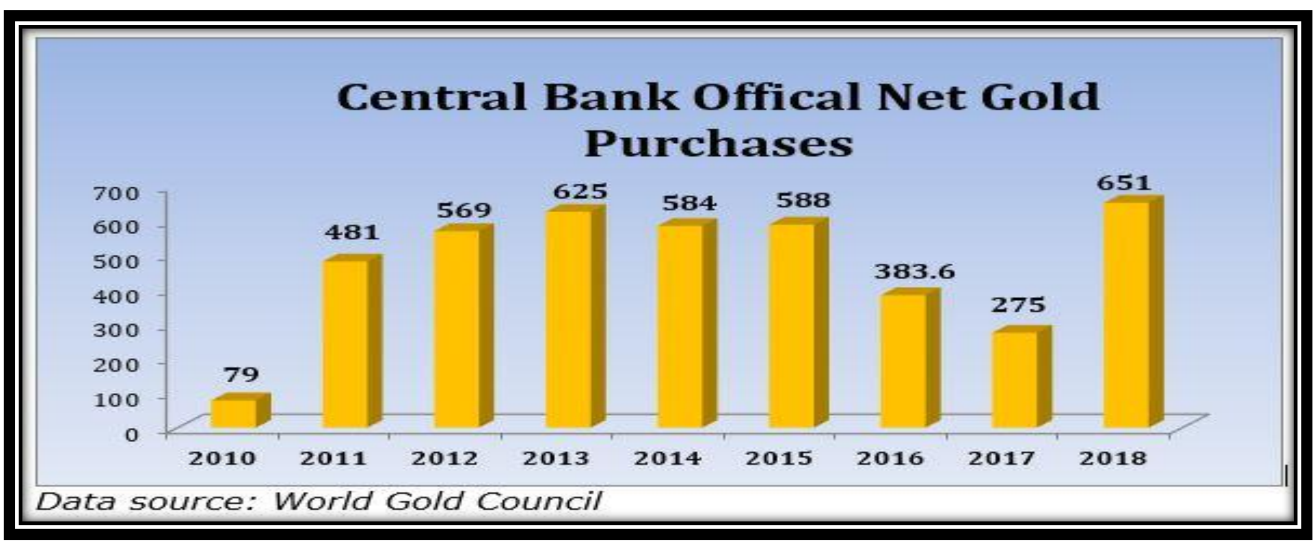
In 2017, the **Chinese** introduced a new **petroyuan** using gold-backed contracts at the **Shanghai Gold Exchange** (SGE). This is a direct challenge to the **US petrodollar** and is attracting interest, but the convertibility of the yuan is an issue. As the number one crude oil importer, **China** would like to see a **petroyuan** to recycle its currency (like the US does). **Aramco** has finally announced its plan to go public with an **IPO**, and **China** has expressed an interest in buying a ***10%*** *stake!* This would be a very big deal. As noted in THIS article, **China** is strategically asserting itself to be a benchmark for trading oil. "The long-planned sequencing for this was inclusion in the SDR mix, which happened in 2016, increasing use as a trading currency, which following that, its use as the key currency of an international energy trading exchange." I suspect that a **petroeuro** is more likely (after a reset), and just six weeks ago Russia's Rosneft announced that *all oil export contracts will be switched* from **US dollars** to the **Euro**. Bet you didn't hear about that one huh? Let's now turn our attention to **gold and silver.**

Why is the Dutch Central Bank *Hoarding Gold?*

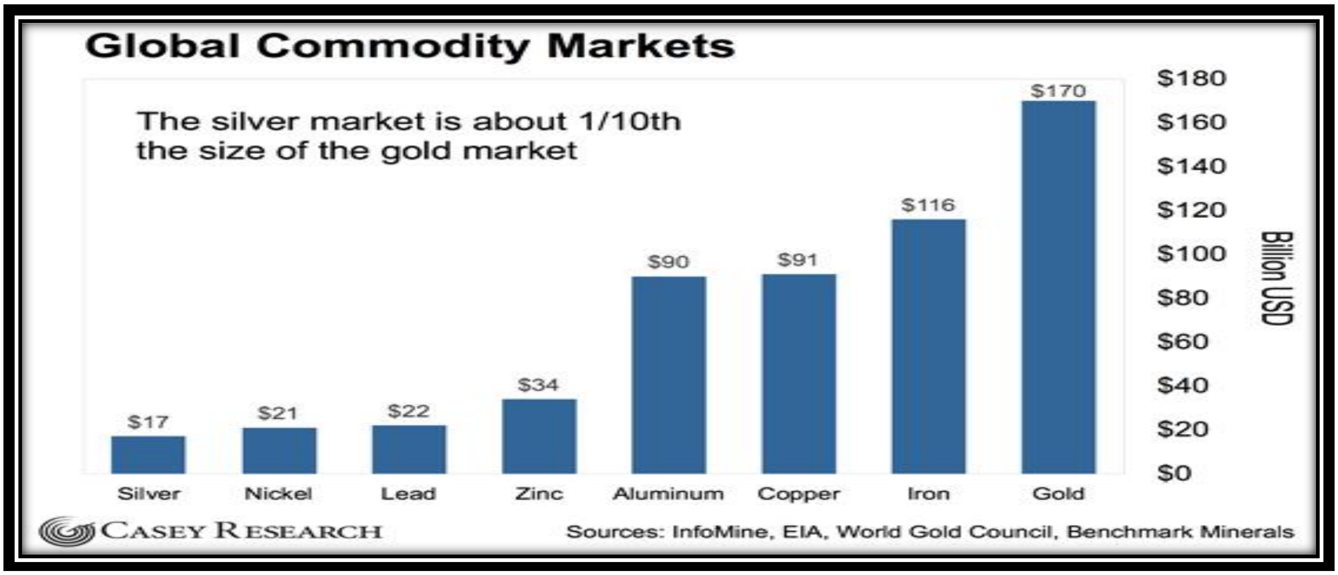
In October, the Dutch Central Bank (DNB) released a stunning statement that it is **hoarding gold** in case the **global monetary system** collapses. "If [when] the system collapses, "said the article, "the gold stock can serve as a basis to build up again." **It went on**, "A bar of gold retains its value, even in times of crisis. This makes it the opposite of 'shares, bonds and other securities' all of which have inherent risk and prices can go down." So there is your answer. The **primary trend/theme** in the world today is that **central banks** are *uncreditworthy*, and they don't want you to know. Their new mandate is to inflate financial assets and *postpone* **the reckoning day**. A comment from that article:

> ***"DNB is no stranger to playing along with the Keynesian, inflationary games of the global monetary system.*** *A system which, according to some, is now more a Ponzi scheme based on force and blind faith than sound economic principle. That notwithstanding,* ***the centralized financial powers of the world know the real score, and that's why hard assets like gold are hoarded and locked down while everyday, individual residents of these geopolitical jurisdictions are encouraged to spend and spend, going further into debt to prop up ultimately unsound national economies."***

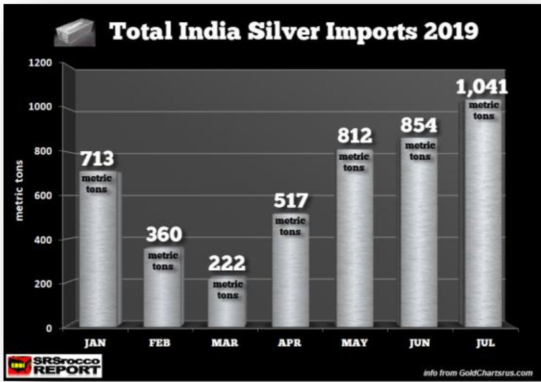
As I mentioned earlier (p. 13, 16), the **Basel III Accord** requires banks to acquire **gold.** They have been net buyers since **2010**, but last year they hoarded **651 tons of gold as seen below**. This is the most since **1971**, and almost as much as the Dutch Central Bank! It is also worth noting that the **DNB** has moved its **gold** to a *military installation* according to that release. What does that tell you?

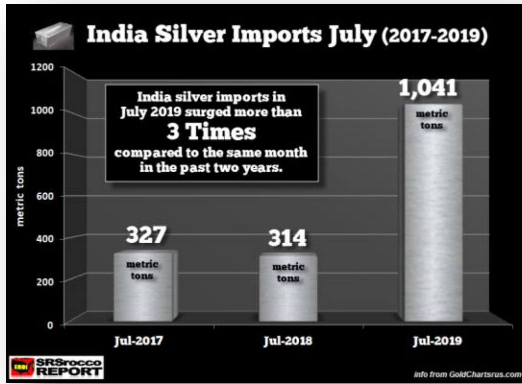


Silver Fundamentals & *Coming Price Explosion*

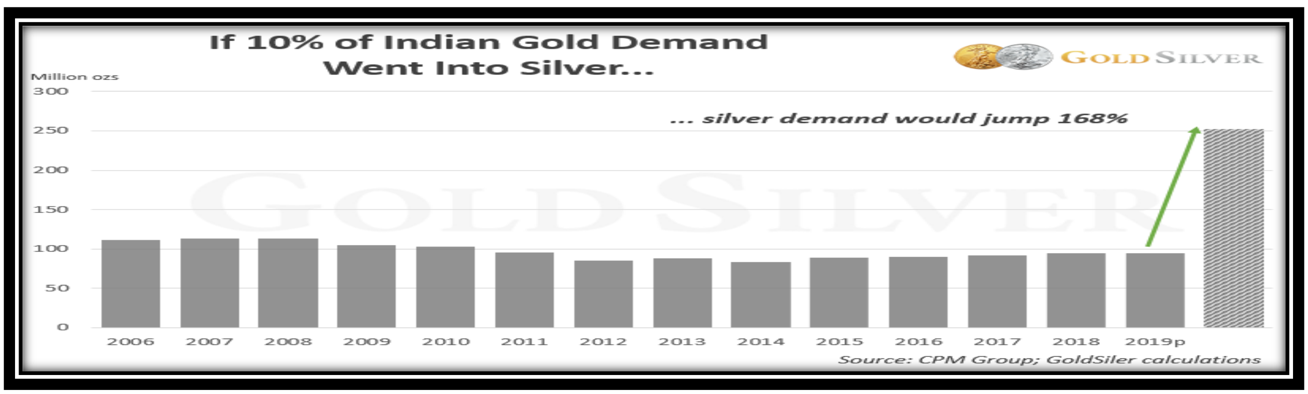


We are well aware that gold is in demand, but what about silver? As you **can see above**, the **silver market** is a small fraction of the gold market. In fact, ***$18 billion*** would buy all the available **silver** in the world today (compare to $105 trillion in bonds and $75 trillion in stocks). In the third quarter of this year, the **Dow** was up 1.2%, gold was 5.4% and silver 13.4%. As **this chart** indicates, **silver** has made some gains, but the upside potential is much greater. According to **Egon von Greyerz** he argues the case for **$10,000/oz. gold** and **$667/oz. silver** based on an historical ratio of **15:1**. The former high for silver was $50/oz. in 1980, and adjusted for inflation $50 would be **$840** today. In fact, in **1980, gold** was **$800** and the **Dow Index** was **800 points**, so why not ***$28,000/oz. gold?*** He also notes the scarcity of silver and the fact that **silver** is mined today at a **9:1 ratio**, which means that for every ounce of **gold** we get **nine ounces of silver**. Several miners think this should be the *actual price ratio - wow!* You can read his comments with charts at THIS LINK. And speaking of demand, we have to address the soaring demand for silver in **India**. You never hear anything about this issue.



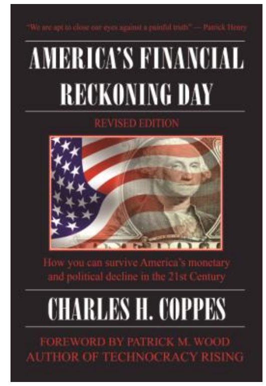


As you can see in these charts, silver imports to India have exploded! The **chart on the left** is for this year with a surge in **July** of **1,041** tons of **silver**. The **chart on the right** compares **India's silver** imports for past **July** periods in **2017** and **2018**. So what is going on here? In recent months, the government of **India** has placed tariffs on **gold,** and thus their people are turning to **silver** in a big way. As noted in THIS article, **India** placed an *11% tariff* on **silver** 100 years ago and that is why they have favored **gold,** and usually import ***$25 billion*** a year. **As seen below**, if just ***10%*** of this former gold demand went into **silver** there would be a huge increase in demand. And this is happening today.



As most of you know, I am more bullish on silver than gold. **Silver** is the most *undervalued asset* in the world, and as a true monetary metal it *always* outperforms **gold** (double or more). Both gold and silver have increased since **2000**, and silver analyst **Hubert Moolman** recently concluded, "the current [historical] rally has the best ingredients to be *the most explosive silver rally for the last 100 years*." Most of you *also know* that **silver** (and gold) is being *criminally suppressed* by the **evil banksters**, and they are doing this for all the reasons I have stated so far in this newsletter. **JP Morgan Chase** is at the center of this conspiracy, but *the mere fact* that they have accumulated 850 million physical ounces of silver since 2011 tells you all you need to know about upside potential. In the past year, **JPM** has been **busted** for rigging (spoofing) metals as noted HERE, HERE and HERE, and I will have much more in my next mailing. The sheer demand for gold and silver will lead to *delivery defaults* at Comex (Crimex) in **NY**, and silver expert **David Morgan** recently made this comment for your consideration.

"Silver will shine, then soar, and finally skyrocket, while stupefying the masses! *Remember, only two-tenths of a percent of the world's wealth is actually in silver. If that were to become just a measly one percent, it would require a 50-fold increase.* ***So when all other assets are failing miserably do you really think that only one percent of the world's population would want to own this timeless monetary metal?"***



Summary & Conclusion. The **Law of Non-Contradiction** states that "two contradictory propositions *cannot both be true at the same time*." This is what we are dealing with today. On the one hand, we have the **official narrative** from the **Fed, Trump** tweets and **Larry Kudlow** that *this is the best economy in US history!* But the hard reality is that we are facing a **global slowdown**, and all of the important metrics confirm this fact going back to December of **2018**. So far, the **Fed** has *elevated assets* through the PPT, repo facility and another round of what appears to be **QE4** (things we have not seen since Lehman in 2008). As **David Stockman** has said, "massive central bank monetization of debt has essentially *pulled the plug on fiscal management*" and now all that awaits is a "thundering day of reckoning." The **US** no longer has a debt ceiling, and as the **Fed Chair Powell** said this past week, the **US** is on "an unsustainable path" to insolvency, and we can trace our debt, trade and fiscal issues back to **1971**. The central banks have set up whole societies for fiscal and monetary hell that will produce a demographic and **humanitarian crisis** like we have never seen. It is in this context that we are facing a **monetary reset** and the **end of US dollar imperialism**. And we are reminded that this "transition to a new global reserve currency may not proceed smoothly." This is the **general theme in my book** with prophetic implications that will establish the **EU** as the leading superpower in the world along with a spiritual paradigm shift to a **new world religion**. If you would like a **signed copy of my book** you can **CLICK HERE** and place an order or let me know.

Concluding, the false narrative of a ***robust economy*** will soon be exposed, and likely within the next several months. Our structural problems cannot be fixed be either political party. The evil banksters are hedging in **gold and silver** and you need to be doing the same thing. If I can assist you please give me a call, or **click below** for more information. As precious metals analyst **Steve St. Angelo** recently commented, we need to be patient if we have also hedged ourselves in metals, because **2020** will be the year that the "wheels start to come off the financial system." Finally I want to welcome all my new subscribers from **Coast to Coast AM with George Noory**, and you can also hear my podcast at THIS link. Also, I want to wish everyone a **Happy Thanksgiving.** "Enter His gates with *thanksgiving* and His courts with praise!" (Ps. 100:4). We give thanks for the **Good News** of eternal life through faith in our **Lord Jesus Christ**, whom we celebrate at **Christmas** each year. Click on that link, and I'll try to get a newsletter out next month.

Until Next Time, Your Messenger from Pinetop 
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