

US Debt Ceiling & Precious Metals Delivery Default Update

Posted March 18th, 2017

By www.chuckcoppes.com



“All the major central banks are stoking asset bubbles deliberately to put off the day of reckoning. We are in a world that is dangerously unanchored.”

- **William White, Former BIS Economist, 2014**

“We cannot print money forever and deceive the markets forever. Eventually I think there will be a day of reckoning.”

- **Dr. Ron Paul, Former US Congressman/Statesman, 2015**

“The U.S. and indeed the global economy is walking a fine line due to increasing leverage and the potential for too high (or too low) interest rates to wreak havoc on an increasingly stressed financial system. Be more concerned about the return of your money than the return on your money in 2017 and beyond.”

- **Bill Gross, Janus Global Bond Fund**

“The Inferential Analytics model is signaling that there is a strong probability the Deep State’s gold price manipulation fraud is dying, and that the imbalance in physical gold supply is becoming systemic and reaching a point where it can no longer be bridged with sovereign, stolen or fake supplies. This increases the risk of futures market delivery failure.”

- **Stewart Dougherty, Creator of Inferential Analytics**

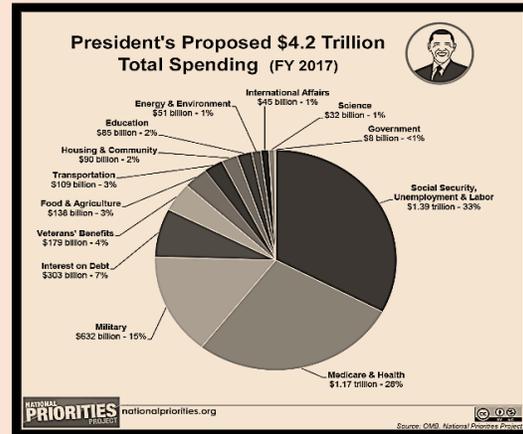
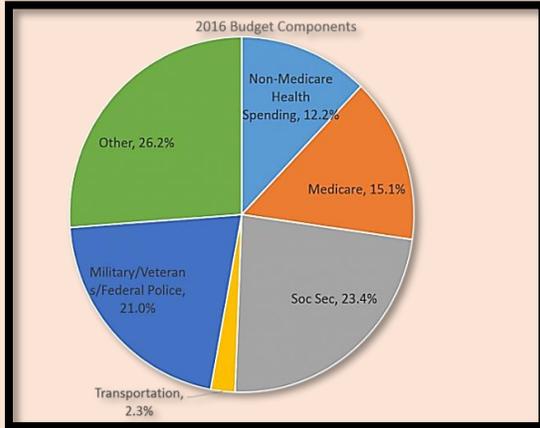
“It is in the last days that you have stored up your treasure [...gold and silver].”

- **James 5:3, The Holy Bible**

Greetings to All,

Times have been pressing upon me for several reasons lately, and this will prove to be a challenging year to report on all that is going on. The latest event of concern is the **US debt ceiling deadline** this past week, in addition to the **Fed** minimal interest **rate hike** (a *non-event* if there ever was one that was telegraphed to the entire world, so as to not *spook* over-leveraged capital markets in the **US** non-economic recovery). We will consider this along with the **unsustainable fiscal path** that we are on as a nation and how this can only end very badly. A major focus here will be the growing potential for **physical delivery defaults** for gold and silver and the implications for precious metals investors worldwide. You have to grasp *the importance of this*, and I will comment more in **my conclusion**.

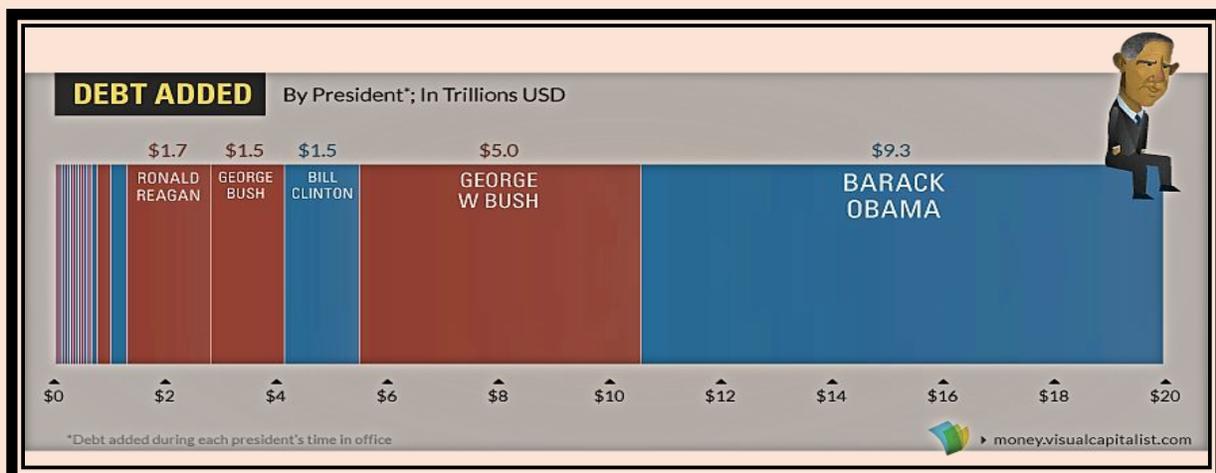
US Debt & America's Financial Reckoning Day



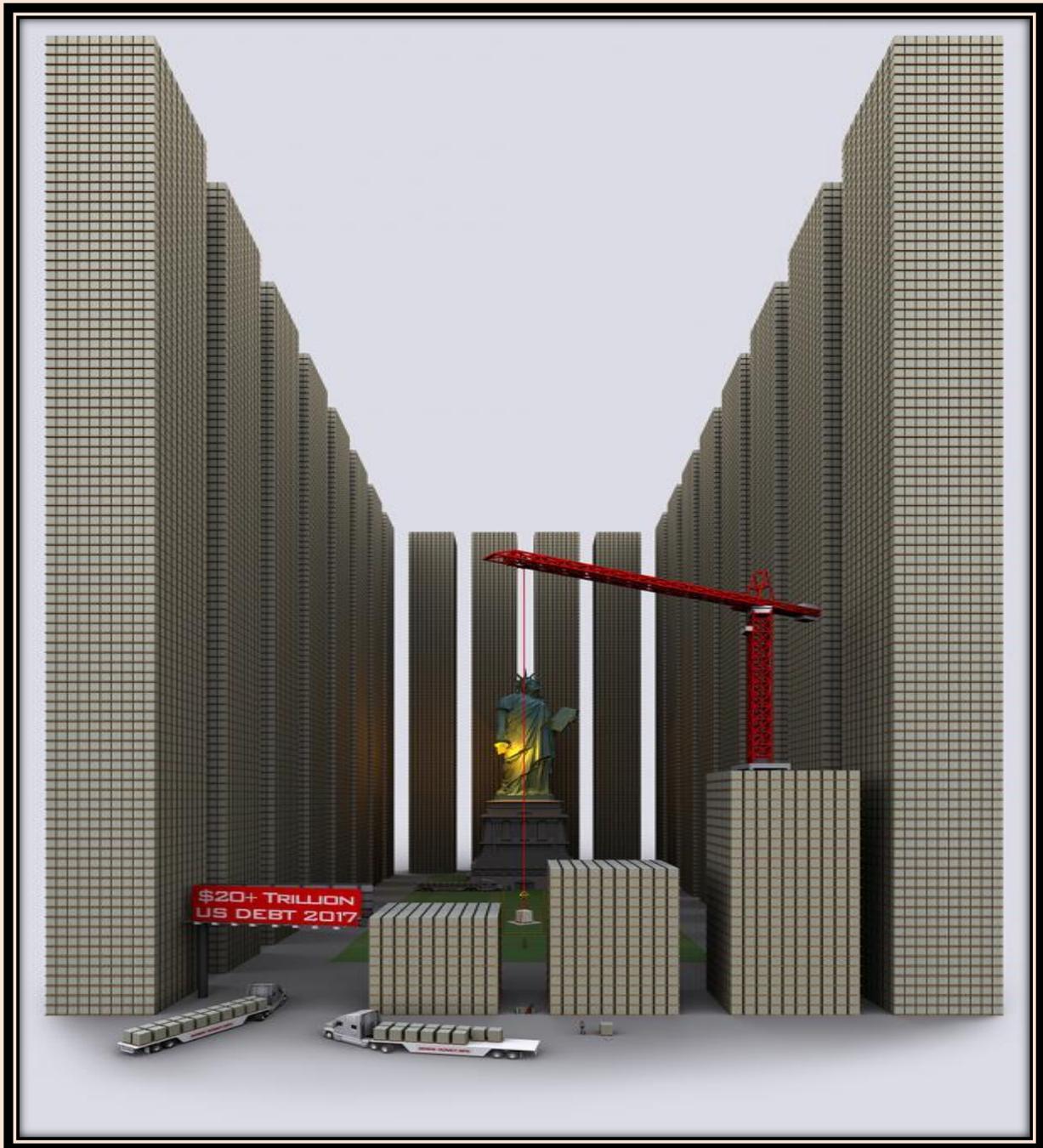
What you are **looking at here** is something I mention at the beginning of all of my radio interviews. US “fixed mandatory spending” for **2016** was **88%** of the budget (**left**) and the current budget is the same, *if not worse*. On **November 2, 2015**, **Obama** (and **Boehner**) cowardly signed the “Bipartisan Budget Act” that allowed Congress to avoid a statutory **debt ceiling** until **March 15th, 2017**. By doing this they simply allowed Congress to recklessly spend more until *after the next election*, and that **day** is now upon us. Trump’s Secretary of the Treasury, **Steven Mnuchin** is now imposing some “extraordinary measures” to keep things going, but the US government will be *out of money* by **June**. In fact, **Google** has *three times* more cash than the Feds! As **David Stockman** says in this important **video clip** the **US** is merely postponing a **day of reckoning**, and this will become urgent by this **Fall**:

[26 Minute Video: Greg Hunter with David Stockman](#)

I invite you to consider the implications of what just transpired on **March 15th**, and I am not talking about **Grandma Yellen** and their silly rate-hike hype. The **US** is on an **unsustainable path** of loose fiscal spending, and it would not matter if **Dr. Ron Paul**, **David Stockman** or **George Washington** were in the White House. **Obama** was just the next person to occupy the presidency and serve with “fixed mandatory spending” as seen in the **above charts**. Do you get my point here? The point is that the **US** does not have a debt ceiling, any more than **Japan** or the **ECB** or the **UK**! As I explain in [my book](#), central banks create money **out of thin air**, or out of **debt**, and below is a graphic depiction.



Visualizing \$20 Trillion in USA Public Debt!



Each pallet contains \$100 million paper dollars. The US has *twice* as much debt as Europe or Japan, and *four times* China. We are truly a world leader and we can proudly chant *USA, USA!* Click [HERE](#) to see **this graphic** in detail – mind blowing. **Dr. Ron Paul** has warned that “we cannot print money forever and deceive the markets forever.” He recently added “The Federal Reserve’s policies of printing trillions of dollars back in ‘08-09 have locked into place a **serious financial crisis** at some point in our future.” Asked if a **financial collapse** will occur at least some time in the next two years **Dr. Paul** answered in this way, “**It’s unavoidable, and even Donald Trump can’t stop it.**”



On the campaign trail, **Trump** quipped that he was **the “king of debt”** because his real estate empire depends on credit (**debt**) to maintain billions in asset value. This is quite understandable in the world of finance, and especially real estate, *but the government is not a business!* It is more like a criminal syndicate, or Ponzi Scheme! Put simply, **The Donald** is too late to drain the fiscal swamp flowing out of the District of Criminals. Mathematically it is *impossible* to grow ourselves out of this debt, and **debt ceilings** will keep being raised until it becomes meaningless. In that **day** you had better be fully invested in the only asset class that will protect you, and I am talking about **silver and gold** that I will address shortly. In his first speech to Congress, **Trump** stated that “Everything that is broken in our country can be *fixed*. Every problem can be *solved*.” Look, I supported **Trump**, and love his optimism, but even he later said in a press conference that he has “inherited an awful mess.” And that **awful mess** is not only our national debt, but unfunded liabilities and it cannot be *fixed*.

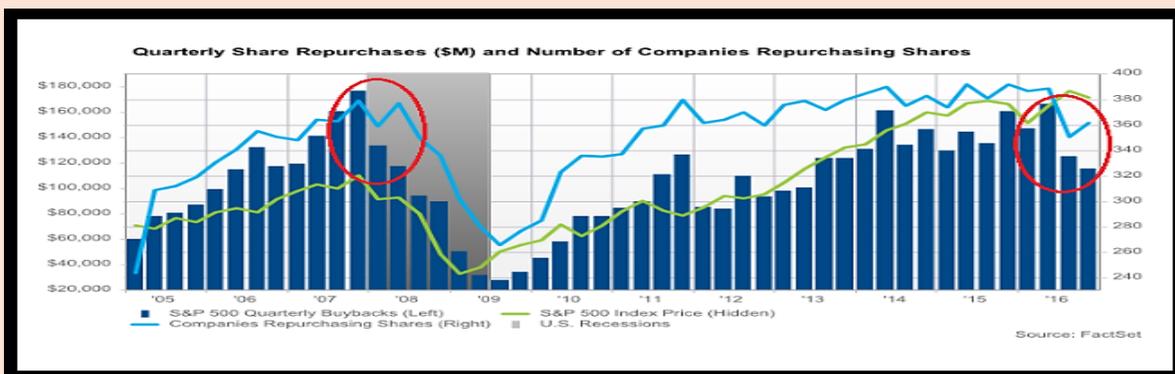
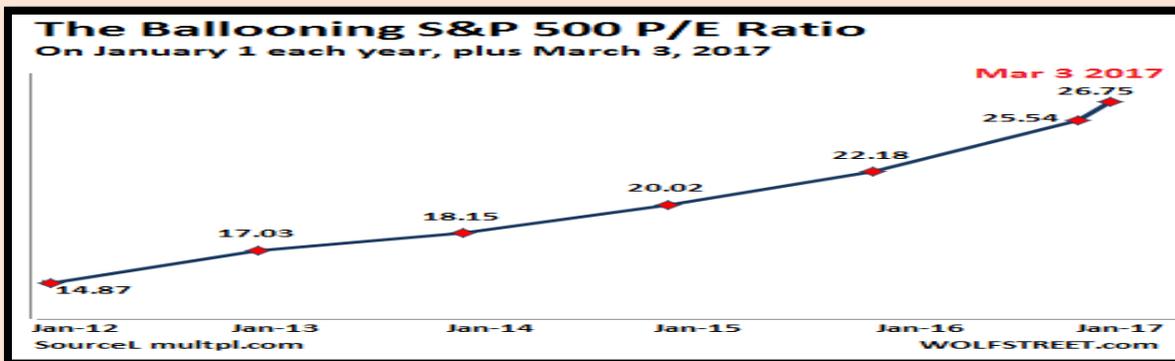
Trump was a big fan of Ronald Reagan, who lectured that “Government is not the solution, but the *problem*.” Unlike **The Gipper**, the Trump administration literally views the US government as the *solution* to our problems! Things like federal infrastructures, healthcare, VA hospitals, new military spending and so on. As **NOTED** by **The Von Mises Institute**, his speech to Congress mentioned *nothing* about mandatory spending or interest on the debt (as linked to the **2016 pie chart above**). According to **THIS ARTICLE**, there is a “Dark Cloud over the Trump Presidency” that documents our fiscal bankruptcy, and **THIS ARTICLE** further states that a “financial collapse” will occur during the new Trump administration, as **Dr. Ron Paul** has also stated. **Bill Gross**, the famed “Bond King” is also weighing in with his own **metaphor** for our highly leveraged global financial system:

Bill Gross: 'Our Highly Levered Financial System is like a *Truckload of Nitro Glycerin on a Bumpy Road*'

Bond investor Bill Gross on Thursday warned that investors should not be tempted into buying **high-flying equities and corporate bonds**, given the possibility that **US President Donald Trump** might **fail to enact policies that fuel economic growth**. Wall Street's main indexes have rallied since Trump was elected president and remain **close to all-time highs**, driven by optimism that his policies may stimulate growth in various industries and push share prices even higher. **"Don't be allured by the Trump mirage of 3-4 percent growth and the magical benefits of tax cuts and deregulation,"**

Gross said in his latest *Investment Outlook*, which is released during the first week of every month. "The U.S. and indeed the global economy is walking a fine line due to increasing leverage and the potential for too high (or too low) interest rates to wreak havoc on an increasingly stressed financial system. Be more concerned about the return of your money than the return on your money in 2017 and beyond."[READ MORE.](#)

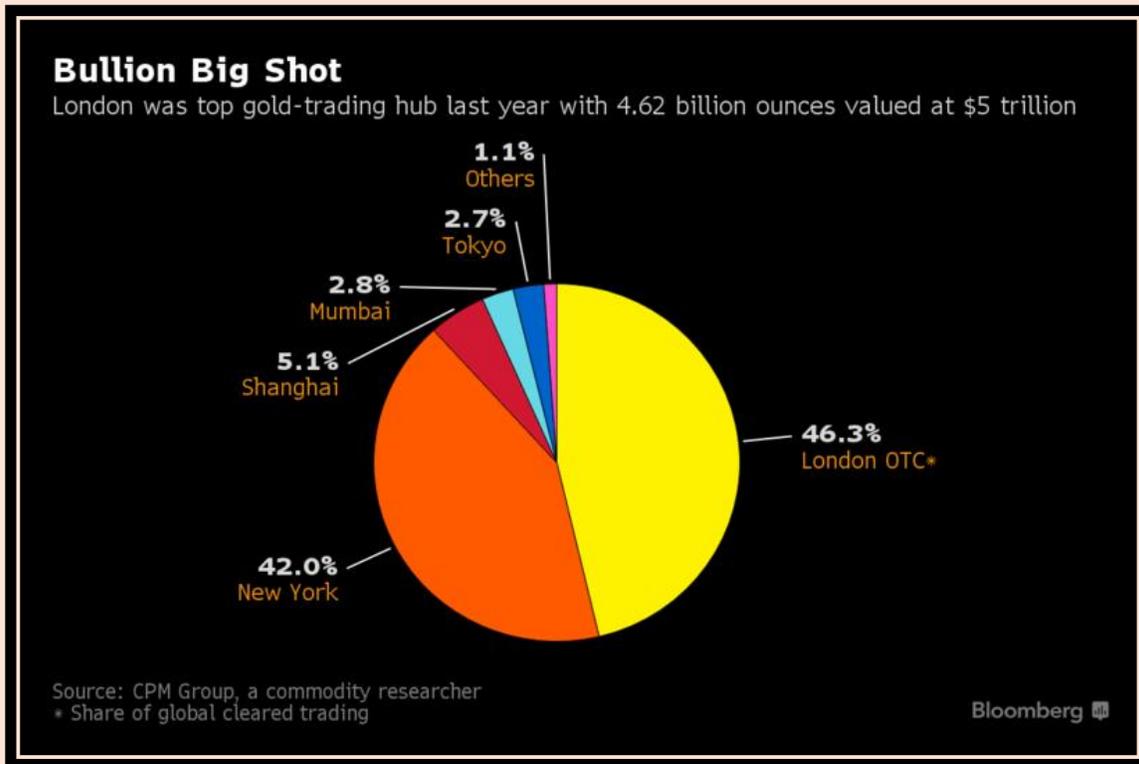
Gross is commenting on the stock market and the “animal spirits” willing to take on risk, and his warnings also go to the **bond market** as well. He adds, "One mistake can set off a **credit implosion** where holders of stocks, high yield bonds, and yes, subprime mortgages all rush to the bank to claim its *one and only dollar* in the vault." This is why he borrowed a line from **Will Rogers** regarding *the return of your money*. He mentions inflated **P/E ratios** on the **S&P 500**, and the following charts reveal what is going on with **stocks**. While **10-12** might be normal, approaching **30:1** goes back to the crash of **1929** (and Dot.com). So what has been driving the stock market? **US Corporations** have been buying up their own stocks, but this trend is *falling just like in 2007-2008* (see second chart):



Corporate America has been borrowing on the cheap (Fed rates) to ‘buy back’ their own stocks to make share prices ‘look better’ and now this is **turning bearish** as noted [HERE](#). Stock analyst [Wolf Richter](#) say the coming collapse in the Dow and S&P Indexes “...will be ugly. **Be forewarned.**

And now to the big story. Something has been brewing in the past several years, and in the past several months it is coming to light that **gold (and silver) inventories** are *getting scarce* at the major exchanges. This is something reported by the Gold Anti-Trust Action Committee for some time at their website www.gata.org. It now appears that these reports are confirmed, and this is huge for *genuine price discovery* that has been criminally suppressed by the **banksters**, as you have read in my past newsletters. **London** and **New York** are the gold-trading hubs as seen in **this chart below:**

Bullion Defaults Coming in London & NY

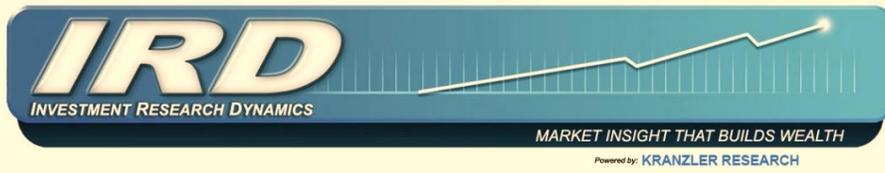


As [reported](#) by London whistle-blower **Andrew McGuire** the London Bullion Market Association (**LBMA**) is on the verge of “declaring a cash settlement” for bullion obligations. In legal terms this is known as *force majeure* (forcing the contract), and it means settling in cash not metals, which means a **delivery default!** This is something the banksters have been trying to cover up, and it also explains their desperate attempts to suppress the metals and discourage any investment in same.

It is noted in **this pie chart** that **NY (Comex/Crimex)** is a hub for metals, but is mostly a futures exchange/casino with *100s of paper derivatives* for each ounce of gold and silver (fraud). Perhaps interesting that between **NY** and **London** they “traded” nearly **9 billion oz. of gold**, but only **100 million oz. of gold is mined each year – a 90-fold paper scam!** It is *much higher* for **silver**. Please also note the share that the Shanghai Gold Exchange (**SGE**) has here, and I will comment on this a bit later. The **SGE** is destined to become the new benchmark for **gold/silver**. A total game-changer!

Below is a guest post by **Stewart Dougherty** (March 2, 2017) that was re-posted by **Dave Kranzler** who writes the *Mining Stock Journal*, and this post at [THIS LINK](#). He presented it in its entirety, and I am doing the same since it is a **fabulous overview** of what he has titled “**The Deep State’s Gold Scam and the Demonization of Russia.**” The following helps put into perspective the war on gold and silver (and cash), and I will comment on various points that I have **highlighted below**:

Must Read Guest Post by Stewart Dougherty



As the Fiscal Year 2018 budget, and particularly its war component are floated, it has become clear that without continued, **massive military spending**, paid for with mass-produced electrons masquerading as money, U. S. GDP would collapse, taking the country’s financial and monetary systems with it. The nation, whose real economy has been hollowed out, for profit, by the Deep State plunderers, has become significantly reliant upon deliberately contrived wars and military tensions for its economic survival. With systemic monetary risk now at an unprecedented level, intensified by a new, partisan, “politics of defeat,” scorched earth agenda being implemented by those displeased with the results of the 2016 election, **there has never been a more dangerous time for people to denominate their wealth in unbacked, baseless, debt-drugged dollars. The absolute last thing the Deep State, and particularly its Banking Division (the Bank State), can allow the people to figure out at this time is that there is a far more safe, secure and potentially profitable way for them to position their financial assets than dollar-denominated bank deposits: precious metals.** A widespread movement into metals at this time would damage the Bank State and its umbrella organization, the Deep State, because their future profits require the control and progressive expropriation of the people’s money. Therefore, a March rate hike is guaranteed, for three primary reasons [*Fed raised rates by a fraction 3/15/17*].

First, precious metals prices must be pummeled as much as possible, **in order to scare uninformed people away from the easy, safe and logical financial refuge metals provide.** Even though the “rates up, metals prices down” reflexive reaction is absurd, it has been baked into the trading algorithms so that it will occur no matter what other factors might be in play when rates are increased. Strategic Deep State price fraud, which is perpetrated by internationally signaled, time-coordinated and algorithmic inside trading, ensures that metals prices can reliably be controlled. **At least for now. When physical demand finally increases in a material way, the price fixing fraud will collapse.**

Second, the Bank State must increase the incentive for people to keep their money in its institutions, while it pushes forward, as fast as possible, with its cash elimination agenda. **Once cash is eliminated, the banks will no longer have to worry about bank runs, which would otherwise be historic when the wheels coming flying off the thoroughly debauched monetary system, an event we view as inevitable.**

Third, the Federal Reserve System is now 100% politicized, and run by sneaky, die-hard political ideologues who lie about why they do what they do and what they really think. Those who run the

Fed are despondent that despite implementing for eight YEARS an interest rate policy specifically designed to enable Obama to create a totally false illusion of economic “recovery” by massively increasing government spending with trillions of phony, deficit, zero-interest-rate “dollars,” **the people saw through the economic lie and defeated the Fed’s next intended puppet, Clinton.**

Yellen, Fischer and the other partisan Fed governors are simply not going to allow Trump to turn around, in a matter of months, an economy that the Deep State and the Fed have systematically been looting, at mind-boggling and astronomical profit to themselves, for the past decade. Nor are they going to allow Trump to bask in DJIA-record glory. **Therefore, the power- and money-obsessed functionaries at the Fed and within the Deep State, who all totally buy into the scorched earth agenda, are going to bring down the economy and markets, even if it means that every single private pension fund and the net worth of every non-connected citizen collapses with it. They couldn’t care less about that, as we are about to see, because they will have a scapegoat for what they, themselves have wrought: Trump.** The Fed, in league with many others, is now doing everything in its power to rig the 2018 mid-term elections, in order to live up to its Sole Mandate, which is the preservation of political power.

While we deeply admire what **President Trump** is trying to do to expose to the people and turn around the fake economy in which the nation is drowning, we believe the challenge of reversing, in the short amount of time available to him, decades’ worth of asset stripping, corruption and for-profit economic destruction **is beyond extreme.** And the constant political obstructionism he is up against, which is increasingly treasonous, might make the achievement of his worthy objective impossible.

With this as our backdrop, let us move on to the geopolitics of gold, which while it might seem abstract and removed, we believe is highly relevant to your personal financial situation. Aside from being tedious, politicized and baseless drama, the ongoing demonization of Russia, particularly with respect to its so-called rigging of the 2016 U.S. Presidential election, makes no common sense. **But it makes perfect Deep State sense.** It is about war-mongering, global destabilization, internationalized looting and the continued plunder of the American people, the for-profit enterprises in which the Deep State specializes. We believe that there is actually a more specific reason for the demonization of Russia than the above, usual suspects. **This is a case where one should not just follow the money; one should follow the gold.**



For the past fifteen plus years, physical gold supplies have been like **Lazarus**: they keep rising from the Dead. Just when it appears that a serious supply-demand imbalance is about to precipitate futures market delivery problems and therefore increased prices, supply miraculously appears out of nowhere to alleviate the shortage and stabilize or depress prices. This surprise supply has primarily come from sovereign central banks: for example, 1,500 metric tonnes from one-time sound money nation

Switzerland; 600 from France; 430 from the United Kingdom (most at the bear market's absolute low price of around \$255.00/ ounce; central bank "genius" for all to see); 300 from Netherlands; 225 from Portugal; 240 from Spain; 180 from Venezuela and counting; 90 from Brazil. **And the list goes on.**

Each sovereign sale has produced needed physical gold at times of supply – demand imbalance, many of which have been critical. This has enabled the paper gold price manipulation fraud to persist without any failures to deliver or the need to set a true, as opposed to fake gold price. **A delivery failure, even a minor one, would expose and terminate the Deep State's enormously profitable price rigging fraud, and has therefore been prevented at all cost.**

The Deep State's overthrow of legitimate, sovereign governments has been another means by which needed gold supply has been injected into the pipeline. After Libya was overthrown, 143 tonnes of the nation's gold disappeared. Dozens of additional tonnes disappeared from Iraq subsequent to its invasion. Ukraine provides another example. Immediately after Neocon, Deep State functionary and State Department plant Victoria Nuland launched the for-profit coup d'etat in Ukraine, 43 tonnes of the nation's gold, worth \$1.7 billion at \$1,200 per ounce, were airlifted out of the country in the middle of the night and went missing. **(As a side note, it is worth mentioning that while the cargo plane's exhaust was dissipating into the Ukrainian atmosphere, Vice President Biden's storied son, Hunter, miraculously appeared on the Board of Directors of Burisma Holdings, the largest private natural gas producer in Ukraine.** Biden was joined by close friend Devon Archer, a lead fundraiser for by-then Secretary of State John Kerry's 2004 presidential bid. Archer is also the former college roommate and current business partner of Kerry's stepson, Christopher Heinz (an heir to the H. J. Heinz fortune). These two ascendancies to Burisma's Board were curious, given that Biden and Archer had no natural gas production or Ukrainian business experience whatsoever, did not speak one word of Ukrainian and had never previously stepped foot in the country. This gives us better insight into the true nature of the Deep State's murderous, gold-seeking and highly profitable coups.)

While the perfectly-timed materializations of sovereign gold have plugged the Delivery Failure dike at various critical moments, there have been two persistent demand problems that have bedeviled the Deep State's designs: Russia and China. China's official gold reserves surged from 395 tonnes in Q2, 2000 to 1,838 tonnes in Q3, 2016. This number, impressive in itself, dramatically understates China's actual, official gold reserves, which many well-informed analysts put at 5,000 tonnes, minimum. China's official reserves do not include the thousands of additional tonnes imported into the country for the private sector during the same period.

While the Deep State routinely pummels the paper price of gold both to mint fraudulent profits on the futures exchanges and scare financially naïve western citizens away from it, the Chinese government urges its citizens to buy gold, which they do by the millions of ounces. The Chinese government knows what is coming, and wants its citizens to be prepared. Apparently, capitalism and communism have traded places, which will result in an exorbitant cost to the people of the West. Meantime, Russia's gold supply increased from 343 tonnes in Q2 2000 to 1543 tonnes in Q3, 2016. Remarkably, it increased by 508 tonnes from Q1, 2014 to Q3, 2016, alone. This occurred when Russian sanctions, which were intended to destroy Russia's economy and currency, were in place. The sanctions were not only expected to halt Russia's ongoing gold purchases, but also force them to sell some or all of their existing reserves in order to raise cash, **which is exactly what Venezuela has been forced to do since early 2014.**

Chess Master Putin went in the exact opposite direction, by dramatically increasing the nation's purchases of gold. This was unexpected and has put the Deep State on the defensive. It had counted on fresh supply from Russia to keep the supply – demand balance in equilibrium, and to prevent the Delivery Failure dike from breaching. **One way the Deep State reacted to Russia's unexpected, continued demand was to engineer the out-of-nowhere Indian rupee demonetization, which stripped the Indian people of the cash they have traditionally used to purchase gold. This plan was effective at reducing Indian gold demand in the beginning, but is now backfiring, just as the attempt to reduce Russian gold demand backfired.** If China and Russia continue to buy gold at current rates, the only way the Deep State's paper gold price manipulation fraud can continue is if other sovereign gold reserves are put into play, or, if physical demand is somehow diminished. While the Deep State is pursuing both tactics, **their options are shrinking.**

Even though sovereign gold sale risks remain, the value of nations' reserves at the current fake price of gold is absolutely meaningless when compared to their exploding debts. For example, Italy's 2,452 tonnes of gold are worth \$95 billion at \$1,200 per ounce; the government's debt is \$2.45 trillion. France's 2,436 tonnes are worth about the same, \$95 billion; its national debt is \$2.44 trillion. The same situation exists in virtually every western nation. Therefore, even if these countries were to sell all of their gold, it would not buy them any meaningful or lasting fiscal or financial relief whatsoever. There has never been a more pointless time for nations to sell their gold, particularly at today's fake price. **To further amplify this point, the United States is reported to own 8,133 tonnes of gold, supposedly the world's largest stockpile.** (We disagree; to us, the arithmetic is clear that China now owns more.) **This is the equivalent of 261.5 million ounces troy ounces, or about 0.82 troy ounces per citizen. At \$1,200 per ounce, the reserve is worth \$314 billion.** The nation's actual, annual deficits are roughly \$1 trillion per year, more than three times the value of the entire gold reserve. The nation's existing debt and contingent, unfunded liabilities exceed \$200 trillion. Therefore, the nation's gold supply could only pay off *0.16%, or one sixth of one percent* of the nation's current obligations. If it has not already done so, the United States could sell every ounce of the people's gold and it would not make one bit of difference to the nation's fiscal situation. **The U.S. gold reserve has not been professionally, comprehensively audited since 1953.** We will not go into the U.S. gold audit topic here, because it has already been well documented. You can find the details with a simple search, if you wish to learn more. But we would like to point out something that is not typically noted.

In order to create positive "optics," the United States government consistently massages, manipulates and even totally misrepresents a wide variety of financial, economic and monetary statistics (such as GDP, unemployment, inflation, money supply, interest rates, retail sales and many others). These positive optics are viewed as being crucial to preserving confidence in the nation's economy and fiat currency. **Accordingly, one would expect that if the United States gold reserve actually exists, physically and unencumbered, the government would go out of its way to prove and advertise it, in order to create the favorable optics it spends so much time and effort engineering about everything else. Instead, they refuse to conduct a professional audit, invoking the truly ridiculous excuse that it would be too costly to do so.** One specialist has estimated that a comprehensive, independent audit would cost \$10 million, which is approximately 1 MINUTE of federal spending, literally. **So the expense excuse makes no common sense, and arouses serious and legitimate suspicion about the true state of America's gold reserve.**

The foregoing factors help explain the intensifying demonization and scapegoating of Russia. **The Deep State needs to prevent Russia from continuing to buy gold in quantity, and is therefore**

intensifying its efforts to damage the country's reputation, economy and currency. Based on these and several other factors, the Inferential Analytics model is signaling that there is a strong probability the Deep State's gold price manipulation fraud is dying, and that the imbalance in physical gold supply is becoming systemic and reaching a point where it can no longer be bridged with sovereign, stolen or fake supplies. This increases the risk of futures market delivery failure. The occurrence of any significant endogenous event at this time, such as an unexpected military, social, economic or financial disruption, that provokes a further reduction in supply or even a modest increase in demand, **would dramatically increase the probability of delivery failure and a resulting, necessary, sharp increase in the price of gold.**

The fact that the paper gold price manipulation fraud is reaching the end of the line due to deteriorating supply – demand fundamentals is exactly why we are seeing a radical, concurrent Deep State escalation of the War on Cash. Cashlessness is the Deep State's upcoming Looting Field, and is designed to replace Gold market price fixing as its next, organized, long-term method of plunder. The elimination of cash will result in the largest looting spree ever orchestrated by the Deep State. **Every time the Deep State hatches a new looting scheme, they dress it up in false righteousness, phony morality and motherhood.** In the case of cash elimination, they say it is needed to fight terrorism, drug laundering, tax evasion and crime. **This is a huge, concocted, pre-packaged lie; the same kind that Hitler and Goebbels used. Hitler said and proved that if you make the lie big, and repeat it again and again, the people will come to believe it. This is the exact kind of lie the Deep State is telling to push its corrupt, greed-diseased, epically evil cash elimination scam.** While the Deep State demonizes Russia to perpetuate its gold price fixing profit center for as long as possible, it is simultaneously building, as fast as it can maximum security prisons for the people's money. For the bricks, they intend to use your cash; for the mortar, they are mixing a stinking amalgam of their lies, corruption and greed. We can be sure of one thing: if we allow them to imprison our money in their cashless prisons, they will grind it into oblivion by fees and fraud, and our financial slavery will become inescapable. **Please, do not underestimate what is happening all around you, and use your current quasi-freedom wisely.**



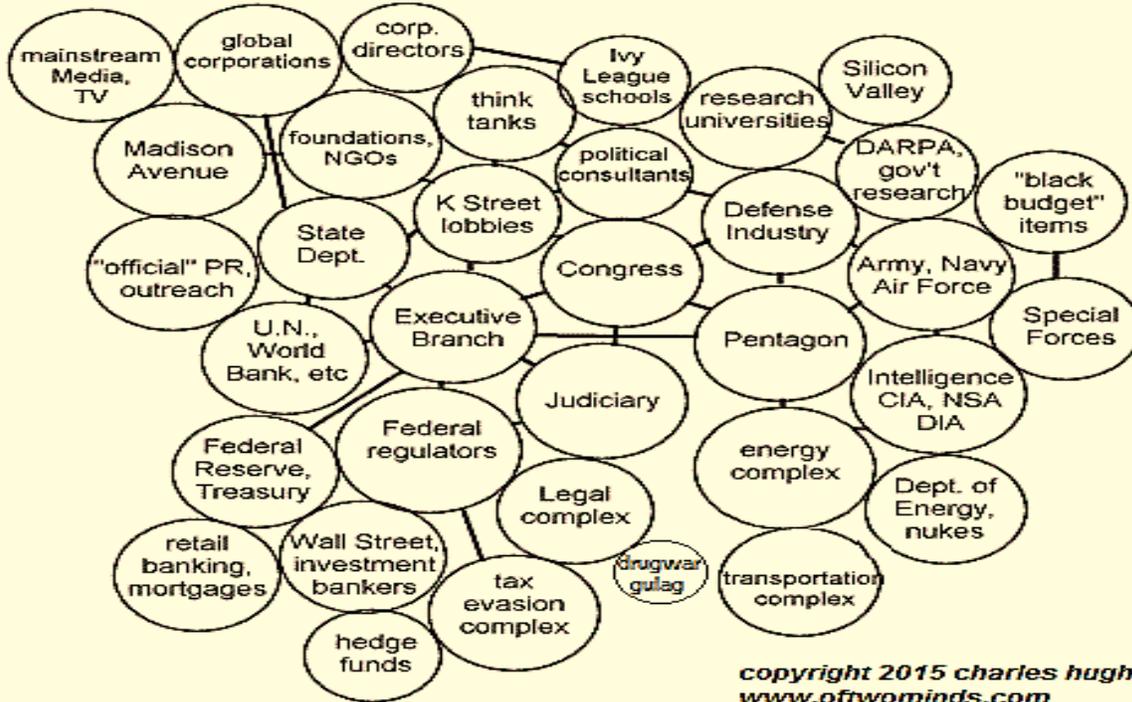
Stewart Dougherty is the creator of Inferential Analytics (IA), a forecasting method that applies to events proprietary, time-tested principles of human instinct, desire and action. In his view, forecasting methods not fundamentally based upon principles of human action are unlikely to be reliable over time. He is a graduate of Tufts University (BA) and Harvard Business School (MBA), is a 35+ year veteran of the business trenches and has developed IA over a period of 15+ years. He attended Tufts University and graduated Magna Cum Laude, with a B.A. in two majors, English and History.

OK. Several points are being made here, but can you sense the sheer desperation on the part of the Deep State operatives? As I have said many times, gold and silver is like kryptonite to these modern money-changers, but their options are shrinking, **as in shrinking physical gold and silver!**

The term **Deep State/Bank State** has been mentioned here, and we should just call it the **Shadow Government.** **Glenn Greenwald** (*The Guardian* and producer of the **Snowden** film) says, “although there is no precise or scientific definition, **it generally refers to the agencies in Washington that are permanent power factions that exercise their power in secret and are unaccountable.**” **See chart:**

The Deep State Network

The elected state, the shadow state, the national security state, the public-private state and the institutions of propaganda.



This is what we are ALL up against! The Bible would refer to this as our battle “against the powers, against the world forces of this darkness, against the **spiritual forces of wickedness** in the heavenly places” (Eph. 6:12). In other words; a battle between **good and evil**. The agenda to **eliminate cash** is a very clear signal that **demonic forces** are behind this since the Bible predicts that the **Antichrist** will impose a mandatory “mark” (666) to buy or sell soon (Rev. 13). **More on this in April.**

It is clear from **Dougherty** (and other sources) that the **banksters** are steering people away from the safety of gold and silver, but **China and Russia** are not cooperating. They also cannot curb the demand for gold (and silver) in **India**, and I will note this shortly. So much is going from the **West** to the **East** that **delivery defaults** are inevitable, as well as a **fiscal/monetary collapse**. The Chinese people are *encouraged* by their government to buy precious metals, and the people in the **West** are *clueless!* When these defaults come there indeed will be **a sharp increase in prices** as **heard below:**

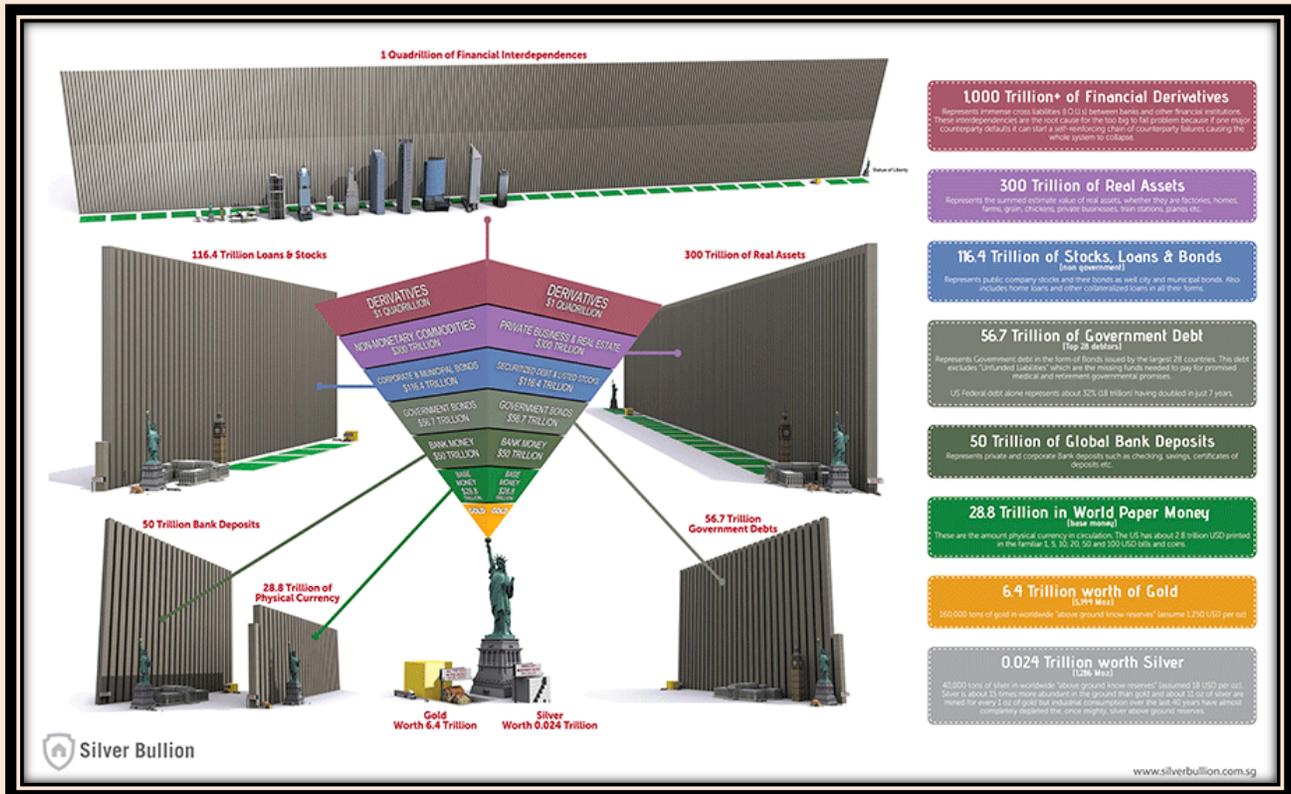
30 Minutes: Silver Analyst Bix Weir Interviewed on Realist News

Bix Weir lays out the conspiracy to suppress metals and what we now know about LBMA and Comex facing defaults. He notes that **143 billion oz.** of silver was “traded” at **Crimex** last year, and this is **143 years of silver production!!** Listen at 3 mins., and his predictions for \$500 silver, or even a **1:1** ratio to gold/silver (9 mins). I hope you will let that **sink in**; and **Harry Dent** will have a lot of explaining to do for his subscribers. As noted by the experts at **BullionStar**, **Deutsche Bank** (and others) have been recently found guilty of **manipulating silver**, and the sudden departure of **CME** and **Thompson Reuters** on **March 3rd** from the **LBMA Silver Auction** confirms that the rats are running from the ship. At the **previous link** we read that this is “an opportunity to introduce a **proper silver price auction** in its place that is structured to allow direct participation by hundreds of silver trading entities such as the world’s silver refiners and miners, an auction that employs central clearing

to allow this **wider participation**, and an auction that is based on **trading real physical silver and not the paper credits** representing **unallocated claims** that the participating London bullion banks shunt around between themselves. **This could help lead to real silver price discovery in the global silver market”** [READ MORE HERE](#). This is very encouraging and we will know more this Fall.

Keep in mind that the **US** had a massive macroeconomic *gold delivery default* on **August 15, 1971** when **Nixon** was forced to renege on the **Bretton Woods Agreement**, and this is why we have been on a completely fiat/worthless currency ever since! Mexican billionaire **Hugo Salinas Price** [predicts](#) that the “paper leverage (price suppression) game” will soon be “thrown under the bus” and gold will be introduced into the global monetary system, and this will be related to the new **SDR** with a gold peg as **Jim Rickards** has been noting as well. Big changes in the monetary system are coming.

And this **chart below** tells you all that you need to know when it comes to comprehending the existential risk to the **US dollar**, and all paper instruments, compared to the *sheer physical scarcity* of **gold and silver** in the world. As it was [announced](#) by the **McKinsey Global Institute** in January 2017, that public/private debt has reached **\$217 trillion**, or **325%** of global **GDP**! *This pales* in comparison to the notional value of financial derivatives, as seen at the top of this **inverted pyramid**, and the total equals **\$1.558 quadrillion** (16 zeros), with **gold and silver** capitalization represented at the very bottom. In other words, a mere **\$6 trillion** would buy all of the physical **gold** in the world, and a *scant* **\$25 billion** would scoop up all the **silver** in the world! I hope this helps put things into proper perspective, and you can see more charts like this at <http://demonocracy.info/>



As stated earlier, **China** has been importing gold at a record pace, and they *also* mine the most gold each year. It has been [estimated](#) that **China** has **20,000 tons** of gold (not their official **1,842 tons**), and they are doing this to *hedge* against future losses with **US bonds** and their own malinvestments.

Gold Demand *from the West to the East!*

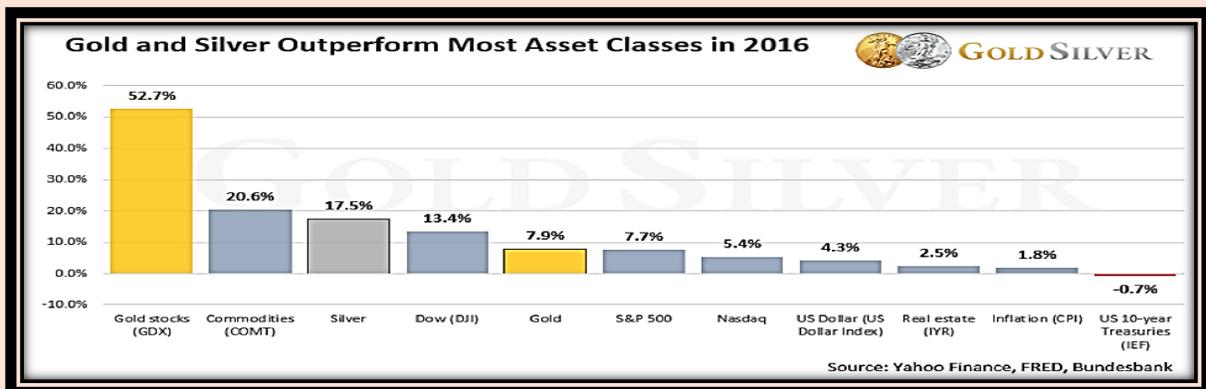


This chart reveals the voracious demand for gold in both India and China. Since the **Financial Crisis of 2008**, these four countries have imported a staggering **21,000** tons of gold, and the pace just keeps going. **Commenting on this chart, Egon von Greyerz** says that “\$6,000 gold is on the way.”

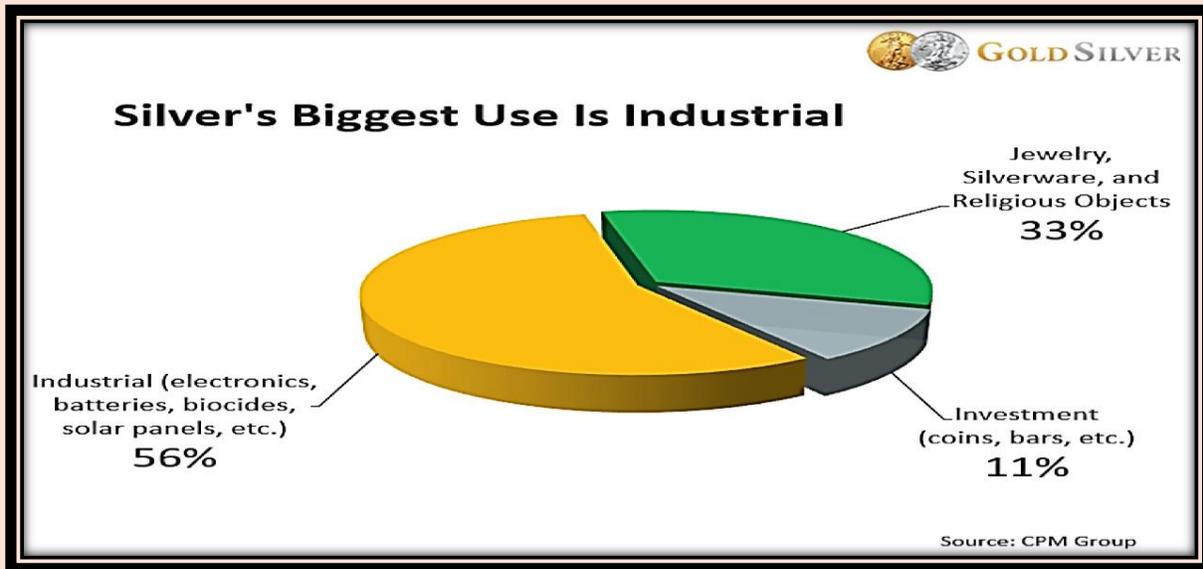
So why is **China** buying (and producing so much **gold**)? The folks at **GATA** have the answer, and the answer is **geopolitical** well as economic. As gold and silver were approaching new highs in **April or 2011**, Western banksters smashed the price index. This happened again in **April 2013** as the new Chinese leader took office in **March 2013**. Was this a coincidence? **No**. It appears Beijing and DC have a ‘secret agreement’ to allow China to buy **gold** on the cheap. Reporting in **November 2013**, **GATA** provided **THIS DISPATCH**, and here is the **relevant quote** for your consideration:

*"China and the United States have great leverage over the other. Each knows what the other wants. The United States wants to devalue the dollar gradually and gracefully to reduce its debt burden and improve its trade balance. **Understanding the U.S. objective of gradual dollar devaluation, China wants to hedge its insane dollar exposure and is doing so by acquiring gold and other hard assets around the world.** Each side could blow up the other at any time -- China by dumping U.S. debt instruments and buying gold abruptly, the United States by devaluing abruptly. **So the two governments probably are talking to each other in detail every day and acting cooperatively in the markets in pursuit of their objectives, which really are not so contradictory.**"*

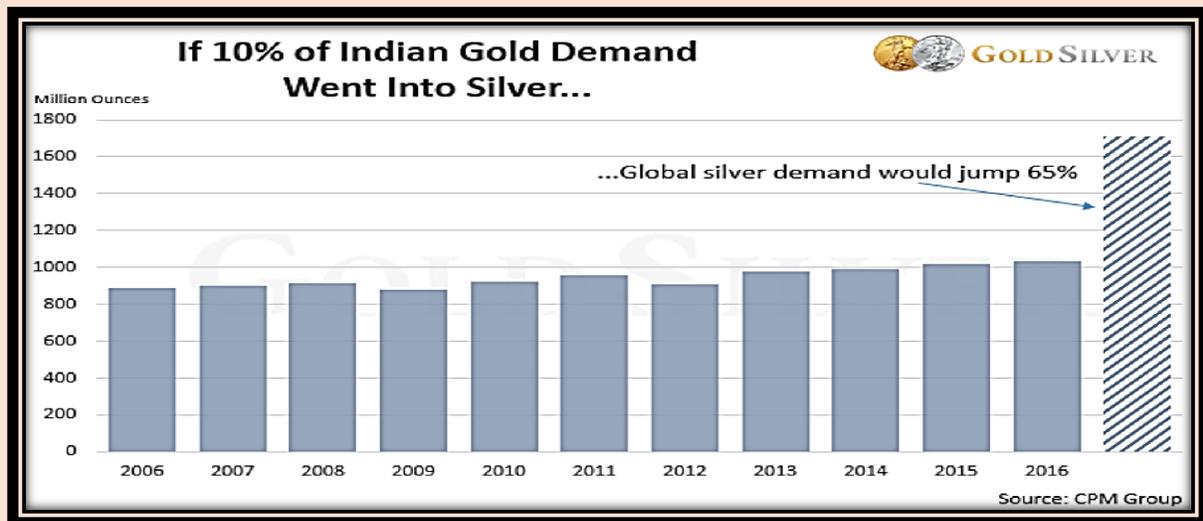
China is hedging against a **financial reckoning day**, and *this* is what is now **stressing deliveries**. Smart investors also sense this opportunity, as the metals sector consistently beats other asset classes:



As seen above, silver beat gold and the Dow. Prior to **Fedspeak** this week (in 2017), gold was up 5%, the Dow 10% and **silver 15%**. As you can imagine, **silver** is a smaller market and can move rapidly to the upside. Another factor is that unlike gold, **silver** is largely consumed by industrial demand with *only 11%* for silver investment **as seen in this chart**. This is *extremely bullish*.



Another factor for silver is new demand from India. Each year **Indian** people buy **\$25 billion** in gold! The government has banned 86% of their large banknotes to discourage gold demand, and has also placed a **tariff** on imported gold. What to do? The people are turning to **silver**, and *this is huge*.



Remember, \$25 billion would buy ALL of the above ground silver in the world! This is another effort on the 'war on cash' as mentioned by **Dougherty**. This new demand for **silver investment** is coming *at the same time* that warehouses/exchanges are getting squeezed. So just how *small* is the **global silver market?** Please watch this very short and delightful **video clip below – stunning!**

[Chris Martenson: Just How Small is the Silver Market?](#)

I hope you watched that clip (...or come back to it). **Gold** gets all the news and attention, but the largest ‘transfer of wealth’ will be in the **silver market**. As I mentioned earlier (p. 6), the **Shanghai Gold Exchange (SGE)** is a recent hub for physical gold trading, but they can barely get any silver! If we start seeing delivery defaults in the **West** you can be sure that the **SGE** will become the new benchmark for not only gold, *but silver as well*. This is their stated objective as I have reported on in the past. So, what is **the outlook for silver** in the near-term? **Here are some predictions:**

Expectations for 2017	
US CPI	Over 4%
US long bond yield	Over 5%
S&P 500	Down over 30%
Gold price USD	Up over 30%
Silver	Up over 50%
Residential property prices	Down over 20%

This would indicate \$1,600 for gold and \$27 for silver. But this estimate is probably too low, and real estate depends on geography and location. Forecasters always see **silver** advancing higher than **gold**, but HERE is a well-reasoned prediction for **\$50 silver** by year end. We are reminded here that arch-criminal enterprise **JP Morgan** has accumulated nearly *600 million ounces of physical silver*. Indeed, what do they know? They know that **silver** is the most undervalued asset in the world.

	Silver % Annual Change											
	USD	EUR	GBP	JPY	CHF	AUD	CAD	BRL	RUB	INR	CNY	ZAR
2001	-0.1%	5.3%	2.7%	14.5%	2.3%	8.5%	6.1%	18.4%	7.0%	3.1%	-0.1%	58.3%
2002	4.9%	-11.0%	-5.3%	-5.0%	-12.6%	-4.6%	4.0%	60.5%	11.1%	4.3%	4.9%	-25.0%
2003	24.0%	3.2%	11.9%	11.9%	11.0%	-7.3%	1.4%	1.4%	14.5%	17.7%	24.0%	-3.2%
2004	14.4%	6.4%	6.5%	9.6%	5.4%	10.2%	6.5%	4.9%	8.5%	8.6%	14.3%	-3.7%
2005	29.6%	48.1%	44.4%	48.8%	49.3%	37.7%	25.5%	13.9%	33.7%	34.6%	26.3%	45.3%
2006	45.3%	30.4%	27.5%	46.7%	34.8%	35.3%	45.3%	32.9%	32.7%	42.6%	40.5%	61.6%
2007	15.4%	4.3%	13.9%	8.4%	7.2%	3.7%	-2.1%	-3.8%	7.9%	3.1%	7.9%	12.5%
2008	-23.8%	-20.1%	3.4%	-38.1%	-28.3%	-4.3%	-5.7%	-0.8%	-12.9%	-6.1%	-28.8%	3.3%
2009	49.3%	45.0%	35.0%	53.0%	44.9%	16.1%	27.6%	12.2%	59.3%	42.6%	49.3%	18.2%
2010	83.8%	98.5%	93.0%	61.2%	66.2%	63.0%	75.8%	75.4%	88.6%	77.4%	77.7%	66.5%
2011	-9.8%	-7.8%	-10.7%	-15.0%	-9.8%	-11.0%	-8.4%	1.0%	-8.2%	6.7%	-14.0%	9.2%
2012	8.2%	6.5%	3.4%	21.8%	5.7%	6.8%	6.0%	19.0%	5.9%	12.0%	7.2%	13.7%
2013	-35.9%	-38.7%	-37.1%	-22.1%	-37.7%	-25.4%	-31.5%	-26.1%	-31.3%	-27.7%	-37.7%	-20.8%
2014	-19.5%	-8.4%	-14.4%	-8.4%	-10.2%	-12.1%	-12.2%	-9.4%	38.7%	-18.1%	-17.5%	-11.4%
2015	-11.5%	-1.4%	-6.5%	-11.2%	-10.8%	-0.7%	5.6%	31.9%	9.2%	-7.1%	-7.6%	18.6%
2016	15.7%	19.1%	38.3%	12.3%	17.3%	16.6%	12.2%	-4.9%	15.7%	18.7%	24.0%	2.5%

Source: GoldMoney, prepared for King World News

Here is another chart that shows how **silver** was up in **11** out of **12** currencies last year (in the green). As I mentioned earlier, metals got smashed in **2011** and **2013**, but these co-called “market corrections” are not market-driven at all. Silver contracts are traded at **Comex/Crimex** and **Ted Butler** has shown that just **eight** (8) commercial banks control the silver market (including Morgan). This is not a true market. It is a crime scene. This cannot be sustained with market fundamentals coming to bear (and all that I have said so far in this newsletter). Silver will advance sharply, and THIS LINK also points out that **silver mining shares will explode**, and here are **ten** (10) compelling reasons herein. Mention is made of ‘**Silver One**’ (SVE, SLVRF), and featuring **First Majestic CEO Keith Neumeyer**.

Keith Neumeyer is a respected voice in the silver mining industry. Neumeyer is fully aware of the manipulation of paper silver prices and has joined others in petitioning the **CFTC** to investigate concentrated naked shorts, front-running, price suppression and other acts of fraud in the metals space. In an interview back in **January** had made this **important observation**. [HERE IN THE LINK:](#)

“With silver, mind you, every single year we have a deficit and it's been going on and on and on. Consumption of the metal continually rises. We've had a couple years of consecutive production decreases on a global scale. And we're mining, as I said many times, nine to one. For every one ounce of gold, we're only mining nine ounces of silver. We're trading at about 70 to one which just does not make any sense to me. So, I think there's going to be a huge supply squeeze in silver. Investors should be looking in the silver space quite seriously in my view.”

I doubt most people know that silver has been mined at a 9:1 ratio of silver to gold. This goes all the way back to Egyptian and Roman times, *and it is still true to this very day.* How can you have **annual deficits** with silver production, and **the current ratio** of silver to gold is **70:1**? This cannot happen in a real marketplace. If we had a **10:1** ratio today, silver would naturally be **\$120/oz.**, and this is precisely what we might expect at some future date. This view is supported by many in the precious metals industry, and here is a **good interview** to this end by **Ron Kirby** (at 9 minutes):

35 Minutes: Ron Kirby on Silver Manipulation and 10:1 Ratio

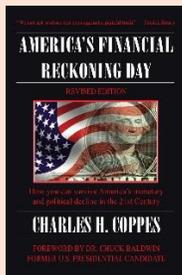
With **debt ceilings** and **fiat paper money** being printed (digitized) *as fast as politicians can mortgage the future*, there is a great need for a **global monetary reset**, a capitulation, a debt jubilee or whatever, and when this **day** comes gold will be “repriced” up to **\$10,000/oz.** or more according to experts like **Jim Rickards** and others. What this will mean for the silver/gold ratio can be many-fold for these truly scarce monetary metals. [THIS](#) writer makes a case for **\$1,000/oz. silver** and I would *personally* suggest a **15:1** ratio to gold at **\$5,000 minimum** that indicates over **\$300 oz. for silver.**



Summary & Conclusion. I hope you have a better appreciation for the **upside potential for silver**, and what appears to be **an historic opportunity for the white metal.** With *trillions* at risk in capital markets, pensions and conventional investments, this is a small window for people to access. [THIS](#) article is entitled; ‘**Gold and Silver Investors Will Look Mighty Smart in 2017**’, and I hope you are one of them; as many of you are. This could be the year that we finally see **delivery defaults** that will force **genuine price discovery.** Remain calm and let the banksters squirm. They created this mess and they are merely “putting off the reckoning” as the **BIS** official said. Below is a **two-hour documentary** that addresses **the default issue**, scarcity of silver, energy costs for mining and so on:

Video Clip: Secrets of Silver They Don't Want Exposed

The US – and the world – is on a bad trajectory. Raising our **statutory debt level** and *nudging interest rates* (the cost of money) *at the same time* is a recipe for **hyperinflationary disaster.** As noted at [THIS LINK](#), a return to **3-4%** would mean “we don’t have a country” in the words of **Donald Trump**. This same link suggests that **The Deep State** is doing this *intentionally* to sabotage a **Trump Presidency!** *Such are the times that we are living in with intrigue and uncertainty everywhere.* It is clear that we **cannot** continue on the path that we are on. [In my book](#), I explain central banking and the move towards a **new monetary system** that will feature a **gold** component, and how all of this is fitting into a **prophetic matrix** predicted in the **Bible**. If you would like a copy let me know. I am also posting recent interviews on [The Reckoning Hour](#) portal on **my websites**, and plan on doing an in-depth summary each month. You can [CLICK HERE](#) to listen to a **recent interview**.



Finally, if I can assist you with acquiring precious metals (especially **silver bullion**) you can call my office at 855-860-6800, and there is more at my website below. As **Will Rogers** famously said, “We should be more concerned about the *return of our money* than the *return on our money*.” This could be an eventful year in many ways, and transferring **IRAs** into precious metals is strongly advised. It is wise to do this, but having God’s wisdom found in **His Word** is even better. “How blessed is the man who *finds wisdom*, and the man who *gains understanding*. For its profit is *better* than the profit of **silver**, and its *gain* than **fine gold**” (Pro. 3:13-14). I pray that you have this perspective. I am glad to help you with silver or fine gold, but I mostly want you to know the **God** that I serve through faith in **His Son Jesus Christ** (Titus 3:3-7). There is lots of **bad news** in the world, and **God** only knows how much I research every day; but the really **Good News** is that a **better world is coming**, and I invite you to [CLICK HERE](#) to make that wonderful discovery and hope for the future (Mt. 6:10).

Until Next Time, Your Messenger from Pinetop 🏠

www.idpconsultinggroup.com



FAIR USE NOTICE: This newsletter contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available in our efforts to advance better understanding of geopolitics, macroeconomics and metals markets. We believe this constitutes a 'fair use' of any such copyrighted material as provided for in section 107 of the US Copyright Law. In accordance with Title 17 U.S.C. Section 107, the material in this special newsletter is distributed for educational purposes