

# Market & Precious Metals Update

Posted April 12th, 2025 - By Chuck Coppes



*“With the exception only of the period of the **gold standard**, practically all governments of history have used their exclusive power to issue money to defraud and plunder the people.”*

**Freidrich A. Hayek, Austrian Economist (1899 - 1992)**

*“Money is the most important subject intellectual persons can investigate and reflect upon.”*

**Robert H. Hemphill, President of Atlanta Federal Reserve Bank**

*“Of all the contrivances for cheating the laboring classes of mankind, none has been more effective than that which deludes them with **paper money.**”*

**Senator Daniel Webster (1782 - 1852)**

**Greetings to All,**

**It is tax time in America.** No, I'm not talking about **April 15<sup>th</sup>**. I'm talking about **April 2<sup>nd</sup>** which the **Trump** administration has labeled **“Liberation Day”** as they impose **import tariffs** into the **US** that will lead to new **taxes** on **US** consumers. We've had a “pause” but we're assured that new tariffs will be beneficial for the **US**, but this claim needs to be examined more carefully and I'll offer my own perspective on this complex issue. As economist **Henry Hazlitt** once said, “Economics is haunted by more **fallacies** than any other study known to man.” For this reason I present the following analysis for your consideration along with several links and some short videos that you can watch.



**As seen above, the reaction on Wall Street has been up and down, and new Treasury Secretary Bessant has stated that “there is no Trump put.”** As **M N Gordon** explains, “With these words he ended the implicit agreement with Wall Street that’s been in place since **1987**, where, in times of panic, the Federal Reserve places an elevated floor (i.e., a put option) under how far the stock market can fall. While stocks are retreating, there’s also mounting evidence that the economy is slowing. Construction spending, international and wholesale trade, auto sales, and both the ISM manufacturing and services indexes are on the fade. These data points are all signaling an economy that is decreasing in size.” In other words, this new trade policy will be hard to absorb on **Wall Street** and **Main Street**.

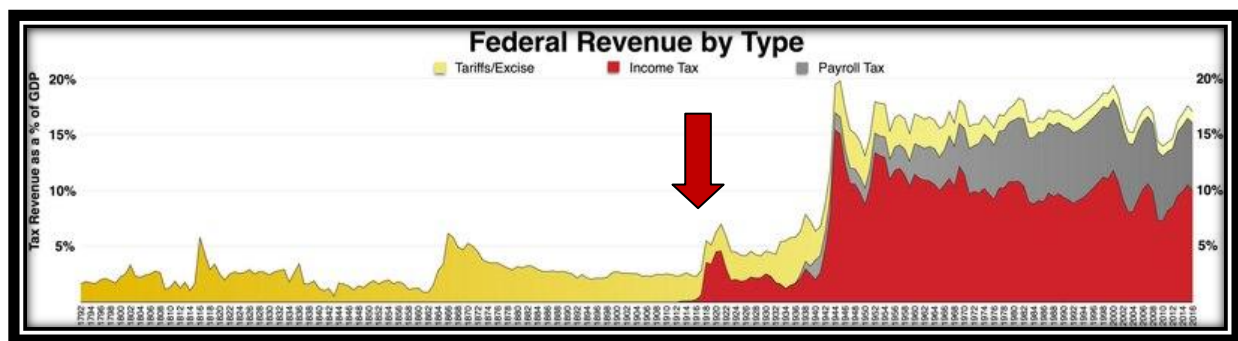
So, let's get right into it. The economic debate basically comes down to protectionism vs globalization, or classic mercantilism vs free trade. As we'll see **tariffs** have been common for centuries and is even enshrined in the **US Constitution** as a primary revenue source (Art.1.Sec. 8.1). As I mentioned in my last newsletter, **Trump** has been fairly fixated on our trade deficit since the **1980s** and I provided this **3-minute CLIP** in which he is blaming **Japan** for ripping us off and of course, now **China**. Please watch. **Steve Bannon** explains how Trump's "worldview" is binary – only winners and losers. And he got this protectionist view from the late **Lou Dobbs** at **CNN**. In recent days Trump has repeated that "the world has been ripping off the United States for the last **40** years and more. And all we're doing is being fair, and frankly, I'm being very generous." We will be hearing this refrain repeatedly, but we are reminded by economist **John Rogers** that "economics, in its most elegant form, is the study of cause and effect." Libertarian-minded people are fixated on "cause and effect" and especially as it relates to our **trade deficit** that I will address in a moment. **John Stossel** provides six myths about globalization in this short **CLIP** with the **VP of The Cato Institute**. When trade is voluntary it is a win-win and leads to more choices and affordable prices. Fundamentally, trade is between individuals.



Trump's populist worldview is being unleashed upon the world with his usual belligerent tone that finds enthusiastic support from his **MAGA** base. As **one writer** says it is based on his book *The Art of the Deal*. "Trump's negotiating style is to ask for the moon and then settle somewhere in between." As we have seen so far, his tariff threats are on and off and ever changing and this also raises the question of Constitutional authority to impose tariffs by the executive (Art. 2. Sec. 2). As far as I can tell, when **FDR** signed The Reciprocal Trade Agreement Act of 1934 (RTAA) it was to modify or adjust tariff rates passed by the GOP Smoot-Hawley Tariff Act. Tariff legislation still has to go through Congress. Unfortunately, we don't consult the **US Constitution** very much these days. As noted by M N Gordon, Trump's style is very disruptive. "For Trump, as you know, everything is negotiable. Concessions and exceptions, when reciprocal, can be expected. In short, tariffs will change to suit Trump's perceived need at any given moment. By this, Trump's tariff policies will remain uncertain. Moreover, as prices for imports, and consequently exports, are arbitrarily adjusted via political means, it will be impossible for businesses to properly plan, budget, and invest for the quarter and year ahead." As you know, markets hate **uncertainty** and this will be the case going forward.

Economist **Milton Friedman** has stated that "most economic fallacies derive from the tendency to assume that there is a fixed pie; that one party can gain only at the expense of another." Again, this binary equation is false. This is also known as zero-sum economics. **James Hickman** responds thusly, "This is the basic principle behind 'mercantilism', i.e. the prevailing zero-sum economic philosophy that dominated the world for thousands of years. It's based on the idea that, in order for me to win, you have to lose. I become wealthier by taking from you. **Adam Smith** finally codified why this way of thinking was stupid when he published *An Inquiry into the Nature and Causes of the Wealth of Nations* in the year **1776**. Smith, the father of capitalism, realized that wealth and abundance were infinite, and that trade was not a zero-sum game. Both sides could become better off."

In his classic book **Adam Smith** pointed out that mercantilist/protectionist economic doctrine taught nations “that their interest lies in beggaring all their neighbors” and this is why we use the term beggarthy-neighbor. In other words, the effort to cure depression and unemployment is to “shift effective demand away from imports” onto domestically produced goods through tariffs. It is basically behavior modification or central planning. As **David Stockman** recently said, “Trump erroneously believes that the trade balance with any country is a measure of winning or losing, and that a deficit proves nefarious actions and cheating by the other side.” Again, this is **binary reasoning**. As I said last time, US companies have gone offshore because it has become too punitive with taxes, regulations, labor demands, compliance, insurance, health benefits and so on. As a result we have become a consumer economy. As economic historian **Michael Hudson** observes, “Sanctions and threats are the only thing that the United States has left. It no longer can offer other countries a win-win situation, and Trump has said that America has to be the net gainer in any international deal it’s made, whether it’s a financial deal or a trade deal. And if America is saying, any deal we make, you lose, I win, that Mafia extortion gambit does not exactly reflect the art of the deal.” All nations have import tariffs but they have typically been low. Prior to **Trump** the US had a trade-weighted average import of **2.5%**, the **EU** is around **2.7%** and **China 3.1%**. **As seen below**, prior to **1913** the federal government used low tariffs to finance government – and you can see what happened with the **income** and payroll tax ever since! Lately, Commerce Secretary **Howard Lutnik** (and Trump) have been bragging that these new import tariffs can finance the government as the *External Revenue Service!* You can’t make this up.



Another **fallacy** when it comes to the entire tariff debate is using **collective terms**. **Lawrence Reed** from the **Foundation for Economic Education (FEE)** shares, “Examples of collective terms are ‘society,’ ‘community,’ ‘nation,’ ‘class,’ and ‘us.’ The important thing to remember is that they are abstractions, figments of the imagination, not living, breathing, thinking, and acting entities. The fallacy involved here is presuming that a collective is, in fact, a living, breathing, thinking, and acting entity. The good economist recognizes that the only living, breathing, thinking, and acting entity is the individual. The source of all human action is the individual.” This is similar to claiming “group” rights as opposed to individual rights. **Important.** **Laurence Vance** from the Mises Institute further adds:

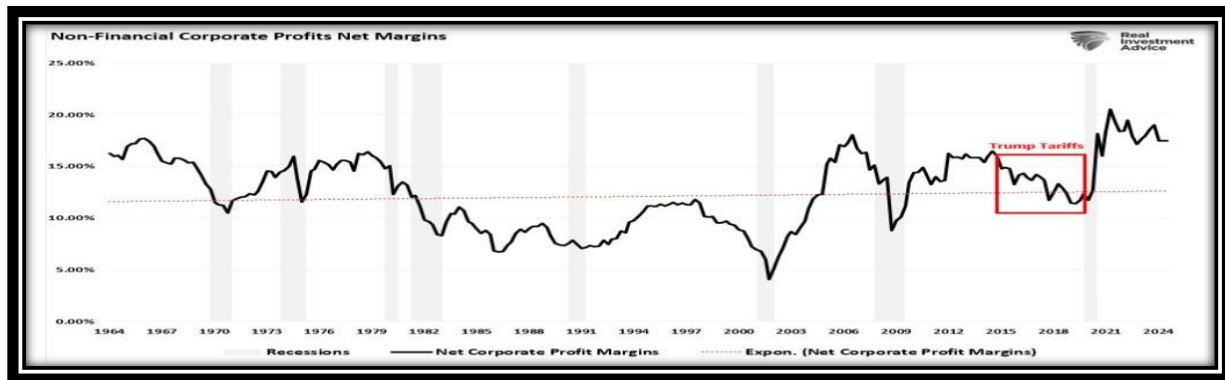
*“Transactions between parties residing in two different countries should not be regarded as any different from two parties in the United States engaging in commerce. That the two parties engaged in commerce are not located in the same country **has no economic significance whatsoever.**”*  
**Two economic fallacies emerge when trade is thought of as between countries.”**

**Stossel** also makes this point in the **clip above**. Individuals in the **US** *freely chose* to buy foreign goods. Author **Kelsey Williams** stresses that punitive tariffs should be very limited. “Supporters of tariffs argue that they are essential for protecting domestic jobs, fostering local industries, and shaping trade policy in favor of national interests. I agree that *limited* and *selective* use of tariffs might, on occasion, be helpful in furthering national interests; especially when national security is an issue.”

**Williams** goes on. “Economically, however, tariffs lead to higher prices for consumers, reduced choice, and a less efficient economy. Free trade leads to economic growth, increased competition, and innovation....Regardless of any worthy intentions (securing our borders, national security) invoked in the pursuit of Trump’s tariff policy, the economic consequences will be brutally harmful. A full-blown deflationary depression is more than a possibility.” The manner in which the **Trump Team** is rolling out Mafia tactics is worrisome. The **WTO** was established in **1995** to facilitate and regulate global trade and tariff issues. This would be a better venue to address trade issues than a social media account and bully pulpit. **Trump** admires **Ronald Reagan** and his former policies. **Scott Bessant** says that **Reagan** was a protectionist and that is why he won a landslide in **1984**. But, as the **Gipper** would say, “this just ain’t so.” **Ronald Reagan** said, “The way to prosperity for all nations is rejecting protectionist legislation and promoting fair and free competition.” I invite you to see **this video**:

## [Reagan’s Radio Address on Free and Fair Trade in 1987](#)

This was in response to **Japan**. As he states, **protectionism** *sounds patriotic* but it hurts all and only supports uncompetitive industries and eventually retaliation and job losses. He said he came to **DC** “to spare the American people the protectionist legislation that destroys prosperity.” And just so we are clear, commercial globalization is not *political* globalism any more than democratic capitalism is about *democracy*. **Reagan** was being *very limited and selective* in response to a trade issue with **Japan** and this was before the **WTO** in **1995**. In **Trump’s** first term his steel tariffs cost **200,000 jobs** and his aluminum tariffs negatively affected all of the “downstream industries” in the **US**. As the Peterson Institute for International Economics calculated the steel tariffs cost about \$650,000 per job created. They concluded, “If this is an economic development scheme for American manufacturing, it’s a pretty terrible one.” At the time **John Stossel** made [THIS VIDEO](#) regarding all of the collateral damage.

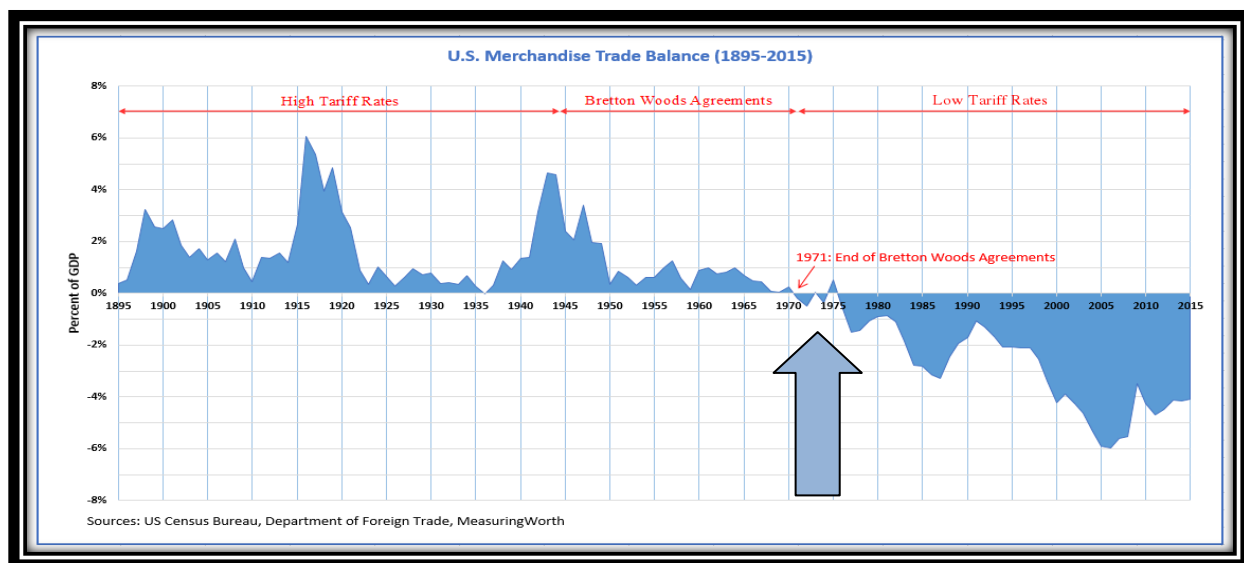


As you can **see above**, the former **Trump tariffs** hurt corporate profits in the **US** and this is likely to be much worse this time and **Jeremy Warner** from the *UK Telegraph* [provides this warning](#).

***“While Bessant and others who support tariff myths argue that tariffs lead to a one-time price adjustment, the reality is more damaging. Tariffs raise costs across the supply chain, starting with direct goods and cascading through industries that rely on those goods, like cars and construction materials. These cost increases continue as businesses pass them down to consumers, creating a wage-price spiral as workers demand higher wages to cope with rising costs.....tariffs may seem patriotic at first, protecting American jobs and industries. But over time, domestic companies grow complacent, relying on protection instead of innovation. Worse, tariffs trigger retaliation, escalating into trade wars with rising costs and shrinking markets. Eventually, inefficiency and high prices drive consumers away, leading to business failures and job losses.”***

The US has a nearly **one trillion dollar annual trade deficit**. Yes, this is huge. The second largest is **India** at **\$250 billion** (trading with China). And while it sounds “patriotic” to employ zero-sum economics and employ the *beggar-thy-neighbor* binary motif it still does not explain *why* this has happened in the past **40-50 years**? In other words, what has been the cause of the effects that we see? **Jeremy Warner** goes on to hit on the core issue that you will never hear from the **Trump Team**. “The whole ghastly, divisive mess we see unfolding before us was perfectly foreseen by the British economist John Maynard Keynes, and is in a sense a direct consequence of **the dollar’s global reserve currency status**. Without going into the precise mechanisms, this in effect requires the US to run big, compensating fiscal and trade deficits so as to supply the rest of the world with the dollars it demands. Keynes’s solution was to establish a separate international reserve currency which he called the ‘Bancor’, but it never flew.” So there you have it. The **US dollar** was established as the global reserve currency at the Bretton Woods Agreement in **1944**. When this agreement failed when **Nixon** decoupled **gold** from the **US dollar** that began our downward spiral as **M N Gordon** clarifies here:

**“At the close of WWII, America was the only advanced economy whose industrial base remained intact. This advantage allowed it to operate for several decades with little competition. As wealth continued to flow to America, wages increased, and workers became accustomed to over-consuming. They thought wealth and abundance was an American birthright. They joined labor unions and demanded wages over and above what their skills warranted. However, by this time the money had become phony. Overspending by the federal government on guns and butter in the 1960s produced the runaway consumer price inflation of the 1970s. The U.S. had also started running consistent trade deficits; meaning, it was consuming more than it was producing with the difference being made up with debt.... For example, in the early 1970s, U.S. trade was balanced. But once it slipped into deficit it could not be reversed.”**



As you can see above, our structural trade deficits began in 1975 and we have had growing deficits ever since. This is also known as Triffin’s Dilemma as I have mentioned many times and cover in my book. Because the **US** has the “privilege” to export its dollars (inflation) to the world we can **over-consume** and run up a huge national debt. In other words, for the past **50 years** we have been able to abuse our trading partners. I want you to read carefully what MoneyWeek says, “The essence of the Triffin Dilemma is that any reserve-currency system is unsustainable, *because reserves are bought and repayable in goods*. This means that the net increase in *foreign* official dollar reserves must equal the *net exports of the rest of the world*—which in turn must equal *the deficit* in U.S. net exports.”

**Did you get that?** Their US dollar currency reserves are returned to the US in the form of **goods** that took capital investment and hard manufacturing. In **1953, 32%** of our nation's employment was in manufacturing and today it is **8%**. The US exports less than **20%** of its GDP compared to **42%** for Germany, **29%** for the UK and **21%** for Japan. Again, is this because of bad trade deals? Do we need to be liberated from globalization? Will protectionism and punitive import tariffs restore factories and jobs and make us great again? No, but it can lead to a full-blown **deflationary depression** or even kinetic war. As the old saying goes, if goods and services don't cross borders then armies will. The US is very ill-prepared for what is coming. During the **Great Depression** unemployment reached **25%**. According to **ShadowStats** unemployment *today* is **25%** - see it [HERE](#). This fact is smoothed over today with EBT cards, benefits, unemployment, disability insurance and the entire **welfare state**. Let's not forget the demographics of the baby boomers bankrupting our country and the advances in **AI** and robotics that will *eliminate 40-50%* of jobs, and this conflicts with the promise of a new golden era! We must commend the efforts by **DOGE** to reduce spending and waste but **85%** of our budget is mandatory spending (Social Security, Medicare and Defense, etc.). The US is by far the largest debtor nation in the world with an enormous welfare/warfare state and military hegemony and a population that has become accustomed to *over-consuming* and all of this is made possible with...**seigniorage**.

Denomination	Printing Costs
\$1 and \$2	7.7 cents per note
\$5	15.5 cents per note
\$10	15.9 cents per note
\$20	16.1 cents per note
\$50	16.1 cents per note
\$100	19.6 cents per note

What is seigniorage? This is an old **French** term that means “right of the lord to mint money” or in this case *print* money! In other words, feudal lords would create coins of the realm but place a higher face value than the production cost. No big deal. However, today central banks can create **fiat money** out of thin air (or pennies). As **seen above**, the cost to print a **\$100 bill** at the Treasury is a mere **19.6 cents** and the rest goes to the government and this is coupled with bond issuance with interest as the public debt. **Wikipedia says**, “Seigniorage can be a convenient source of revenue for a government. By providing the government with increased purchasing power at the expense of public purchasing power, it imposes what is metaphorically known as an **inflation tax** on the public.” You can learn more at [THIS LINK](#). **Triffin's Dilemma** has allowed the US to lord it over the world but [the dilemma](#) is how to maintain *confidence* in the fiat US dollar? This is the ghastly mess that we are in and no amount of **tariffs** can rescue us from this **dangerous monetary experiment** [says Adam Sharp](#).

***“Since 1971, the world has been under a highly unusual 100% fiat monetary system. Not a single country operates on hard money today. Never before in history was every country simultaneously using fiat. We are living through an incredibly rare, and increasingly dangerous, monetary experiment. For most of history, developed countries were on a gold and/or silver standard. Coinage was default for thousands of years. Switching to paper money was always a desperation move. It often happened during or after a major war, when governments were running low on cash. So they switch to fiat to pay the bills, and debase everyone's savings in the process. The world has only been on a fiat standard since 1971. It has happened hundreds of times. After it all goes horribly wrong, gold and silver make their inevitable return.”***

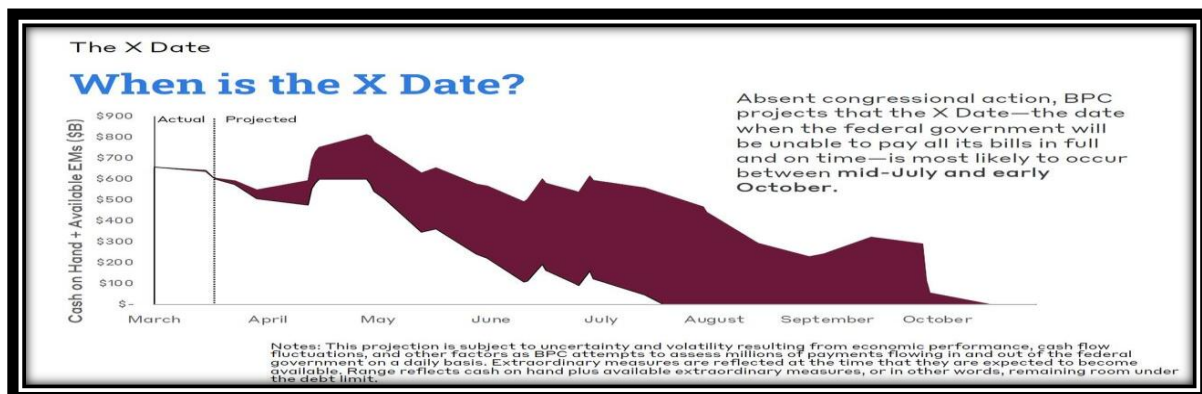
This is the source of the **hidden inflation tax** and our impoverishment. As Adam Smith affirmed you cannot create wealth and prosperity by debt and spending – only by savings and production. “To emit an unfunded paper as the sign of value, certainly has some advantages of a temporary nature,” said **Alexander Hamilton** in **1792**. “But it is calculated to produce great mischief’s in the long run.” This is what economist **Robert Triffin** saw back in **1961** and things are about to go horribly wrong, and this is also why **gold** keeps marching to new highs which we shall see. It is also important to mention how the **US** moved away from industrial capitalism to **financialization** in the **1990s**. Investopedia states, “Financialization refers to the increase in size and importance of a country’s financial sector relative to its overall economy.” In other words, **financial services** and crony capitalism have become a larger part of our **GDP** and this video helps explain this along with references to **Triffin** and **Nixon**.

## **Video: Creation of Bretton Woods System & Financialization**

To briefly summarize, **Trump** has been fixated on a **binary zero-sum worldview** for decades but our historic trade deficit since **1975** has not been due to bad deals, abuse or nefarious actions by trading partners. Yes, it may sound “patriotic” to shift blame on “globalization” but as **Samuel Johnson** said “patriotism is the refuge of a scoundrel.” The **US** has a *trade surplus* with over **100** nations. Does that mean we are ripping them off? A greater concern I have is the abuse of executive power on display in this second term. In *Federalist Paper No. 47*, **Madison** said “the executive [branch] was the most to be feared, as it concentrated power in a single individual.” This is the more serious issue. As **John Stossel** wrote last year (at the Libertarian National Convention in which **Trump** was *booed*), “**Trump’s** agenda is authoritarian. Libertarians want a humble, restrained government that keeps the peace while respecting individual rights.” Recently, **Dr. Rand Paul** delivered a speech in **Congress** expressing this concern and how **tariffs** are a **tax** that needs congressional approval. Further, the **Trump Team** has used an **Emergency Power** (IEPA) to bypass **Congress** and we basically have “one man rule” that violates the **Constitution**. This is a must listen video and it is particularly aimed at ending import tariffs against our second largest trading partner **Canada** under the guise of a fentanyl drug crisis:

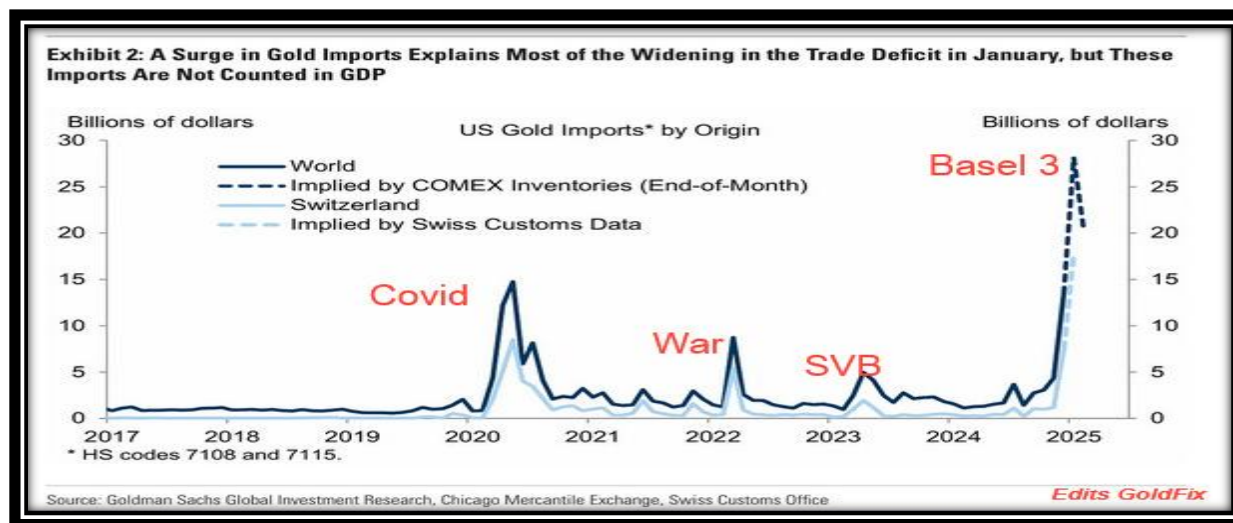
## **Dr. Rand Paul Demands End to Executive Overreach!**

I hope you take time to watch this one. **Senator Paul** is joined by other **GOP** senators and he has warned in this video how the **GOP** lost seats after historical tariffs. Reagan wanted to protect us from protectionism and we certainly don’t want an imperial presidency and be ruled by emergency powers! There was a keen sense of economic desperation in this last election. The **Trump Team** is trying to do some good things, but it is extremely late in the scheme of things. According to the **Bipartisan Policy Center** the **US** has trillions in **US bonds** that will reset this year and things could go critical by this summer. We have seen this coming for years and it has never mattered which party is in power.



The challenges ahead are many. It would take literally years to accomplish meaningful reforms and solutions for **America**, and this is barring no global crisis, war, revolution or whatever. The **Trump Team** is fixated on the tariff meme. “They either succeed and manage to reinvigorate America’s standing with most of the world,” says **James Hickman** (Schiff), “or they fail and torpedo the US economy, spark a nasty bout of inflation, and destroy the US dollar’s dominance in global trade. Either way, it means a **new global financial system**. And it’s playing out in front of our very eyes.” **Triffin’s Dilemma** has made us vulnerable. We have financed our loose fiscal policy with massive **bond** issuance. The recent **stock** crash (and relief rally) *also* saw the **bond** market crash! In other words, instead of a safe haven “foreign governments” were dumping US bonds and this was clearly a *vote of no confidence* and this is the pressure the US faces to maintain **USD** reserve currency status at the same time the **Trump Team** wants to impose **punitive tariffs** on foreign governments. This can, and probably will, trigger a **new global financial system** that will establish a separate international reserve currency away from the **US** dollar, **Treasury** bonds and **Fed** edicts. This would effectively solve **Triffin’s Dilemma**. The Bancor “never flew” but the **SDR** did. [This is from Investopedia](#):

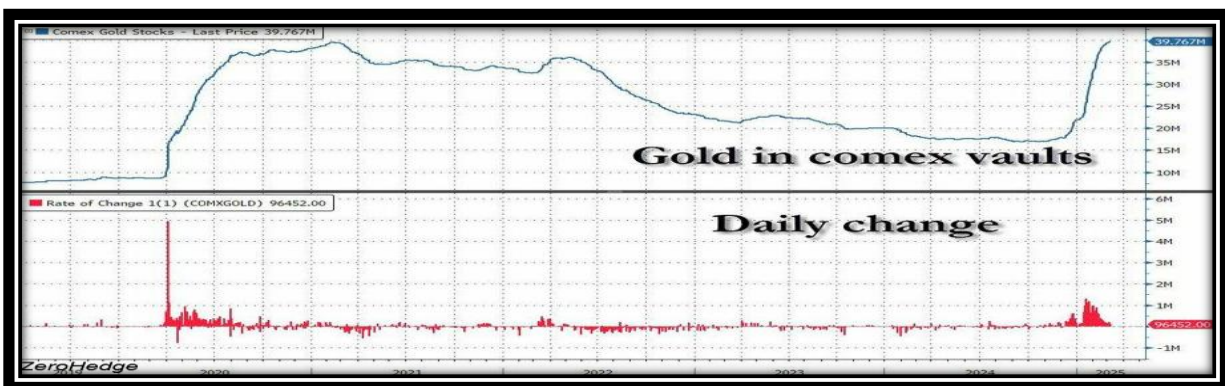
**“There is another possibility for reducing the pressures countries face trying to maintain reserve currency status: a new international monetary system—an idea floated for several decades as a potential solution. One possibility is the special drawing right, a type of reserve asset maintained by a global institution, such as the International Monetary Fund (IMF). While this is not a currency, it does represent a claim by other countries on foreign exchange assets. A more radical idea would be to create a global currency, a concept pushed by John Maynard Keynes, with a value based either on gold or the mechanizations of a global central bank.”**



**And this is where it gets interesting.** What is a **Special Drawing Right**? The **SDR** was created by the **IMF** in **1969** to supplement the **US** dollar for trade and had a fixed rate of 1/35<sup>th</sup> gold, or one **USD** since the dollar was backed by **\$35.00/oz. gold** at the Bretton Woods Agreement. When **Nixon** ended the convertibility of the dollar to **gold** in **1971** it also ended the **SDR**. However, the **SDR** is now used by the **IMF**, **BIS**, **ESF** as a unit of account and the allocation has increased since **2008** along with **SDR** bonds. In **2017**, the **BIS** (Bank of International Settlements) in Basel, Switzerland adopted new capital requirements for major banks in the world that will raise **gold** to a **Tier 1** liquid asset. This is known as the **Basel III Accord** and the deadline is **July 1, 2025**. This is causing unprecedented demand for **physical gold** and why the **gold** price surged a year ago and continues. Add to this, there has been huge demand from **central banks** and you can see in **the chart above** that **US gold** imports (mainly from London/Swiss refineries) have been coming into the **NY Comex Exchange** in record amounts!



As I have covered recently, the **mainstream financial media** insists that this surge in **gold** is because of **Trump** tariffs but that was and is a false narrative. The **White House** released a report that **bullion** is *exempt* from all tariffs – [READ HERE](#). So much for that lie. And this stress to ship **gold** for delivery at **Comex** continues. **Eric Sprott** just said that **Comex** received more **gold** in the past four months than all of **2023**, as you can see in [this chart](#)! **Comex** (Crimex) trades in **paper gold and silver futures** and has very little physical available. In other words, it's massive shell game in **London** and **NY**. "Paper contracts might have been good enough in stable times, but those times seem to be fading quickly," says **Sprott**. "If the smart money is busy ensuring they hold **physical gold**, investors who stick with paper promises risk being left empty-handed." [This is precisely what is happening](#).



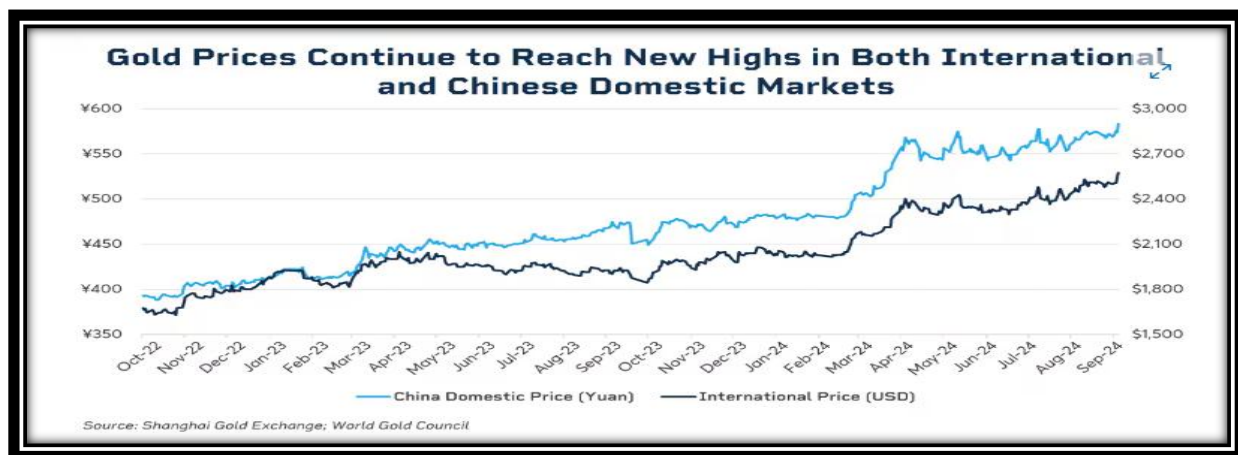
Where is the **London Bullion Market Association (LBMA)** getting their **gold** to ship? They have little and we are learning that much of it is *rehypothecated* at the **Bank of England** with dual claims. **UK** analyst **Frank Veneroso** "estimates that between a *third and half* of all central bank gold had been *leased or swapped*, sold into the market and lost. More recently, leasing centres such as the **Bank of England** transferred ownership from lessor to lessee by book entry transfer, the gold not normally leaving the vault. That changed with the recent panic, with lessees queuing up to take gold out of the bank's vault and ship it to NY." In other words, **paper promises** are leading to **delivery defaults** or *force majeure*, and I'll have more on this important development that is being covered up by the media in my next newsletter. **Below** is what a **Tier 1 Asset** looks like because **gold** (and silver) is real money that has *intrinsic value* and preserves wealth over time. I call it Biblical and Constitutional money.



**Central banks** have been net buyers of gold since **2010**. Even though they disparage and **suppress** the metals they also know it is **real money**. A **rising gold price** serves as a *warning* when demand increases. "When the central planning regulators at central banks *short-circuit* important market price signals such as the price of gold and interest rates," [writes David Jensen](#), "very bad things happen."

He continues, “And when central bank monetary policies - such as driving a series of escalating asset bubbles in succession are put into effect over decades after shutting-off the gold and silver *monetary warning system* - chaos will result in the currency and bond markets.” This is unfolding now and **Trump’s tariff war** will only add to this. **Jensen** concludes, “The currency and trade conflict may escalate very quickly from here and lead to a global currency, bank, and debt restructuring - and much pain for those who do not own **gold and silver**.” You can read more of his work at [THIS LINK](#).

The **Trump** administration is promising a **New Golden Era** but it will be an era when **gold** returns to anchor a **new global monetary system** and some call it **Bretton Woods II**. The **SDR** could serve as a new reserve asset for international trade and include a **gold component** like the original **SDR**. The **Basel III Accord** is mandating **gold** with a view towards “re-pricing” gold to **\$20,000 - \$30,000/oz.** to restructure debts in a **monetary reset** and so on. Monetary authority [Jim Rickards has talked about this](#) and the **SDR** is a good candidate since the currency basket includes the largest economies of China, US, EU, UK and Japan. **China** joined the **SDR** unit in **2016**. As I have reported, **China** is the number one producer and *importer* of **gold** and is leading the **gold** rush as **seen in this chart**.



**China** is hoarding **gold** in anticipation of a crisis/reset scenario. **Trade wars** will only accelerate the tension between the **US** and **China**. Congress granted [Most Favored Nation](#) status to **China** in **2000** to entice them to join the **WTO**. Since then bi-lateral trade with US/China soared **700%** and the growing trade deficit is a direct result of **Triffin’s** dynamic – not bad trade deals that require **US** tariffs. The **Trump Team** wants to [revoke MFN status](#) for **China**. But [serious studies](#) indicate this would be very dangerous. Yes, **China** has human rights violations and they act like Communists but we always knew that. Remember, trade is with *individuals* not countries. Exports to the **US** represents **14%** of Chinese trade (2.9% of GDP). [If MFN is revoked](#) it would disproportionately hurt the **US**. Agriculture will require **US** subsidies (again), Chinese import tariffs would be stiff and a **40-50%** drop of all **US** exports to **China**! **China** is likely [to strike Taiwan](#) and dump **US** bonds either way. This *crisis of confidence* would force a new global monetary system and this has profound *prophetic implications*. The **Bible** indicates that **Europe** will be the western leader in the final days (Dan. 2:31-35, 41-43). The **US** has a larger **GDP** but based on **PPP** the **EU GDP** is about the same – [LINK](#). The **SDR** could heavily favor the **Euro** since the **USD** would collapse and the **Chicom**s don’t have an open capital account. I don’t think we’ll have to wait much longer to see which direction things go, but in the meantime **precious metals** keep advancing on world markets. In a recent interview **Ed Steer** discusses how the **US** has been in decline since **1971**, the **China gold** hoard and **silver**. Start at the **7-min** mark if you have time.

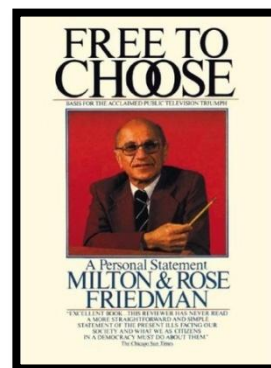
[\*\*Ed Steer: Silver Deficit is Hitting Brick Wall in 2025\*\*](#)

As **Ed Steer** points out, the raw supply of **silver** has been in **deficit** for **five years** and is about to go critical. [Noting this, Rick Mills](#) says, “silver should be more valuable than the current **gold-to-silver ratio of 91**....silver could be on the verge of its biggest breakout in history, with projections of **\$50** an ounce by mid-year.” [Below is a fantastic historical chart I saw exposing the fake silver price today!](#)



The current ratio is **1:100** with **gold** at **\$3,250/oz.** and a **1:15 gold/silver ratio** would suggest **silver** at **\$220/oz!** **David Jensen** says this is “[inevitable](#)” because the **evil banksters** have short-circuited the normal supply/demand warning signals and the current delivery stress from **London** to **Crimex** will result in defaults for **silver** as well. [Jensen’s research reveals](#), “the average daily silver trading volume in London equates to **2.4 billion oz.** of silver daily turnover and standing claims of **5 billion oz.** of silver for immediate London delivery. In a world that sees mine production of silver at **830 million oz.** per annum and an increasingly illiquid global physical silver market, *this is heading for a spectacular resolution* as the market disposes of a decades-old price rigging system operated under the oversight of the Bank of England [and Crimex].” In other words, this massive **shell game** will leave banksters, lessors, lessees and paper traders empty-handed. And keep in mind, this has been coming long before the **Trump** tariff debacle. I could say much more about **silver** but that will have to wait until the **May** newsletter, which happens to be the next critical delivery month for **silver** at **Crimex!** Oh boy. I will leave you with [this comment by silver researcher Jesse Colombo](#). “The price of silver should be significantly higher than its current level. While this is infuriating from a moral standpoint, it also presents a **once-in-a-lifetime opportunity** for patient silver stackers to acquire the metal at artificially low prices before it breaks free from manipulation and soars—just as gold did one year ago.”

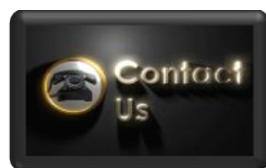
**Summary & Conclusion.** The outlook for **gold** and **silver** is strong and this golden era will have a **silver lining** when the gold/silver ratio is even **1:30** like **2011**. Regarding the trade issue you need to arm yourself with the facts. Even if you disagree with me, it is your responsibility to think for yourself. **Milton Friedman** is a good resource and he exposes the **fallacy** of a “fixed pie” and there can only be **winners and losers**. This **binary** argument perfectly fits the **Trump persona** and his policy to *beggar* all of our neighbors. This approach is authoritarian and more like social engineering. Import tariffs have always been a token revenue source but history shows that it can be dangerous and counter-productive when used as a weapon. Yes, it *sounds patriotic* but eventually it hurts domestic consumers with regressive taxes, less choices and job losses.



As **Friedman** stresses, individuals need to be free to choose. You can watch his **10-volume series** on **Youtube** that helped define the **Reagan** years. The **Trump Team** insists that we have been abused and ripped off for years and marginalize their critics. **Conner O’Keefe** (Mises) counters with **THIS CLIP** and briefly explains how punitive tariffs will hurt the **US** and that **Trump** critics are right this time. As someone once said, a lie told once is a **lie** and a lie told **1,000** times is a **fact**. And this is not a **binary partisan choice** between **red team** (Fox) and **blue team** (CNN). This is a liberty issue based on logic and facts. Consider **THIS beekeeper** who voted for **Trump** three times but is now losing his business. He concludes saying tariffs are a mistake and he’s not sure who to blame. We will continue to see this in the following months. As someone said, facts are stubborn things, *but not as stubborn as fallacies.*

As I have covered, our **trade imbalance** goes back to the **1970s** and it seems that pundits are either too ignorant or embarrassed to mention our **US** dollar imperialism and **Triffin’s Dilemma** and it is better to play the victim. As **Jeremy Warner** stated, this “mechanism...in effect *requires* the **US** to run big, compensating **fiscal** and **trade deficits** so as to supply the rest of the world with **dollars** it demands.” There have been other factors but this is key. **Freidrich Hayek** reminds, “practically all governments of history have used their exclusive power to issue money to defraud and plunder the people.” In this case the **US** has *defrauded* and *plundered* the world. The current monetary experiment is doomed and things are lining up in a **prophetic matrix** that we would expect to see. And I would be amiss if I did not mention a more urgent **binary theme** that we see in the **Bible** regarding **heaven and hell**. In eternity there will only be lost and saved people. **Jesus** asked, “What would it profit a man to gain the whole world and lose his soul?” (Mk. 8:36). When we have faith in **Him** for “the forgiveness of sins” we can have **eternal life** and a **true liberation day** (Col. 1:1-13-14). Jesus has paid our sin debt on the cross and I pray that you have this assurance. To find out more go to **THIS LINK** on my website.

**Until Next Time, Your Messenger from Sandpoint** 🙏



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