# Japanese Monetary Meltdown & Precious Metals Updates

Posted May 7th, 2016

By www.chuckcoppes.com

*"There aren't any such things as a quantitative limit or anything, any numbers we can't overcome."*

- **Bank of Japan, Governor Haruhiko Kuroda, March 31, 2016**

*"When interest rates get to zero – and that isn't the endpoint; they could go negative – savers are destroyed. And savers are the bedrock of capitalism."*

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

*"To our surprise, Japanese retirees have been willing to hold government debt at zero rates, but the marginal investor will soon not be a Japanese retiree."*

- **Olivier Blanchard, Economist at the International Monetary Fund**

*"The US is closer to a Japanese-style outcome than at any time in history."*

- **James Bullard, President of St. Louis Fed**

*"All fiat currency returns to its intrinsic value – of zero."*

- **Francois Voltaire (1694 – 1778)**

**Greetings Again,**

**And thanks for your patience.** I have had a busy month or so and catching up with all the news stories, political shenanigans and **monetary madness** that has engulfed the world. I have been wanting to address the dire situation in **Japan** for the past year or so, and things are beginning to go critical in this island nation besieged with fiscal chaos, aging demographics and radiation. Talk about *bad karma!* This story is ***important*** because it is a preview of things to come for every central bank in the world and their unsuspecting populations. We are witnessing an "ugly end game" for the **Bank of Japan**, and what happens to this industrial nation will be instructive for all of us. **Trust me.** You can not address the abuses of the Japanese Central Bank (**BOJ)** without taking into consideration the abuses of *ALL* central banksters in the past several years, and what is coming. I have reported on this many times in my past newsletters, podcasts and interviews. So let's get started, and thanks for hanging in there with me. **These epistles** can be a bit weighty, but I know you can handle it.

**When it comes to central bank abusive practices and exploiting reserve currency status, the USA has no peer.** Indeed, the US took the **Bank of England** central banking model created in **1694** and allowed a criminal banking cabal to establish the (so-called) **Federal Reserve System** in late 1913. All of this history is in my book, and will be glad to send you a copy at this LINK. The primary function of a central bank is to monetize (inflate) government debt (bonds) and create inflation (rise in prices). This also devalues the currency (hidden tax) and allows governments to service sovereign debt with cheaper dollars (financial repression). But the **real essence** of central banking was captured in a report out of the ECB on April 5, 2016 in an "Occasional Paper Series" addressing capital levels and risk assessment. **Here is a sample from this report noting central bank loss/profits**:

# The *Essence* of Modern Central Banking!

As an example of a central bank that offsets a loss against future profits, the **Federal Reserve System** specifies that it remits the entire net surplus to the US Treasury, after payment of dividends to its shareholders, and after the surplus fund has reached the maximum limit, which is the same as the paid-up capital. If the net surplus is zero, there is no payment to the Treasury. In the case of a net loss, no remittance is made until future earnings are sufficient to cover that loss.[8]

[7] Central banks are protected from insolvency due to their ability to create money and can therefore operate with negative equity.

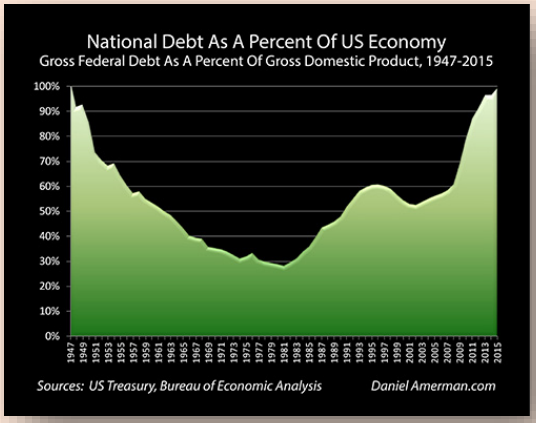
[8] See Carpenter et al. (2013). The value of the earnings that need to be retained to cover this loss is called "deferred asset" and is booked as a negative liability on the balance sheet.

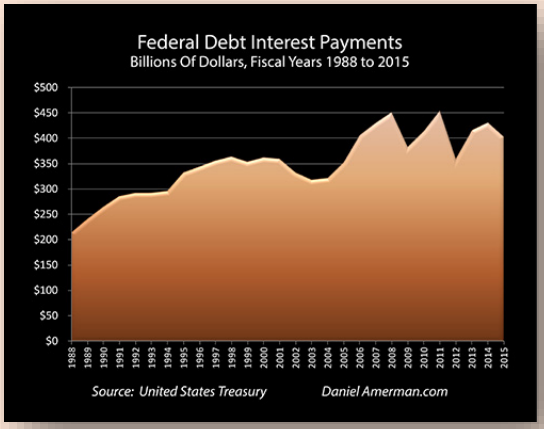
**In case you missed it**, central banksters are admitting that they can ***never*** suffer insolvency because they have the **"ability to create money."** The article notes the irrational contradiction of mentioning profits when there is ***never*** the possibility of any loss? "Printing money to fill 'loss' gaps by definition obviates any calculation of profit since the whole premise of risk/return ***does not exist***."

[7] Central banks are protected from insolvency due to their ability to create money and can therefore operate with negative equity.

Creating paper money **out of thin air** (out of future *debt*) if fraudulent, immoral and oppressive. Our Founding Fathers hated and despised unfunded paper money and the banking schemes coming out of Europe. **President George Washington** recounted the failure of the Continental currency in a private letter to Jabez Bowen of Rhode Island in January 9, 1787, and had this to say about paper money:

*"But if in the pursuit of the means we should, unfortunately, stumble again on **unfunded paper money or any similar species of fraud**, we shall assuredly give a **fatal stab** to our national credit in its infancy. Paper money will invariably operate in the body of politics as spirit liquors on the human body. They prey on the vitals and ultimately destroy them. **Paper money has had the effect in your state that it will ever have, to ruin commerce, oppress the honest, and open the door to every species of fraud and injustice**."*



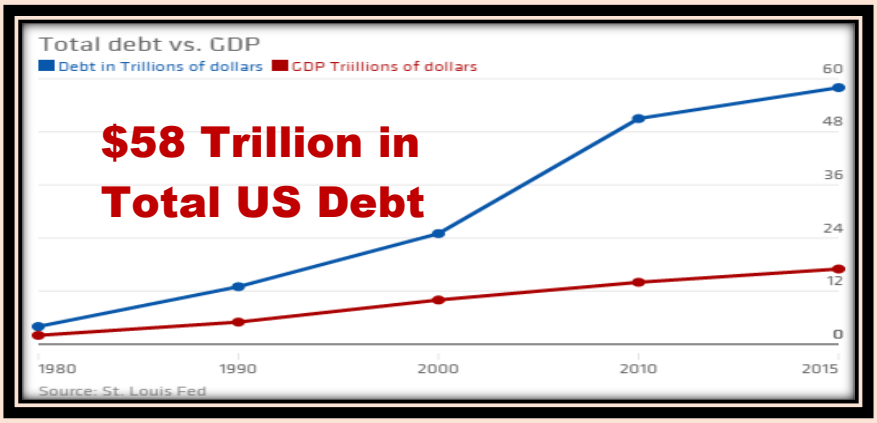

**In 1816, Thomas Jefferson warned, "We must not let our rulers load us with perpetual debt."** As the **charts above** reveal we have not heeded this warning at all. In 1790, we started out with $75 million in debt and hit our first **$1 billion** in 1863. After WWII our debt was $240 billion, or 112% of GDP. We hit our first **$1 trillion** in 1980 and have progressed to **$6 trillion** in 2008, and currently it is over **$19 trillion**, or back to 112% of GDP (left chart). Central banks may create money out of debt (bonds), but the interest on that debt is getting unserviceable (right chart). According to the **McKinsey Global Institute** our global debt is now $200 trillion and interest rates are being forced to the zero bound, and even negative rates on bonds! In a recent ARTICLE by **Etai Friedman** of Eyal Capital he stresses how we are at the end of a **35-year credit-supercycle** and the central banksters cannot service more debt when the next crisis comes – which it will. "This is the most precarious moment in **financial market history** because as the world slides into recession global central banks have no ability to soften the oncoming recession with debt creation. Globally interest rates are close to zero and even negative in Europe and Japan. Long term government bond yields are also extremely low. This is sending a very clear and **ominous signal** that the world cannot service more debt and in fact needs to deleverage and get on more solid financial footing." **Bill Gross** is saying the same thing in a recent *Barron's* article, as the world debt markets are nearing total collapse (defaults):


# Bill Gross: *The World Can't Take More Debt!*

***By David Floyd | April 11, 2016, wwwinvestopedia.com***

**In an interview with *Barron's* for the magazine's April 11 issue, Pimco co-founder and Janus Global Unconstrained Bond Fund manager Bill Gross spoke about the implications of credit**

**growth and negative rates, both for investors and for the capitalist system as a whole, both of which he says has been rendered vulnerable by central banks' actions over the past 40 years.** Gross has a knack for coming up with evocative images to portray the increasing prevalence of debt. In his March outlook letter, he opted for the sun, representing "the global, credit based economic system," devouring the earth, which evidently stands for itself.

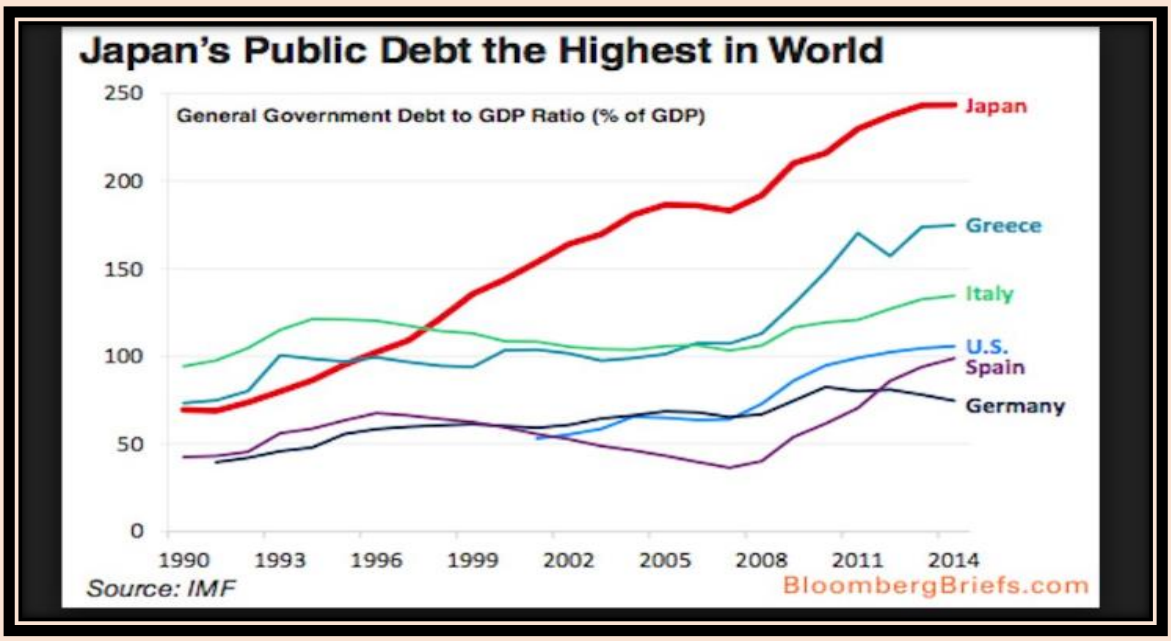



**Speaking to Barron's, he cited the same statistic as he did in March: mortgages, government debt and business debt had ballooned from $1 trillion in 1971 – both the year Nixon took the U.S. off the gold standard and the year Gross started at Pimco – to $58 trillion today**. But rather than the planet's inevitable death by fire, Gross opted for the "wafer-thin mint" scene from Monty Python's "The Meaning of Life," in which a profoundly obese man eats and eats until he can't anymore, but allows a persistent waiter to feed him the single, "wafer-thin mint" that causes him to explode. "For the past 40-plus years, central banks have been able to print as much money as they wanted, and they have," Gross explains, adding that while the system will "probably not" explode if fed another mint's worth of debt, "we're to the point where every bit is less and less fulfilling." According to **Gross**, this glut of credit threatens some of the key assumptions undergirding capitalist economies. First, central banks will have to adjust: they "believe that the historical model of raising interest rates to dampen inflation and lowering rate to invigorate the economy is still a functional model. **The experience of the past five years, and maybe the past 15 or 20 in Japan, has shown this isn't the case."** Insurance companies are also under threat, since their business models depend on consistent rates of return that are almost impossible to achieve when "money returns nothing." The same goes for pension funds such as **California's, Puerto Rico's, Detroit's and Illinois'**. **But Gross appears to be most worried about the impact on savers, saying, "When interest rates get to zero – and that isn't the endpoint; they could go negative – savers are destroyed. And savers are the bedrock of capitalism. Savers allow investment, and investment produces growth."** He posits a scenario that many observers have worried about since the introduction of negative rates, arguing that if savers take their savings out in cash, the system would "implode."……READ MORE.

**Total debt in the US** is now ***three times*** our GDP, and **Bill Gross** is now predicting that the entire financial system will implode shortly. **You can listen to this sobering two-minute clip below**:

## Bill Gross Video: Financial System Will Suffer an Implosion

I am often asked when we will have our **financial reckoning day**, and my answer is always the same. It will be the day that government bonds go no bid, of failed bond auctions, or even bond defaults (that leads to hyperinflation). And the ***most epic example*** of this looming event is – **Japan**!



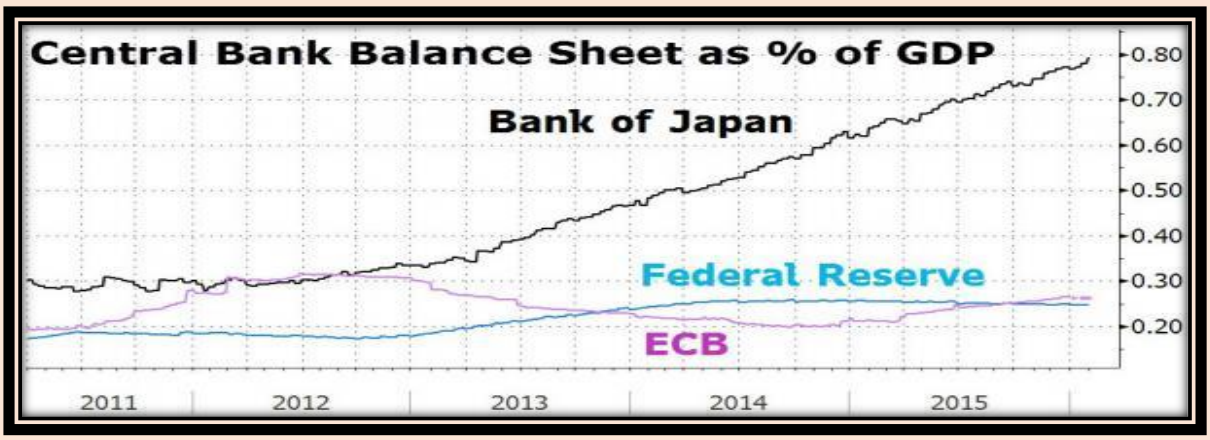

**And here is what financial analysts, pundits and newsletter writers like me are talking about**. Japan has the largest debt to GDP in the world, and this trend has been climbing since they launched **QE** (quantitative easing) in the late 1990s (chart). As the **Bank of Japan (BOJ)** has tried to spur growth after their real estate collapse in **1998** it cannot be supported by the **demographics** of the oldest society with negative birth rates. Does this sound like something coming to the US? You bet, and the **BOJ** is getting ready to inflate away its debt (hyperinflation) in a very **desperate end-game** that is likely to blow up their **$700 billion** (¥80 trillion) bond market. **This is going to be ugly!**

# Here It Comes—-*Ugly End Game for Japan On Debt Spiral*

***by Ambrose Evans-Pritchard at The Telegraph • April 14, 2016***

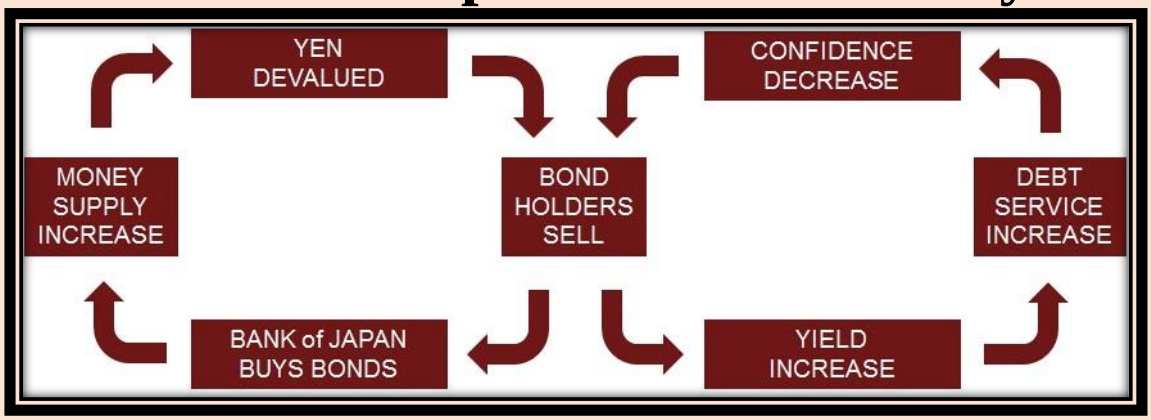
**Japan is heading for a full-blown solvency crisis as the country runs out of local investors and may ultimately be forced to inflate away its debt in a desperate end-game, one of the world's most influential economists has warned**. **Olivier Blanchard**, former chief economist at the International Monetary Fund, said zero interest rates have disguised the underlying danger posed by Japan's public debt, likely to reach 250pc of GDP this year and spiraling upwards on an unsustainable trajectory. **"To our surprise, Japanese retirees have been willing to hold government debt at zero rates, but the marginal investor will soon not be a Japanese retiree,"** he said. Prof Blanchard said the Japanese treasury will have to tap foreign funds to plug the gap and this will prove far more costly, threatening to bring the long-feared funding crisis to a head. "If and when US hedge funds become the marginal Japanese debt, they are going to ask for a substantial spread," he told the Telegraph, speaking at the Ambrosetti forum of world policy-makers on Lake Como. **Analysts say this would transform the country's debt dynamics and kill the illusion of solvency, possibly in a sudden, non-linear fashion…**….READ MORE.

It is truly sad to see this industrial nation heading for ruin, and especially as **Japanese retirees** are holding on to **government debt** (always sold as *safe investments* – ha!), and their entire generation has been impoverished, marginalized and oppressed by central bank madness at the **BOJ.**



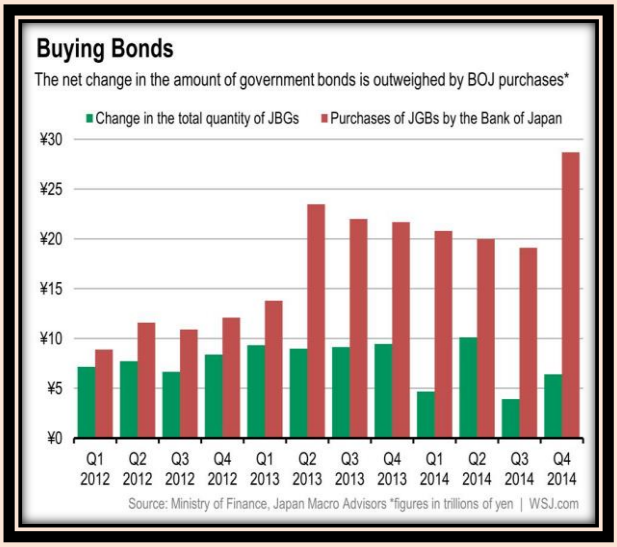

**<u>As you can see in this chart</u>, the BOJ is buying most of their debt issuance.** Estimates are now as high as ***90%*** of their balance sheet (the US has *27%*, or $5 trillion). Can this be sustained? Not likely and Japan seems to be on the path to a **monetary meltdown**, and yet their leaders seem unfazed. During a recent parliamentary session, **BOJ Governor Haruhiko Kuroda** stated that his **QE** policy has no limit, and rejected any comments that central banks have run out of ammunition. **Karoda** boasted, "There aren't any such things as a quantitative limit or anything, any numbers we can't overcome." This kind of reckless fiscal policy is now becoming the new normal, and Japan is locked into a **debt spiral** that can best be illustrated in **this chart** by veteran currency trader **Tres Knippa**:

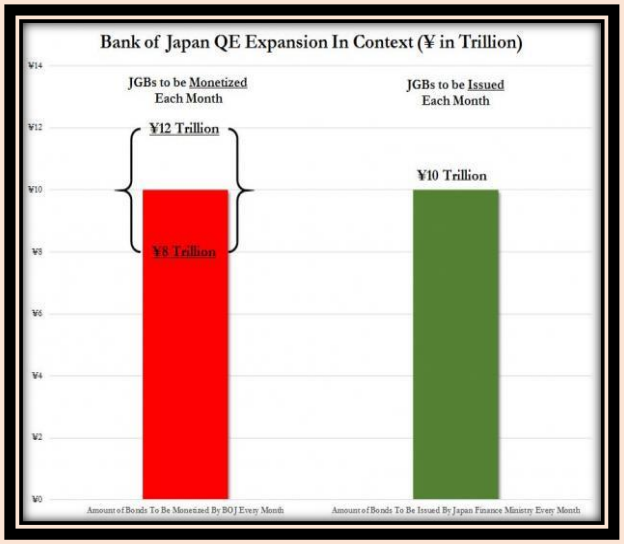
# The Bank of Japan Endless Debt Cycle




*"The problem with devaluing the Yen is that it may encourage bond holders (outside the Bank of Japan) to sell, as bond holders are typically averse to being paid back in a currency that is becoming worth less and less over time.* ***<u>The further the Yen declines, the greater the pressure to sell becomes for the bond holders, and conversely, the greater the pressure for the Bank of Japan to continue supporting the price of bonds. Requiring - you guessed it - more Yen!</u>*** *And so the downward spiral may begin: weaker Yen, higher yields, more debt –* ***accelerating and compounding through an unsustainable "negative feedback" cycle that can result in insurmountable debt service."***

As **Tres** has said here, there is no **negative feedback loop** to stop this cycle and he sees an historic opportunity to short Japanese debt with potentially huge profits in the FOREX. One strategy is to short the yen with gold (GYEN), and there is more at his WEBSITE. You will notice that there is only one thing postponing this **reckoning day** – and that is *CONFIDENCE*. **This is all they have.**




**Here is precisely what is going on at the BOJ headquarters.** The **BOJ** is holding $712 billion in government bonds and these charts reveal the dizzy pace that **Karoda** is piling on. The **IMF** is getting concerned and issued a paper last fall, "Portfolio Rebalancing in Japan; Constraints and Implications for Quantitative Easing," which stated that the **BOJ** needs to taper their debt-issuance by **2017.** "There is likely to be a 'minimum' level of demand for JGBs from banks, pension funds, and insurance companies due to collateral needs, asset allocation targets, and asset-liability management requirements. As such, the sustainability of the BoJ's current pace of JGB purchases may become an issue**."** ***May become an issue??*** How about the nuclear economic equivalent of **Fukushima**, and now the **BOJ** is buying the majority of Japanese **ETFs** since it has most of their bonds! ***Crazy!***


# The Bank of Japan Already Owns Over Half of All ETFs; *It Wants to Own More!*

***zerohedge.com / by Tyler Durden / 04/15/2016 08:55***

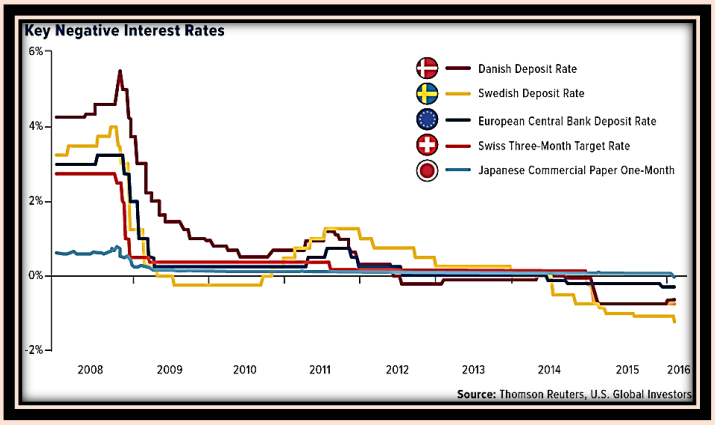
Less than six months after we pointed out that the BoJ owns 52% of the entire Japanese ETF market, **Reuters reports that the Kuroda's Peter Pan fairy tale, aka the Bank of Japan, is thinking about buying even more**. The BoJ is said to be currently buying $30 billion of ETF's a year under its current policy, however since the Nikkei is down over 10% this year, that figure is apparently not

enough to keep the market propped up. "Increasing **ETF** buying in huge amounts, combined with a modest increase in bond buying and an interest rate cut, could be the only way left to surprise markets," said a former BOJ executive who retains close contact with incumbent policymakers. The reason for the BOJ's desperation shift to monopolizing the equity market next is that as we have warned since 2014, **it is running out of bonds to purchase**: "the BOJ's huge bond purchases are also drying up market liquidity, which further limits the scope for a large increase."….**READ MORE**

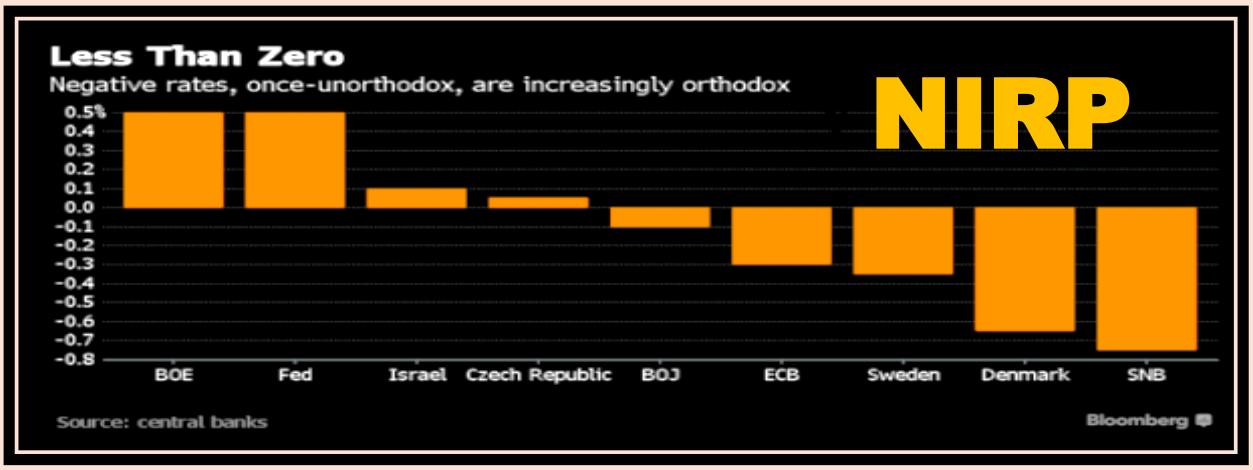
Latest word is that the **BOJ** is also venturing into the Japanese REITs (real estate trusts) and buying up corporate bonds as well. **Tres Knippa** has spoken to Japanese leaders and he says they are absolutely ***clueless*** about any risk in their capital markets. It seems to be a kind of **collective cognitive dissonance** similar to the build-up to the subprime madness in **2008**, which included a heavy dose of **moral hazard** as everyone discounted risk. People by nature don't like to hear **bad news** (the normalcy bias), but this is getting serious, and it will have implications for everyone trusting in paper currency and inflated markets from Hong Kong, London to New York. European banks introduced **negative interest rates** (NIRP) in **2014**, and now **Japan** has joined their folly earlier this year:

**Table 1 List of countries with NIRs**

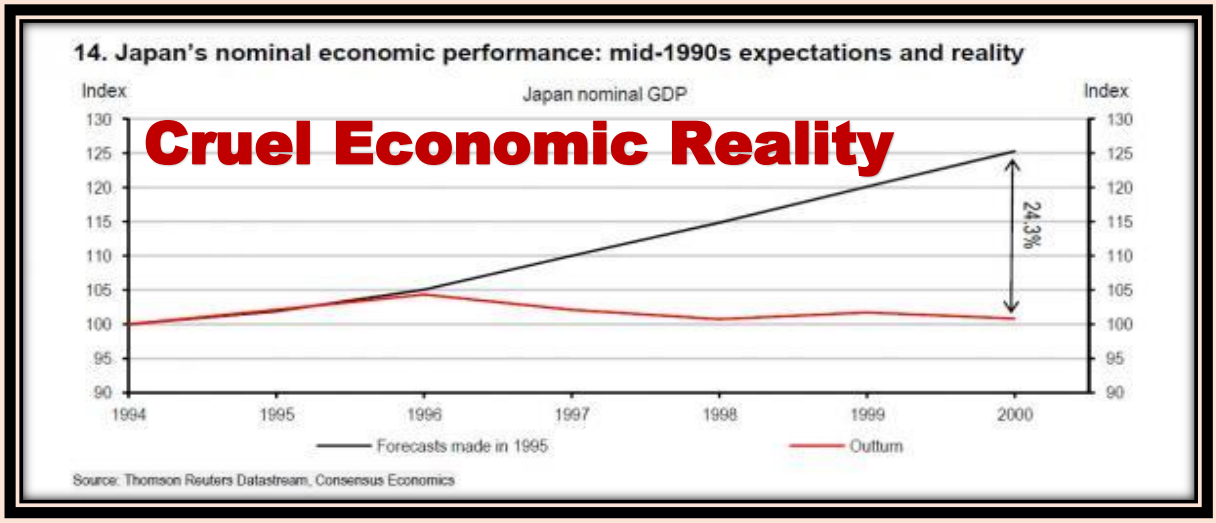
| |
|---|
| **Central Banks with Official NIR** |
| The European Central Bank |
| Swedish National Bank |
| Swiss National Bank |
| Denmark |
| Bank of Japan |
| **Countries with Negative Interbank lending rates** |
| Austria |
| Denmark |
| Germany |
| Finland |
| Ireland |
| Netherlands |
| Spain |
| Sweden |
| Switzerland |




**As you can see here**, the **Financial Crisis of 2008** caused central banks to drop rates to zero (ZIRP), and now servicing huge debts has forced NIRP, which is trying to accomplish two things. The first is to reduce debt servicing, and the other is to punish savers and depositors at the banking level to force them to borrow and spend money into the economy. Economists refer to this as the **velocity of money,** and since **70%** of the economy is consumer spending the banksters are trying to get people to spend money into the economy. Is it working in Japan? Not a chance. People are **hoarding cash** so badly that it has been rumored that they are ***running out of small safes to secure cash!***



**Denmark's** central bank governor **Lars Rohde** recently admitted, "We have reached a point where monetary policy no longer has a big overall impact. It is over-stretched and there's a limit to what more one can do." Keynesian economists preach that *borrowing and spending* is the way to grow an economy, and the Austrian School proves that it is only *production and saving* that leads to a healthy economy. All debt is future consumption and we are mortgaging the future. Now with NIRP we are reaching the outer limits. The conclusion from the NIRP link above states, "Negative interest rate policy is inherently self-defeating, as are more traditional forms of monetary pumping….This, in a word, is ***insane***. While debt continues to grow, the economy's ability to create the wealth that will be required to repay it is concurrently undermined. We cannot be sure what shape the *next* crisis will take….However, we *do* know what the *last* crisis of the current system will look like. It will entail a **crumbling of the public's faith in fiat money** and the institutions that issue and administer it."




**Here is a chart that illustrates the economic reality in Japan**. In **1995**, they predicted consistent economic growth, but **the red line** is the cruel reality being felt in their society. In March of this year the Japanese government proposed giving "gift certificates" to low income people to spur spending. **Why certificates?** In the past year cash hoarding has grown from ¥5 trillion to ¥40 trillion and they are desperate to encourage spending through *certificates!?* But here is the **cruel economic reality** in Japan as their **elderly retirees** are turning to **crime** just to survive in their prison system!

# *A Shocking Look* at What the Elderly Are Now Doing *Just to Survive in Japan!*

***kingworldnews.com / April 12, 2016***

On the heels of the IMF downgrading their global growth forecast, below is a shocking look at what the elderly are already doing just to survive. Here is a portion of today's note from Art Cashin: Grandpa Goes To Jail – Willingly – The incredibly sharp-eyed Grant Williams found a **disturbing new trend in Japan**, which was described in an **article** in the FT. Here's how the article began: **Japan's prison system is being driven to budgetary crisis by demographics, a welfare shortfall and a new, pernicious breed of villain: the recidivist retiree. And the silver-haired crooks, say academics, are desperate to be behind bars. Crime figures show that about 35 percent of shoplifting offences are committed by people over 60. Within that age bracket, 40**

**per cent of repeat offenders have committed the same crime more than six times**. There is good reason, concludes a report, to suspect that the shoplifting crime wave in particular represents an attempt by those convicted to end up in prison — **an institution that offers free food, accommodation and healthcare…….READ MORE**

**Again**, it is sad to see a proud industrial nation being reduced to this kind of poverty and humiliation, but I fear that this combination of **debt, deficits and demographics** is going to visit the **US** in the very near future. According to THIS article, the average state pension in Japan is a meager ¥780,000, or $6,900 in US dollars, or **$575** a month. This is a humanitarian crisis in Japan as well as Greece and other nations today, and the **following article** highlights the new poverty levels here in the **US**.

# 47% of Americans Can't Even Come Up with *$400 To Cover an Emergency Room Visit*

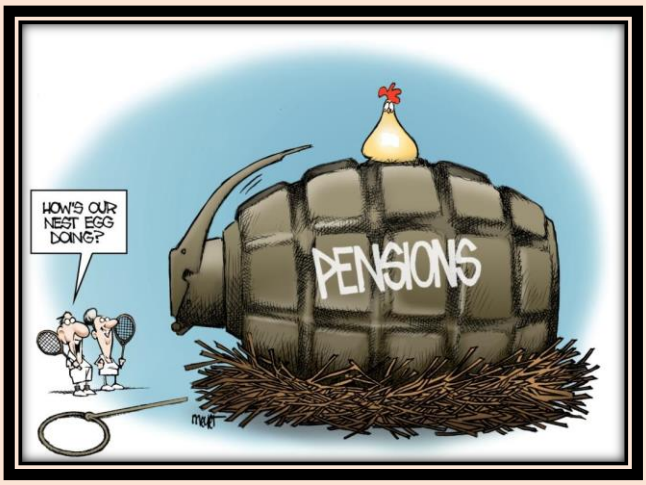
***theeconomiccollapseblog.com / By Michael Snyder / April 20th, 2016***

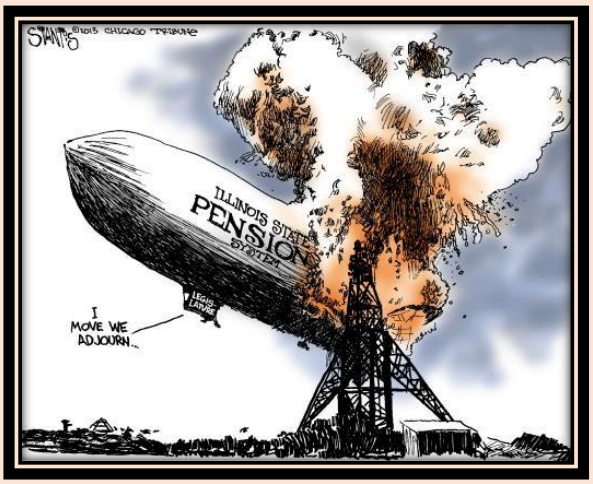
If you had to make a sudden visit to the emergency room, would you have enough money to pay for it without selling something or borrowing the funds from somewhere? Most Americans may not realize this, but this is something that the Federal Reserve has actually been tracking for several years now. **And according to the Fed, an astounding 47 percent of all Americans could not come up with $400 to pay for an emergency room visit without borrowing it or selling something. Various surveys that I have talked about in the past have found that more than 60 percent of all Americans are living to paycheck to paycheck, but I didn't realize that things were quite this bad for about half the country. If you can't even come up with $400 for an unexpected emergency room visit, then you are just surviving from month to month by the skin of your teeth. Unfortunately, about half of us are currently in that situation**. Earlier today someone pointed me toward an excellent article in *The Atlantic* that discussed this, and I have to admit that *The Atlantic* is one of the last remaining bastions of old school excellence in journalism that you will find in the mainstream media. …The article where I found the 47 percent figure comes from *The Atlantic*, and it is entitled "The Secret Shame of Middle-Class Americans". **It was authored by Neal Gabler, and he says that he can identify with the 47 percent of Americans that don't have $400 for an unexpected emergency room visit because he is one of them**… I know what it is like to have to juggle creditors to make it through a week. I know what it is like to have to swallow my pride and constantly dun people to pay me so that I can pay others. I know what it is like to have liens slapped on me and to have my bank account levied by creditors. I know what it is like to be down to my last $5—literally—while I wait for a paycheck to arrive, and I know what it is like to subsist for days on a diet of eggs. I know what it is like to dread going to the mailbox, because there will always be new bills to pay but seldom a check with which to pay them. I know what it is like to have to tell my daughter that I didn't know if I would be able to pay for her wedding; it all depended on whether something good happened. And I know what it is like to have to borrow money from my adult daughters because my wife and I ran out of heating oil…….**READ MORE**

**I have noted the growing poverty in the US in previous newsletters** – the gap between the rich and poor, income inequality and class warfare being incited by demagogues, etc. It is now estimated that ***only 3-4%*** of the 80,000,000 babyboomers have any savings or retirement plan going forward! Now we are also learning that most state **pension funds** are going bust in the **US** as **covered below**:

# $3 Trillion Black Hole Could Destroy the Economy: *The True Extent of our Nation's Pension Problem Has Been Obscured*

***shtfplan.com / Mac Slavo / April 12th, 2016***

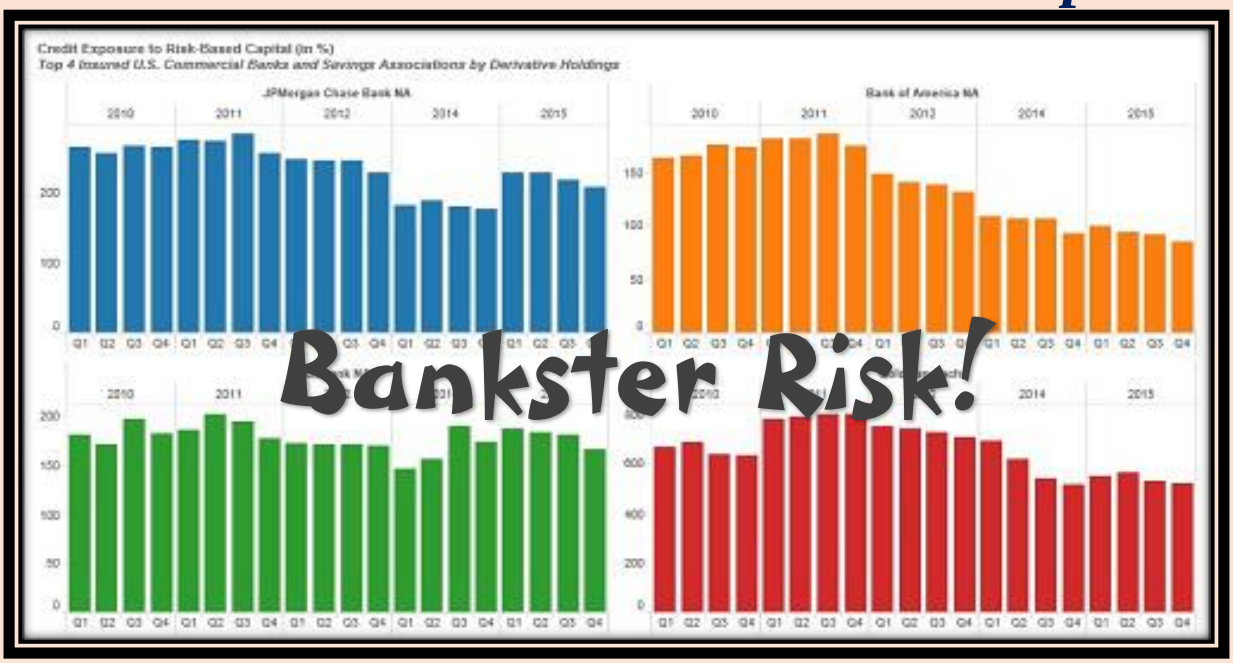



**Yet another reason why taxes are going up, cities and states are going broke, and the world is approaching financial implosion**… As if the world needed another dangerous and volatile factor in the mix of looming economic downturn. **Unfunded liabilities for pensions** have been a **problem for a while now**, but as investors continue to face fleeting returns, many states and **cities are facing the music**… and when it stops, there won't be enough money to go around. **Someone will lose their savings, their standard of living, their retirement and maybe their future. Others will be taxed to death to clean up the mess of the many places were the system is cracked, fissured and falling apart.** According to **FT**: **The US public pension system has developed a $3.4tn funding hole that will pile pressure on cities and states to cut spending or raise taxes to avoid Detroit-style bankruptcies.** […] the collective funding shortfall of US public pension funds is three times larger than official figures showed, and is getting bigger**. Devin Nunes, a US Republican congressman, said: "It has been clear for years that many cities and states are critically underfunding their pension programs and hiding the fiscal holes with accounting tricks**."……**READ MORE**

**Ah yes, those accounting tricks**! Just like they do at the **Fed** and with **Social Security** huh? Social Security is going bust in **13** short years, but you will *never* hear about this in the media. Cities and states are also going bust, and **Puerto Rico** has just defaulted on a $422 million payment this past week and has another $2 billion payment due in July with $70 billion more coming due. **Illinois** has total obligations of $111 billion, and **California** is facing a $500 billion deficit. **Detroit** has already slashed their pension funds by a *whopping 90%,* and according to THIS article **The Central States Pension Funds** serving 400,000 retirees has just slashed their monthly pensions by *nearly 50%!* And on it goes across the country. Even in this election year you are not hearing about this because the politicians really have no solution. Union thugs and political cronies all assumed a hefty ***7-8%*** on their institutionally invested funds, but none of this has been true in the era of ZIRP and NIRP. Nothing has been fixed since **2008**, and now the world is in much worse shape. THIS article highlights that "the next crisis will be ***THE*** crisis" and nations, states and cities are ill prepared.

# Wall Street Banksters & *Derivatives Exposure*




The world has leveraged unsustainable debt and unfunded liabilities to historic record levels, but nothing demonstrates **monetary madness** more vividly than the largest commercial banks and their notional ***derivatives exposure***. According to the Office of the Comptroller of the Currency (OCC), just **four** (**4**) US banks have the majority of derivatives exposure in the US. As seen here, **JP Morgan Chase** is leveraged 209% against available capital; **Bank of America** is 85%; **Citibank** is 166%, and **Goldman Sachs** is the leader at *516%!!* Derivatives are complex, unregulated contracts that "derive" their value from an underlying asset, index, interest rate or whatever. They are side bets and gambling with huge counterparty risk. Total derivatives are around $600 trillion and $500 trillion are interest rate sensitive (CDS). These **four banks** hold $240 trillion of this combined risk, but these banksters were successful in **December 2014** to literally repeal **Section 716** from the 2010 Dodd-Frank Financial Reform Bill that limited taxpayer bail-outs. The "push-out rule" originally stated that risky CDS at these banks would be pushed out to their affiliates and not pushed onto the FDIC, etc. Why is this important? It means that this phony "reform bill" makes not only taxpayers liable, but also bank depositors will be considered "unsecured creditors" to recapitalize these banks with bank bail-ins!! In **December 10, 2012** the FDIC and Bank of England issued a **15-page report**, "Resolving Globally Active, Systemically Important, Financial Institutions" that is the Cyprus-style template for these banksters! **Ellen Brown** wrote on this in **2013**, and you must read her urgent warning:

## Bank Confiscation Scheme Planned for US Depositors!

You need to read the **15-page FDIC/BOE report** linked in this article – I have and it is blatant theft of bank deposits when the financial system blows up. **Lehman's** "unsecured creditors" got 8¢ on the dollar, and this scheme goes even further. Canada just adopted bail-in legislation and is following the US and EU. THIS ***must read*** article spells it out – the FDIC will step in during the crisis and replace management, they will convert debt into equity, depositors will become creditors and be given bank stock in return, and there is NO FDIC coverage since *you are NO longer a depositor!* Get it? Are you mad as hell yet? This is all referenced in that **15-page report** for all to see. **Read it.**



**What does it tell you when governments, central banks, the commercial banks (you know, the globally and systemically important banksters) are all conspiring to front-run the coming monetary reset?** It tells you that you need to lower your exposure to this crime syndicate, but it actually gets worse my friend. These same people have launched a **war on cash** and this bankster campaign has gone global. Apparently the **war on cash** has been aided by the abstraction called the **war on terror**, and in order to fight nefarious deeds we need to eliminate large bills in circulation. See the connection?? **I didn't think so**. Who is promoting this? The **above four banks** that are restricting large bills at ATMs and governments that are eliminating large bills. The **Bank of Nova Scotia** has reduced ATM withdrawals from 800, to 400, to 300, to 200 and finally it is **100**. According to THIS LINK the EU has agreed to eliminate the **€500 euro note** by 2018 if not sooner. In the EU, the €500 euro note comprises **30%** of their currency circulation. In the US, **Larry Summers** says we need to eliminate the **$100 bill**, and this would cause a massive **78%** reduction of our currency in circulation! Is this about fighting crime, corruption and drug deals? Not in the least. As noted in the previous **link**, what the US and EU are "…truly doing is setting the scene for ever more aggressive **NIRP**, and by removing the highest denomination bank notes, it would make evading **negative** that much more difficult and costly." **Bingo!** And here is the police line-up of the **criminal banksters**:

Smiling **Larry Summers** (Harvard political crony), **Ken Rogoff** (CFR apologist), **Willem Buiter** (Citigroup), **Andy Haldane** (Bank of England) and **Martin Wolf** (*London Financial Times* shill), and you can read the short indictment at THIS LINK. As noted earlier, aggressive NIRP is needed to service debt and force bank depositors to spend money, but to really make NIRP work we need a **cashless society** – and ***THIS*** is the ultimate goal! With NIRP people will hoard cash (as they are doing in Japan), and it is only logical that we need to **eliminate physical cash** altogether, right? You bet, and this, of course, fits right into **Bible prophecy** and the "mark of the beast" (Rev. 13:11-18) that will be enforced by the **Antichrist** rising out of the European Union as outlined in my book.

**This is very insidious**. As covered in THIS short article, the growth of government surveillance and metadata collection is a grave threat to our freedom and civil liberties. When you link this to the **banksters** and a **cashless society** it is **pure evil**. Mac Slavo warns, "The NSA surveillance has never been limited to just ferreting out terrorists, its mass surveillance of every conceivable communications device has created a Big Data tracking system that can hone in on specific behaviors of anyone in the country, or can track the mass patterns of human society like a **school of fish**. Standing by complicit with the elimination of cash is surrendering yourself to a society based upon nothing more than **Big Brother** teamed up with the **Big Banks** – ***and what good could come from all of that?"***

**The answer to that is obvious**. Yet most people have ***NO*** clue that their (safe and sound) bond portfolios are at severe risk, pensions funds are under-funded, derivatives are ready to implode and their bank deposits are about to be used for bail-ins to recapitalize the failed fiat banking system. To herd this "school of fish" into the banking system and impose NIRP will require a **cashless society**. And this is where all of this civic-minded talk is coming from at the annual Davos Economic Forums and Bilderberg meetings. As **Bill Gross** concluded in his previous comments (page 4), "…if savers take their savings out in cash, the system would **implode**." The Anglo-American financial nexus knows that a crisis worse than **2008** is coming and they are "preppers" in their own wicked way. They are trying to trap people in the banking system to recapitalize and survive. Fractional reserve banking is hopelessly corrupt and beyond reforming. But, back in **2010** the people of **Iceland** did the right thing – they nailed and *jailed* the banksters! Read the delightful account here below:



# Iceland's Kviabryggja Prison: The One Place Where *Criminal Bankers Face Consequences*

***Submitted by Tyler Durden on 04/03/2016 16:18 -0400***

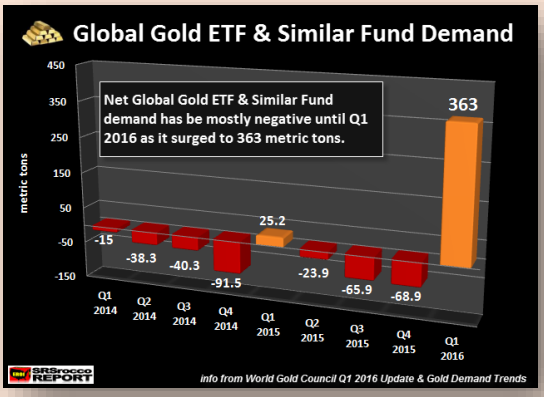
**What do Lloyd Blankfein, Jamie Dimon, James Gorman, John Thain, Jimmy Cayne, and any of the revolving door of AIG CEO's have in common? Three things come to mind rather quickly: 1) All were financial executives during the 2008 global financial crisis. 2) All of their firms received massive public bailouts. 3) None of them went to jail for their firm's involvement in said crisis**. As a matter of fact, most are still plugged in somewhere on Wall Street, presumably helping to facilitate the next great financial crisis. While everyday Americans were (and still are) quite disgusted with the fact that absolutely nobody was actually held accountable for the creation of the financial crisis, it's safe to say that most have given up hope that anyone will be convicted. **As a matter of fact, US Attorney General Eric Holder once said that banks are so large that it would**

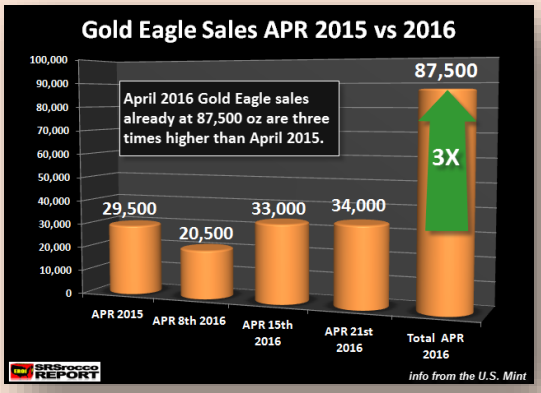
**be difficult to prosecute anyone. That's nice.** Enter **Iceland,** a small country of roughly 330,000 residents, whereas Bloomberg reports, bank executives are actively being prosecuted and sent to jail for their negligent actions. Unlike the **jellyfish** in the US, Iceland appointed **Olafur Hauksson** as special prosecutor to investigate bankers and their roles in the financial crisis. The result? **26 convictions of bankers and financiers since 2010**. In upholding the convictions**, Iceland's Supreme Court said that actions were "thoroughly planned", and "committed with concentrated intent" – refreshingly different than Holder's let's just let them get away with it**....READ MORE.

**Crony capitalism has sort of been perfected here in America**. In the recent movie, **The Big Short** (nominated for numerous Oscars) the directors/actors vividly portray the collusion on Wall Street to play nine trillion homeowners for suckers. In the aftermath, Wall Street attorney/crony **Eric Holder** told a Judiciary Committee on **March 6, 2013** that these US/Fed banksters were **too big to jail**:

> *"I am concerned that **the size of some of these institutions** becomes so large that it does become **difficult for us** to prosecute them when we are hit with* indications *that if you do prosecute, **if you do bring a criminal charge, it will have a negative impact on the national economy, perhaps even the world economy**"*

**How's that for a jellyfish response**? You can watch this despicable exchange in the Senate hearing at THIS LINK (one minute), and this is all we need to know about the future of capital markets, this nation and the naked exposure that all investors have with their conventional brokerage accounts, pension funds and the sinking value of the US dollar. The **money changers** from New York to London to Frankfurt are pushing us over the edge, and the **Japanese** experiment in nuclear monetary meltdown in Tokyo is setting the stage for the final "crack up boom" that follows every "credit expansion" to use the exact words of renowned economist **Ludwig von Mises**. (Google those words). So what is one to do in this dangerous environment with systemic risk and contagion everywhere?




**Let me draw your attention where the smart money is going in 2016, and these charts are telling an important story for every investor**. What do we see here? We see that **ETF** demand for gold is soaring and that sales at the US Mint for **American Gold Eagles** are setting new records. They say that ***the trend is your friend*** and I would seek the safety of precious metals. This advice will never be offered by financial planners/advisers. **Warren Buffett** has famously expressed his contempt for **gold and silver** and has suggested that investors simply own/hold the Dow and S&P for **50** years. Is this good advice? In the past **50** years the S&P index is up **24.3** and the Dow Industrial Average is up **18.2,** but **gold** has appreciated **36.6** in that same period (and **silver** even more). And this does not even account for fund expenses, dividends, cash drag, taxes and so on in the securities industry.

# China Prospecting for World's *Gold Mines*

## *Hunt by Chinese companies for overseas deals could make China an even bigger player in the global gold market*

***By Biman Mukherji, Updated April 10, 2016 8:48 p.m. ET, WSJ***

Here is a recent headline that has become all too familiar regarding the gold rush in Beijing through the **Shanghai Gold Exchange (SGE).** And the Chicoms are not alone in this gold rush. Bloomberg reports that the **Japanese** are also diversifying into gold after the **BOJ** announced their plans to plunge their interest rates into **negative territory** that has caused bullion sales to dramatically surge:

***"Gold sales surged in Japan through March after the country's move to set negative interest rates sent investors scurrying for a shelter**, a further sign that global central bank policy of keeping borrowing costs low or below zero is stoking demand for bullion. **Bar sales climbed by 35% to 8,192 kilograms in the three months ended March 31 from a year earlier**, Tanaka Kikinzoku Kogyo K.K., the country's biggest bullion retailer said."*

Here is a good example of **Gresham's Law** that bad money (with negative rates) drives out good money (gold and silver) into strong hands. And isn't it interesting that the **central banksters** are actually *net buyers* of gold since **2010**? **China** is both the largest *producer* of gold (500 tons per year) and the largest *buyer* of gold. According to Warren Buffet, Charlie Munger and **Harry Dent** the Chicoms are utterly stupid for hedging themselves in the yellow metal, and they are predicting a mean deflationary cycle that will see sink the barbaric relic to a mere 500 worthless fiat paper bills in the next year or so. Unlike the paper casinos operating in the West, the Chicoms are smartly moving into a position to force ***genuine price discovery*** for metals that will benefit them, as well as all investors in gold and silver. **On April 19th**, the SGE opened their anticipated yuan-denominated gold exchange that many believe will serve as a more legitimate benchmark for the price of gold than the crime syndicates in New York and London. We welcome this development, and the timing could not have been better as **Deutsche Bank** has been busted (see below) in **rigging the gold and silver markets!!**

# China's Big Four Banks, StanChart, ANZ to *Join New Yuan Gold Benchmark*

***Markets | Wed Apr 13, 2016 5:39am EDT, By A. Ananthalakshmi***

**Top Chinese banks, alongside Standard Chartered and ANZ, will be among 18 members to join a new yuan-denominated gold benchmark that signals China's biggest step towards becoming a price-setter for the metal**. **As the world's top producer, importer and consumer of gold, China has baulked at having to depend on a dollar price in international transactions, and believes its market weight should entitle it to set the price of gold**. The yuan gold fix, to be launched on **April 19**, is not expected to pose an immediate threat to the gold pricing dominance of London and New York, but it could ultimately give Asia more power, particularly if the Chinese currency becomes fully convertible. The Chinese benchmark price will be derived from a 1 kg-contract traded by the **18 members** on the **Shanghai Gold Exchange**, which will act as the central counterparty. The price-setting process will include China's big four state-owned banks, Industrial and Commercial Bank of China , Agricultural Bank of China, Bank of China and China Construction Bank…READ MORE.



# Deutsche Bank Admits It *Rigged Gold Prices, Agrees to Expose Other Manipulators!*

# Deutsche Bank *Confirms Silver Market Manipulation* in Legal Settlement

***zerohedge.com / by Tyler Durden / 04/14/2016 08:20***

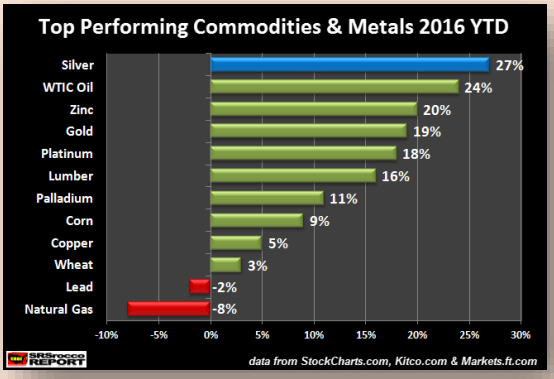
Back in July of 2014, we reported that in an attempt to obtain if not compensation, then at least confirmation of bank manipulation in the precious metals industry, a group of **silver bullion banks** including **Deutsche Bank, Bank of Nova Scotia and HSBC (later UBS** was also added to the defendants) were accused of manipulating prices in the multi-billion dollar market. The lawsuit, which was originally filed in a New York district court by veteran litigator J. Scott Nicholson, a resident of Washington DC, alleged that the banks, which oversee the century-old silver fix manipulated the physical and **COMEX** futures market since **January 2007**. The lawsuit subsequently received class-action status. It was the first case to target the silver fix. Many expected that this case would never go anywhere and that the defendant banks would stonewall indefinitely: after all their legal budgets were far greater than the plaintiffs. Which is why we were surprised to read overnight that not only has this lawsuit against precious metals manipulation not been swept away, but that the lead defendant, troubled German bank Deutsche Bank agreed to settle the litigation over allegations it illegally **conspired** with Bank of Nova Scotia and HSBC to fix silver prices at the expense of investors, Reuters reported citing a court filing by law firm Lowey. Terms were not disclosed, **but the accord will include a monetary payment by the German bank….READ MORE**

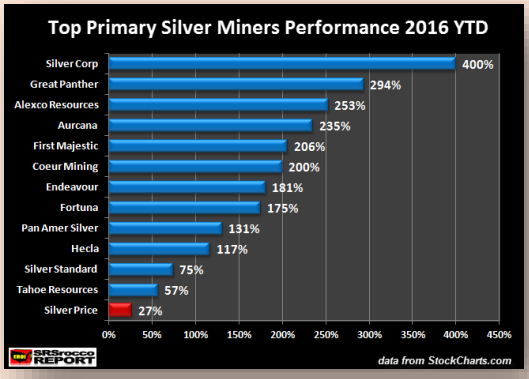
**This development is rather huge and long overdue**. Within hours of indicting these banksters for **gold rigging** the same charge came against them for **silver rigging** (of course). According to this very long analysis of this crime spree at THIS LINK, "…the plaintiffs are suing for antitrust violations, seeking lots and lots of money, claiming that the defendants engaged in a 'contract, combination or **conspiracy** in restraint of trade,' a violation of the Sherman Antitrust Act, etc." It is highly significant that Deutsche Bank dropped out of the **London Gold Fix** over a year ago, and this is an indication that they were feeling the heat along with their co-conspirators. The folks at the Gold Anti-Trust Action Committee (www.gata.org) have been exposing central bank collusion since **1998**, and they have been totally vindicated and offered this comment, "While of course **GATA** is delighted with the development, Deutsche Bank's confession is even more a vindication for silver market analyst **Ted Butler**, who was exposing silver market manipulation even before **GATA** got into the business." Most of you know investigative silver analyst **Ted Butler** and I need to comment below.

**On March 24, 2016**, Butler wrote an explosive article exposing **JP Morgan Chase** as the main silver market manipulator since **2008**, and I have attached the **short article** here for you to read:

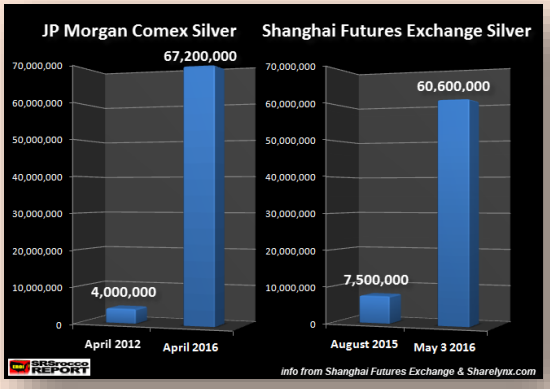
## Ted Butler: Five Years that Changed Silver Forever

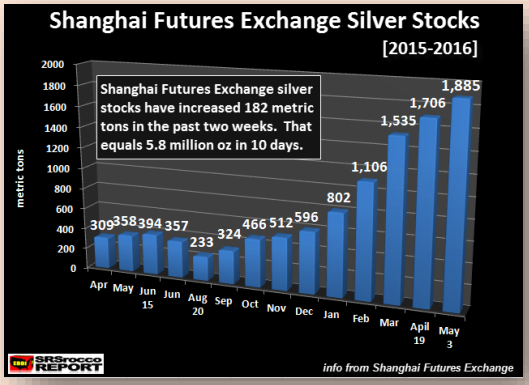
What **Butler** is saying is that silver reached **$49.85** in **April 2011**, and the banksters smashed the price down and JP Morgan Chase has the largest short position, and the largest physical silver hoard estimated to be ***450 million ounces!*** His conclusion is that COMEX is near default and JP stands to make billions and "anyone who aligns themselves with what JPMorgan has done and buys silver will most likely reap financial rewards of truly **amazing proportions**." Will JP Morgan Chase also be indicted for market manipulation? It is quite possible, but either way the past five years have set the silver market up for "massive gains" according to THIS item based on supply/demand dynamics and the current high silver/gold ratio of **70:1** and so on. Here are **some charts** for your consideration:




As you can see, silver is up **27% YTD** and has beaten every asset class (left), and silver mining funds are also up sharply (right). Do you have **silver** in your portfolio? I hope so. Silver demand and acquisition is up notably at **JP Morgan Chase** and the **Shanghai Silver Exchange** seen here:




The comparison **above** is the net increase in silver accumulation and the Chinese hoard is rather impressive. Everyone talks about gold, but **silver** is the one to keep your eye on in **2016-2017**:

# Why the Silver Price *Will Climb Higher in 2016* Despite Fed Uncertainty

***wallstreetexaminer.com / by Peter Krauth • April 4, 2016***

Silver

| Month | One ( oz. / #coins ) |
|---|---|
| January | 5,954,500<br>5,954,500 |
| February | 4,782,000<br>4,782,000 |
| March | 4,106,000<br>4,106,000 |
| April | 2,157,500<br>2,157,500 |
| Total | 17,000,000<br>17,000,000 |

*table from the U.S. Mint*

**The silver price became increasingly unstable last week thanks to comments from the U.S. Federal Reserve. The trading week began with upward momentum for silver prices. But other forces took charge and pulled the price of silver lower by the end of the week. In the near term, this weakness could well continue. But as I'll show you, the farther out we go on the silver timeline, the better the outlook becomes**……READ MORE

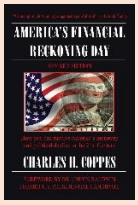
As most of you might be aware, the **paper index price** of metals is not driven by supply and demand fundamentals due to market intervention noted already, and all commodities are priced in US dollars and influenced by **Fed** announcements, interest rates and Dollar Index. As covered in this newsletter, **central banks** are trapped with ZIRP and NIRP and this is signaling market uncertainty and risk. In this environment the "flight to safety" is in cash, with smart money going into gold and silver as a hedge. As seen in the **chart above**, silver sales at the **US Mint** are soaring at a record pace. Last year the Mint sold **47 million** American Silver Eagles. Last month, the Mint sold 4.1 million bringing the total to **18 million** so far in 2016, which is 28% higher YTD and could exceed **54 million** in 2016. This is the longest streak in US Mint history and clearly reveals that market fundamentals are being severely distorted by the **banksters** who see gold and silver as…***kryptonite!*** Love that analogy. At some point the entire fraud and desperation of the banksters will fail and they know it. The notion that we need a gold or silver **"fix"** has now been exposed and I leave you with this final comment:

# *Fixing* the Silver Fix?

***truthingold.com / April 1, 2016***

**Why do we need a "silver fix"?** In an era of electronic, instantaneous communication, and with (supposedly) "free and open markets," **why do we need someone to tell us what the price of silver is supposed to be at a particular moment in time? Why can't market participants simply observe for themselves the current spot-price in our "free and open markets"?....**As regular readers know, the **Big Banks of the West** have been convicted of every form of financial crime in the books, most involving fraud (i.e. lying) in one form or another. The only reason that these fraud-factories haven't been convicted of far more crimes is because our corrupt governments have erased many of our former laws and **simply stopped enforcing many others**……..READ MORE

**Summary & Conclusion**. What is happening in **Japan** deserves our careful attention as we go forward. **Japan** is the third largest economy, based on nominal GDP, and the fourth largest importer and exporter with **130** million people. When this industrial nation **collapses** it will likely trigger counterparty risk and contagion in financial markets. This alone could force a **monetary reset**, but what will happen to the yen calibrated in the **IMF** Special Drawing Right? What happens to the global economy? How does **Japan** recover from this calamity? What will the **new order** look like? I address these issues in **my book** and tie this into Biblical eschatology. Global debt is unsustainable and all fiat currency returns to its intrinsic value – ***zero***. This hard lesson is being learned by the people in **Venezuela** at THIS hour. The global monetary system is sustained only by ***confidence***, or should we say pervasive ***ignorance?*** People know something is terribly wrong, and they want the **US** to be "great again," but thanks to bankster interventions, an historic credit bubble, manipulations, greed and apathy something *worse* than **2008** is coming at us and it is prudent to make **preparations**.




**Fed insider James Bullard states**, "The US is closer to a **Japanese-style outcome** than at any time in history." *What does he know?* He knows what I have shared this month, *and so do you*. I am watching EVENTS in **Venezuela** with *720% inflation*, but this will be nothing compared to what we see coming. If I can assist with precious metals for delivery, storage or into IRA accounts let me know. And I want to welcome new subscribers from CTM, C2C and other venues, and as a **special offer** I am sending **two** signed books for the price of **one** with a DVD, report, etc., when you order from my site. My next newsletter will be out in early **June**. In the meantime, don't despair or panic. We need to be people of faith and calmly prepared. "For God has not given us a spirit of fear, but of power and love and discipline" (2 Tim. 1:7). These are stressful times. For those who have faith in Jesus, **He** said, "My peace I give you; not as the world gives" (Jn. 14:27). **He** gives us peace, and my 'retirement plan' is in glory (Phil. 3:20-21). I pray that this is your hope in this sinful world. "Store your treasure in heaven" the **Master** said (Mt. 6:20). Thanks for your feedback as always…..

## Until Next Time, Your Messenger from Pinetop

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