

Broken Markets, Real Politik & The American Refugee Crisis

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By Charles H. Coppes



“The first panacea of a mismanaged nation is inflation of the currency; the second is war. Both bring a temporary prosperity; both bring a permanent ruin. But both are the refuge of political and economic opportunists.”

- **Ernest Hemingway, American Novelist (1899-1961)**

“America goes not abroad in search of monsters to destroy; she is the well-wisher to the freedom and independence of all; she is the champion and vindicator only of her own.”

- **John Quincy Adams, 6th US President (1767-1848)**

“At the end of major economic cycles, countries get the abysmal leaders they deserve and these leaders show a total lack of both intelligence and statesmanship.”

- **Egon Von Gertz, King World News (April 3, 2022)**

“The revaluation of gold looks more likely in one country than any other at the moment and that is Russia...It would also be a solution to the fiat currency problem as gold is a currency stabilizer that they own. The introduction of a gold standard cannot be ruled out.”

- **Ronold Storferle, Incrementum.com Gold Blogger**

“There can be no such thing as a Keynesian state on the gold standard, any more than a cocaine addict or compulsive gambler can be on a strict budget.”

- **Vibhu Vikramadaitya, The Mises Institute**

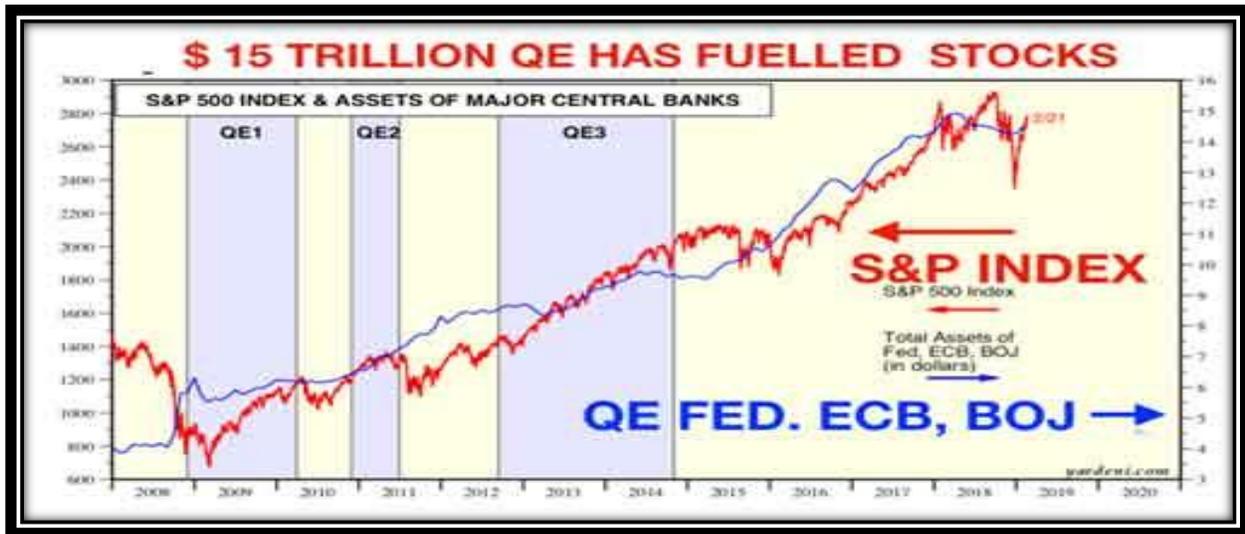
“There are decades where nothing happens; and there are weeks where decades happen.”

- **Vladimir Ilyich Lenin, USSR (1917-1924)**

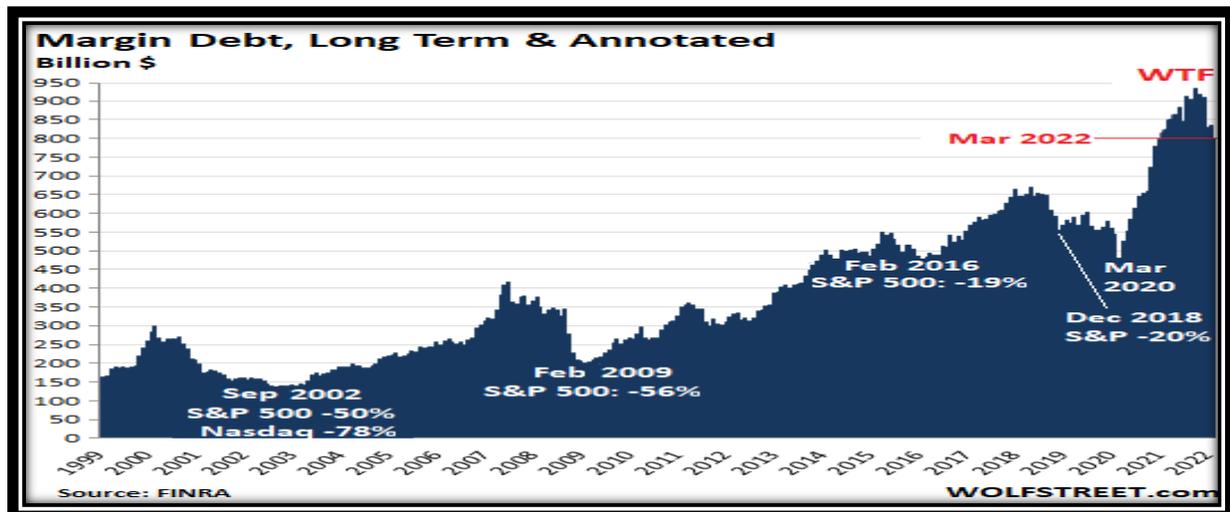
Greetings to All,

It is becoming apparent to many people that we have **miserable incompetence** at almost every level of leadership in **America** today whether it is domestic or foreign affairs. In this election year the ruling party will be blamed, but the real source is an **unelected managerial class** that influences fiscal, foreign and domestic policy. Those people who never leave. What we are stuck with are distorted financial markets, reckless war talk and a nation full of voters **who are now voting with their feet.**

Market Interventions & *Inflationary Hell!*

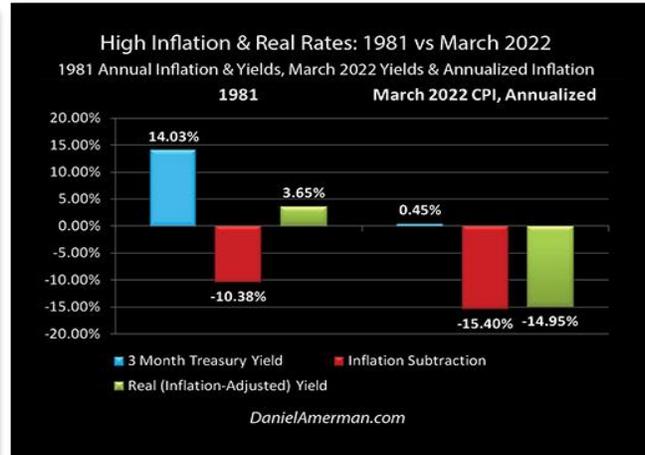
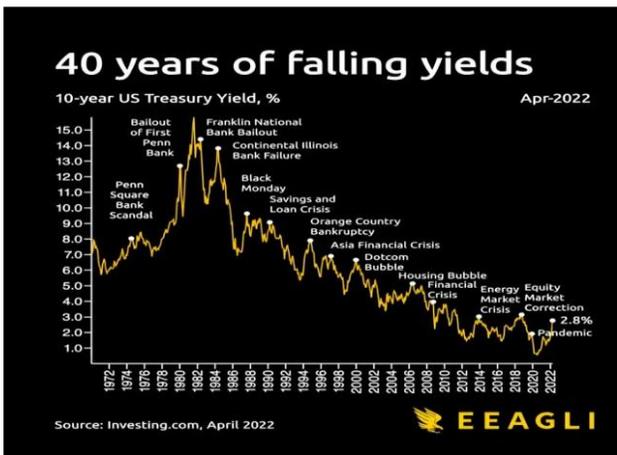


It's really hard to refer "markets" in the usual sense anymore. As you've heard me say (or quote) many times, we don't have markets, *only interventions*. **As seen above**, capital markets have become totally dependent upon major central banks and easy credit. Every time there has been a slump the **Fed** rides to the rescue with another round of QE. But now there is serious talk of taking away the punch bowl. It has been a fun ride since **2009**, but as **Charles Hugh Smith** recently commented, "The Fed's 'solution'— blowing an even bigger bubble to paper over the catastrophic losses when the previous bubble popped — has finally reached the endgame: three bubbles and you're out (2000, 2008-09 and 2021-22). Sorry to disappoint the beneficiaries of the three Fed bubbles, but there won't be a fourth bubble. Bubbles don't inflate at the bottom of the abyss." In recent weeks we have seen some **major volatility** in the stock indices, and especially in the over-valued tech sector, which indicates that the endgame may be near. Just as in **1929**, **margin debt** has contributed to this speculative bubble as corporations buy back their own stock with margin. "The stock market and margin debt are just about joined at their figurative hip," writes **Wolf Richter**. "And drops in margin debt are associated with sharp declines in the stock market. Margin debt becomes due when stocks decline and we can see below that margin debt on **Wall Street** is now *double* the amount of exposure back in **2008!**

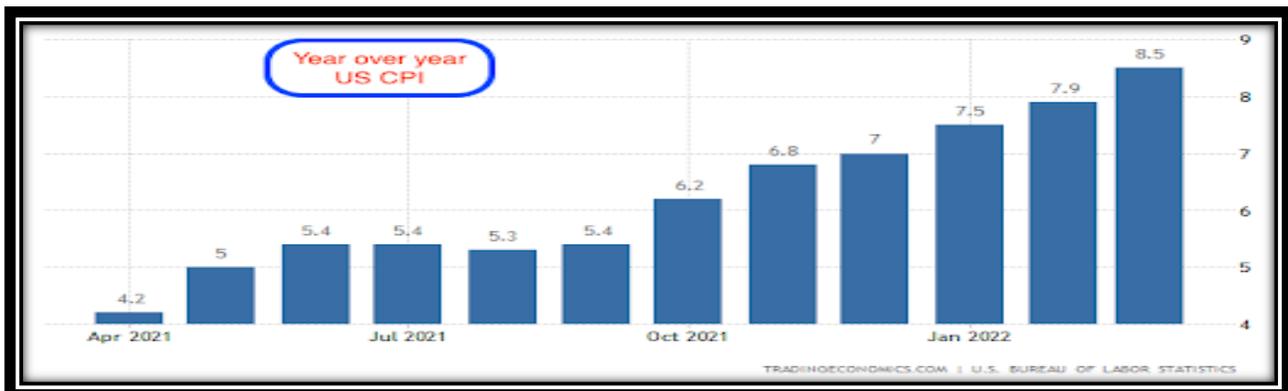


We have seen this before. In late 2018, the Fed tried to raise rates and mortgage rates hit 5% and the overall market started to decline sharply (with margin calls). The Fed immediately reversed course and when the pandemic hit in 2020 they started buying \$120 billion a month in mortgage backed securities and US bonds that has helped fuel the RE bubble. Now “the cost of money” is being raised with the same result that mortgage rates are now 5.4% and the stock market is rolling over. There has been some debate if the Fed will actually allow follow through with QT and continual rate hikes. As I have said, the Fed is trapped either way. [Matthew Piepenberg is convinced the Fed will capitulate:](#)

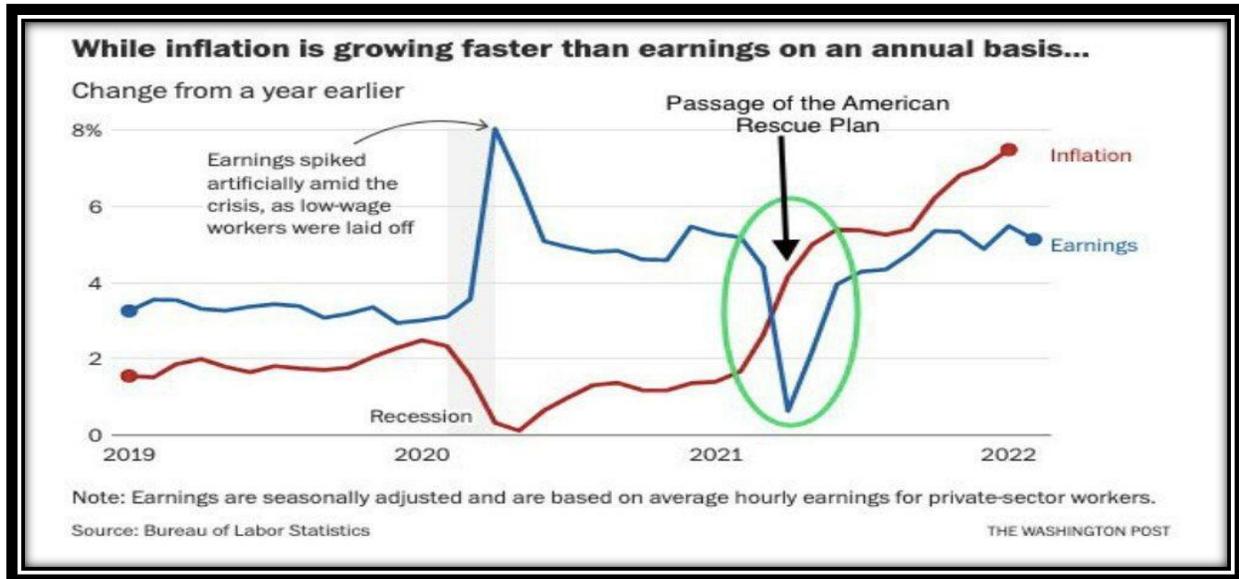
“If this next implosion were not bailed out, consumer spending, as well as tax receipts, would tank and the nation (and markets) would sink into a recession that would make the 1930’s seem pleasant. In short, the Fed knows that our stock market (as grotesquely fake, bloated, rigged and rotten as it may be) is nevertheless about the only thing that is positive in the US of A. As a result, I feel it’s far more likely that the Fed will momentarily watch markets flip and flop (deflationary, yes), but will then immediately pivot out of QT and jump into QE overdrive, printing trillions more to save Mr. Market in the form of YCC and runaway inflation. Such measures, of course, will crush Main Street yet, once again, bail out Wall Street, which is the Fed’s true love and mistress—i.e., its real mandate. As I’ve also warned, the Fed pretends to combat inflation, but in truth, wants inflation to inflate away its debt.”



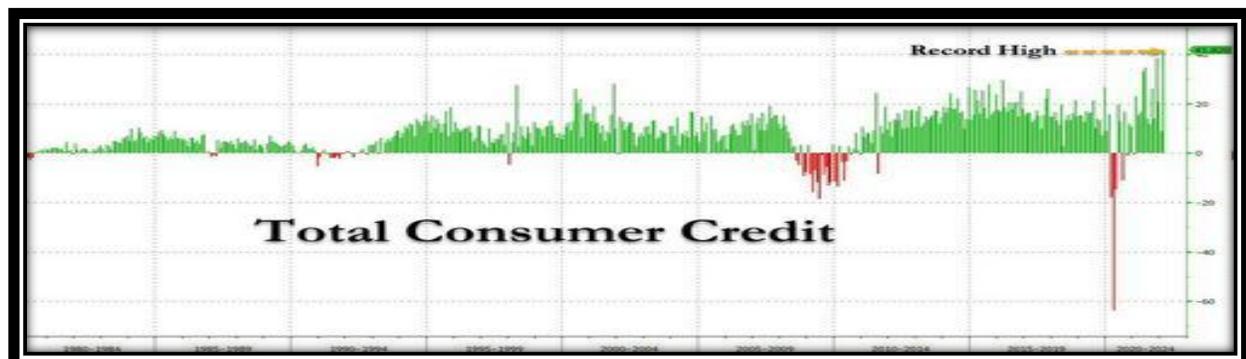
As seen above, interest rates have fallen from nearly 20% to near zero since 1982. About that same time a 3-Month T-Bill would yield 14% and the 10-Year Benchmark was close to 20%. As seen in this chart, the actual yield (after inflation) was only 3.69%, and today the same bond actually has a negative yield of -14.95% after inflation! The bond market is broken. Making matters worse, the BLS repeatedly downplays the “official” inflation rate (CPI) when the real (not nominal) rate is double!



The **Fed** is trapped because it cannot raise rates to service the national debt of **\$31 trillion**. Simple as that. Recently, a **Fed** spokesman (Brainard) reminded an audience when **Paul Volker** raised rates to **20%** in **1980** he warned that “runaway inflation would be the greatest threat to the economy...and ultimately employment.” “Fair enough, [says Piepenberg](#). “The irony, however, lies in the fact that the Fed (after years of expanding the broad money supply and mouse-click-creating trillions of dollars to buy otherwise unwanted US IOUs) is the very author of this inflation and, by extension, is itself, the greatest threat to the economy. Today, the inflationary hens hatched directly from years of DC’s own spend-and-print policies are now coming home to roost.” **Feckless politicians** have used the **Fed** as a national credit card, and **below** is a good example of what happens when you have debt and spending.



This is how you get runaway inflation and broken financial markets. As **M N Gordon** has noted, “The troubles financial markets and the economy are now facing are the direct result of decades of Fed market intervention. The main purpose of these interventions has been to artificially suppress interest rates. Ultra-low interest rates have the effect of robbing from the future. They pull consumption forward and mask business failures. They also reward risk takers while hurting savers.” In other words, we are **mortgaging the future for our children** to spend now and **inflationary hell** is killing anyone on fixed income and low wages. As **seen below**, American consumers are tapped out with record **credit card debt** and a growing “wealth gap” that is wiping out the **middle class** and sowing the seeds of major social unrest in the **US**. It is dangerous when you have a concentration of wealth as **Supreme Court Justice Louis D. Brandeis** said a generation ago. “We can have democracy in this country, or we can have great wealth concentrated in the hands of a few, but we can’t have both.”



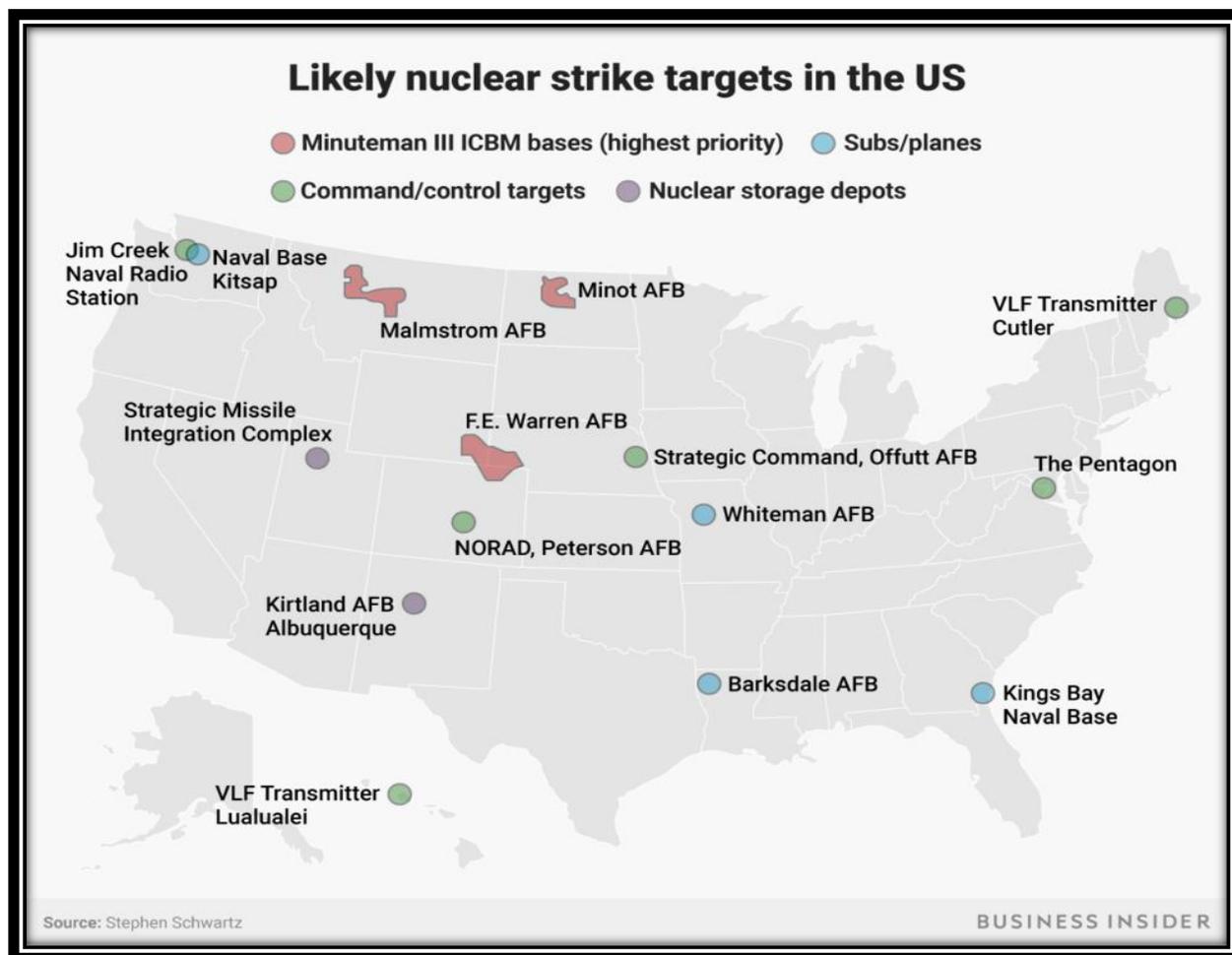
Real Politik: The Russian/Ukrainian Conflict



Moving on to foreign policy we must address the **Russian/Ukrainian** conflict. The term **Real Politik** is a **German** term that refers to [pragmatism in politics](#) and basing decisions on given circumstances. As in the enemy of my enemy is *my friend* and so on. Following **WWII**, **NATO** was formed in **1949** to create an alliance against **Soviet** aggression. As **seen above**, **NATO** expansion has continued even after the old **Soviet Union** *collapsed* with talk of adding **Sweden** and **Finland**! In **2008**, **NATO** invited **Ukraine** and **Georgia** to become members. **Russia** promptly invaded **Georgia** and annexed two of their provinces. In **2014**, the **US** helped topple the pro-Russian leader and **Russia** responded by annexing **Crimea**. In **2019**, the current leader **Zelensky** renewed calls for **NATO** membership. **Russia** has repeatedly and patiently told **NATO** not to place members on their borders, and this is what has led to the invasion of **Ukraine** today. As **David Stockman** [has recently presented](#), the **Donbas** area (blue) has been ethnic **Russian** since the Middle Ages (and was part of the old Soviet) and **Putin** is merely trying to annex that portion back to **Mother Russia** and protect the displaced Russian people.

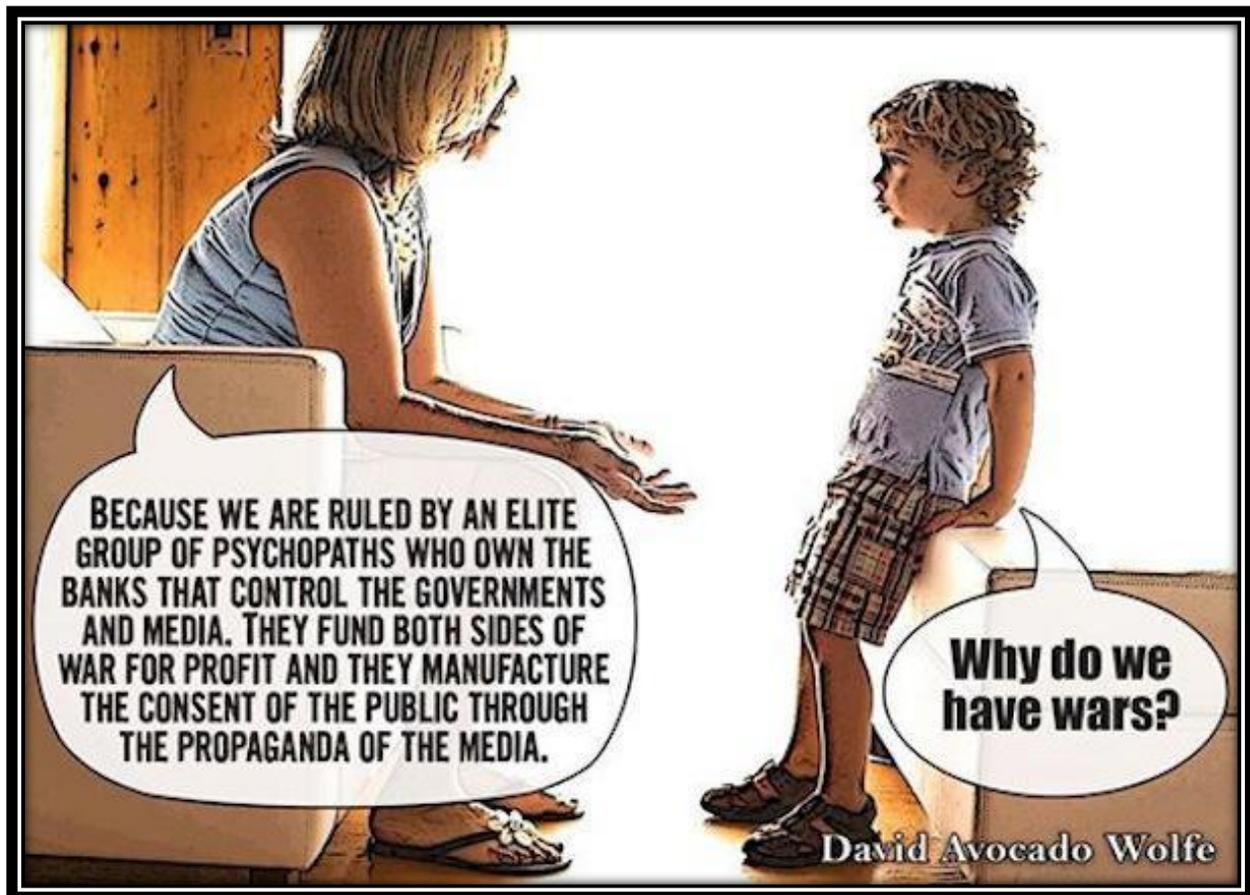


Back in **2015**, distinguished political science **Professor John Mearsheimer** warned that “the West is leading Ukraine down the primrose path, and the end result is that Ukraine is going to be wrecked.” In a recent interview he stated, “the notion that you could take a military alliance run by the United States – the most powerful country in the world – and bring it up to Russia’s borders and think that the Russians wouldn’t be bothered by it is simply naive....There was no threat from Russia before February 2014. We just invented that story. Anyway, the ideal situation would be to create a neutral Ukraine. We could have a Ukraine that looks a lot like the Ukraine that existed between 1991 and 2014.” In other words, it truly is NOT in our national interest to defend the borders of **Ukraine** (or any other country for that matter), and you can read his lecture and video [RIGHT HERE](#). What is at stake here? Nothing less than nuclear war with Russia! **Article 5** of the **NATO** alliance states that an attack on one member “shall be considered an attack on all” members. **Ukraine** is not a member of **NATO**, but what if **Russia** shoots down a **US** or **British** jet? Do you see how foolhardy this is? **Below** is a chart of **nuclear strike targets** if a kinetic war actually were to occur in the future – [LINK HERE](#).



Political commentator and historian **Patrick Buchanan** [concluded an article](#) stating, “To avoid war with Russia, President Harry Truman refused to breach Joseph Stalin’s Berlin Blockade. Eisenhower let the Hungarian revolution be drowned in blood and told the Brits, French and Israelis to get out of Egypt. President John F. Kennedy let the Berlin Wall go up. President Lyndon B. Johnson let the Prague Spring be crushed by the Warsaw Pact.” But the **Democrats** continue to demonize **Putin** and perpetuate the entire Russiagate Hoax narrative in our face while we have dozens of bioweapon labs in **Ukraine** with **9,000 US** troops in **Poland** and more elsewhere in Europe in a faulty **NATO** alliance.

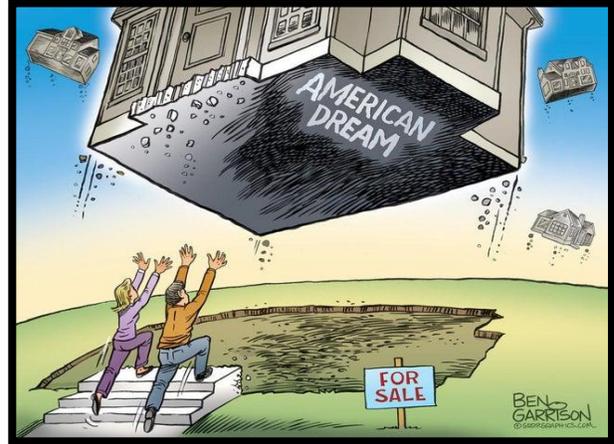
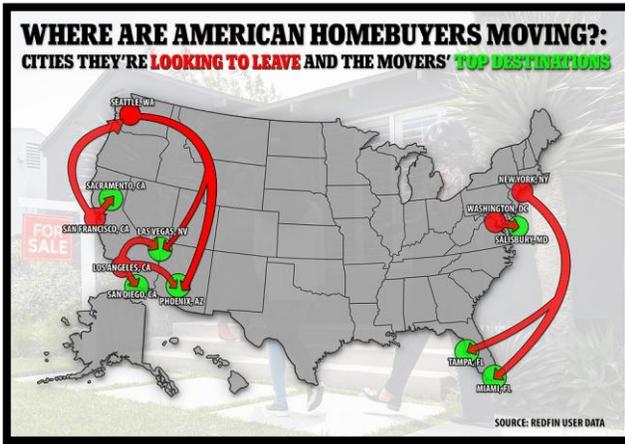
Now the **US** wants to send **\$40 billion** in aid to **Ukraine** and **James Howard Kunstler** [responds](#). “Europe, the old original homeland of Western Civ, isn’t just losing face, it’s blowing its head clean off going along with Joe Biden’s economic war. Are Germany, France, and the rest of that bunch really so dead-set on jamming Ukraine into **NATO** that they’re willing to go full medieval for it? By which I mean sitting in the cold and dark with empty plates. That’s a hard way to go just to prove somebody else’s point.” Indeed. President **John Quincy Adams** once said, “America goes not abroad in search of monsters to destroy; she is the well-wisher to the freedom and independence of all; she is the champion and vindicator only of her own.” It would seem that **America’s** official foreign policy is to go abroad in search of monsters to destroy and it could bring about permanent ruin as **Hemingway** once said. After **WWII**, **Eisenhower** warned about an *institutionalized military-industrial-complex* in the **US** that benefits from war along [with a corrupt monetary system that enriches the banking class](#).



It is an historical fact that after **WWII**, we helped rebuild war torn **Europe** and **Japan** evolved into a vibrant peacetime economy. But the **US** kept a huge military budget to project American Imperialism and a domestic national security **Deep State** that threatens all of us. **US** involvement in **Ukraine** is a result of neocon hubris and bravado in **DC**, and I leave you with this quote from an [anti-war site](#).

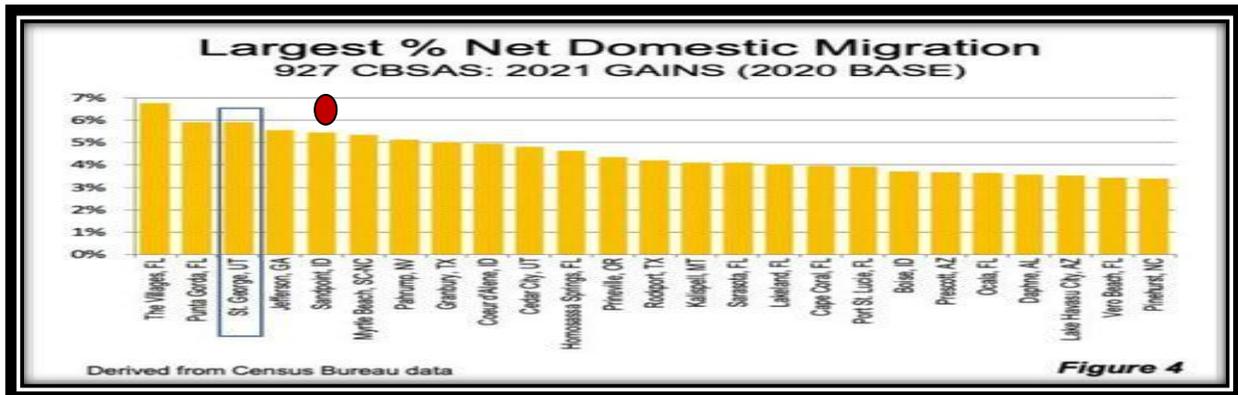
*“This isn’t bravery, or toughness. It is morally monstrous. It is the reckless action of a declining superpower which feels entitled to control the entire world, and believes in the right to cause perpetual warfare in regions where it cannot have its way. It is the decision to throw away tens of thousands of lives in a war that doesn’t have to be fought at all. **Real toughness is standing up to the military-industrial-complex and regime commissars cheerleading us into another war against American interests, not saber rattling against a nuclear adversary because the Regime has decided this is the next Current Thing.**”*

Mass Migration: *The American Refugee Crisis!*

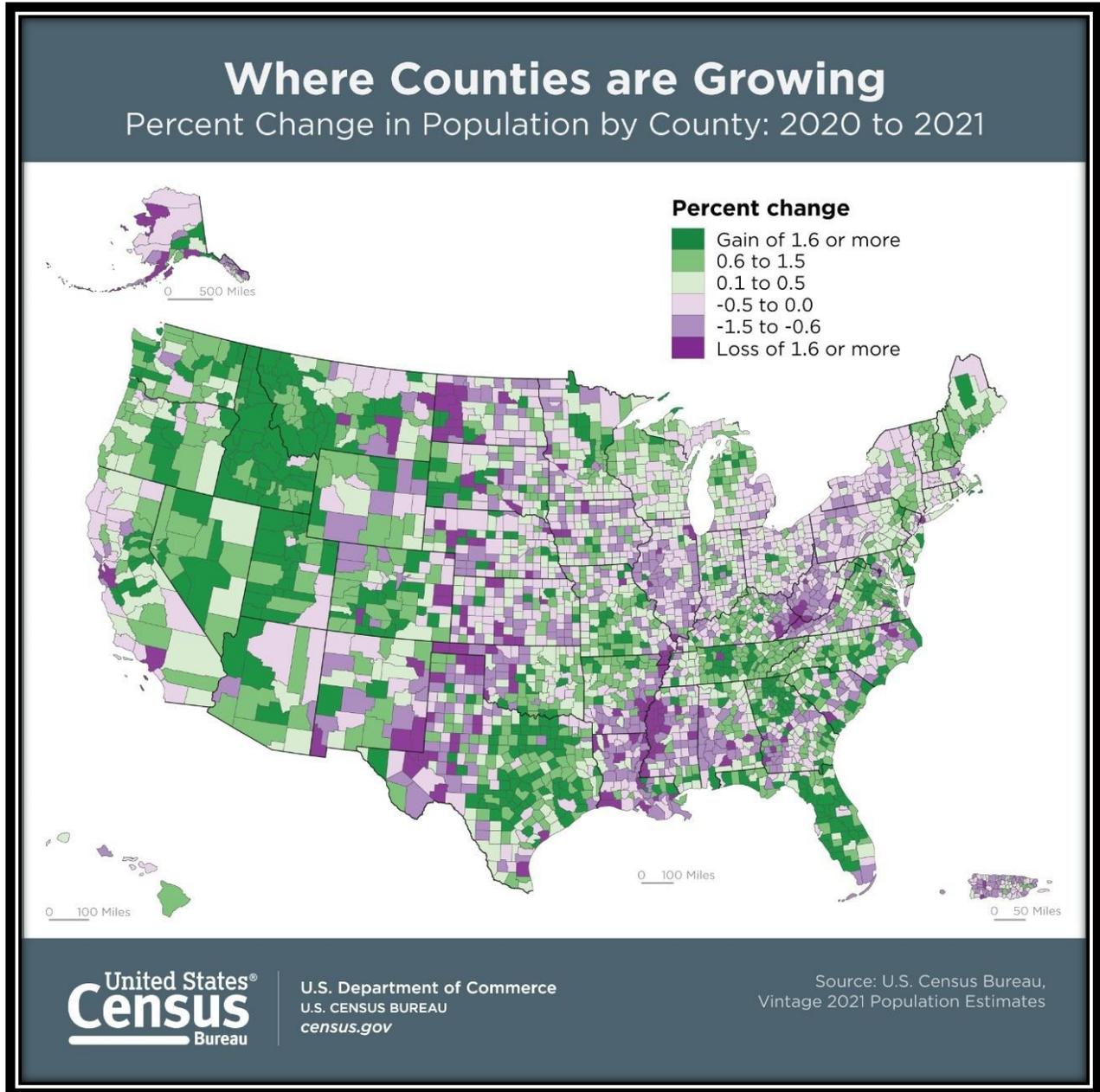


Since the Russian invasion of Ukraine we have witnessed a major refugee crisis in Europe. But what are we to make of the mass migration and refugee crisis in America? We often hear about the **RE** bubble in the **US** and how unaffordable housing has become for both buyers and renters, but what is driving this unprecedented phenomenon? There are several factors ranging from large numbers of employees who can work from home (during the pandemic), boomers retiring to people fleeing the big cities because of crime, taxes and progressive politics. **California** is approximately the same size as **Ukraine** and refugees from the **Left Coast** are spreading out to the entire country! According to the Public Policy Institute of California one third of the state's residents live in poverty even with public assistance and this includes **50%** of Latinos (60% of noncitizen Latinos) and **40%** of blacks. Fully *one half* of the nation's combined **homeless people** live in filthy **California** cities. Thefts, flash mobs, home invasions and violent crime are rampant and getting worse. Read more at [THIS LINK](#).

So, where are people moving to? Mostly to sun belt states like Florida, Texas, Tennessee, Nevada, Arizona, Arkansas, etc. **Idaho** often ranks in the top ten and according to **Oxford Economics**, home prices in **Boise** are **70%** higher than what the median income of residents can afford – worst in the nation. Home prices have climbed **76%** in **Boise** – highest in the nation. The **Census Bureau** says that **65%** of rural counties have seen a net increase in population growth. As for smaller towns, **Mish Shedlock** moved from **Illinois** to **St. George, UT**, which ranks **3rd** below. Close behind is **Sandpoint, Idaho** where I live with a **5%** increase and limited home listings. The city of **Coeur d'Alene** nearby has *doubled* in population within the past two years with most people coming from...**California**.

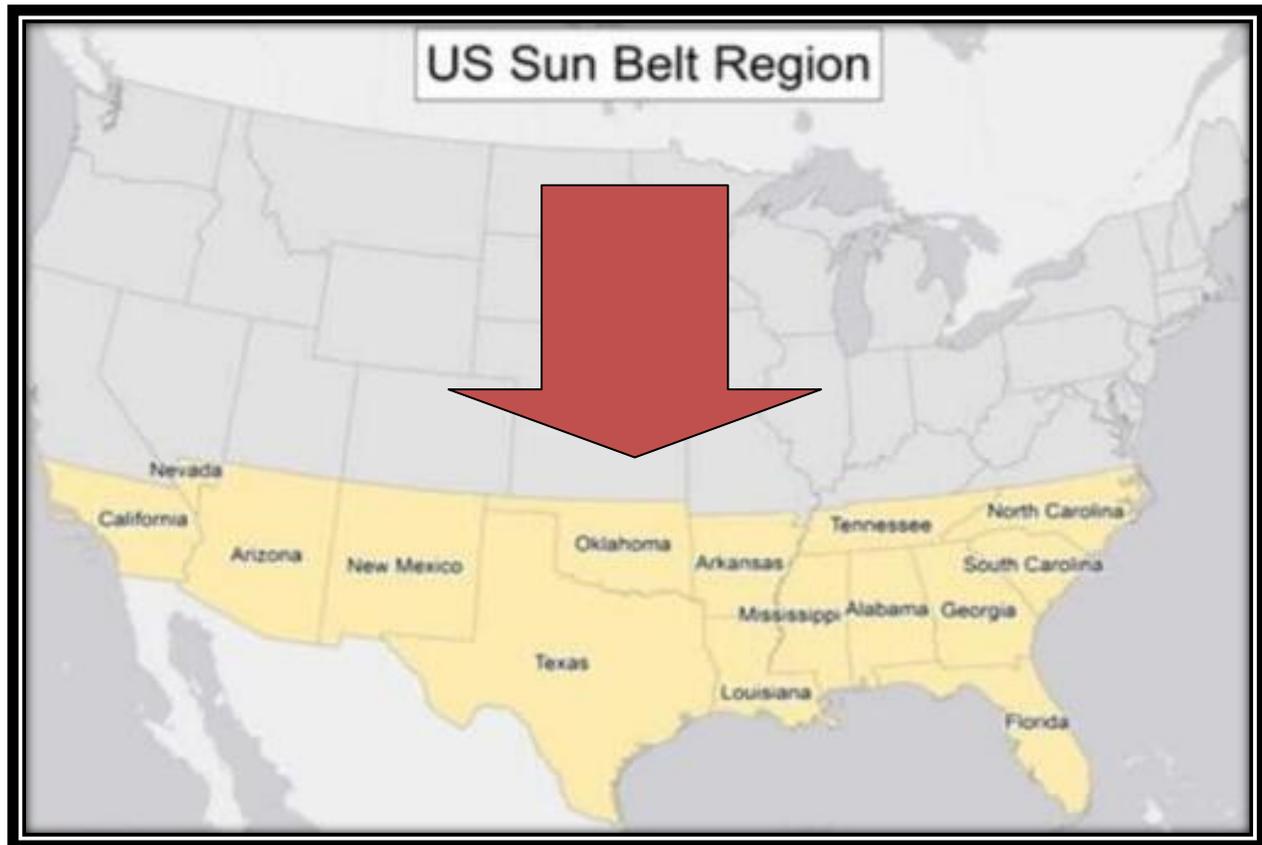


Nationwide, almost 30% of home sales are full-cash offers. In the trendy areas it is often 50% or more. These class of buyers are not affected by interest rates at all. Where do they get their money? In many cases it is equity from over-valued properties and other sources. Last month, median home prices in **Orange County** hit one million dollars (who is buying?). In **Idaho**, a million dollars does not buy much of a home with properties selling at **\$800-900/square foot!** Here is a visual map:



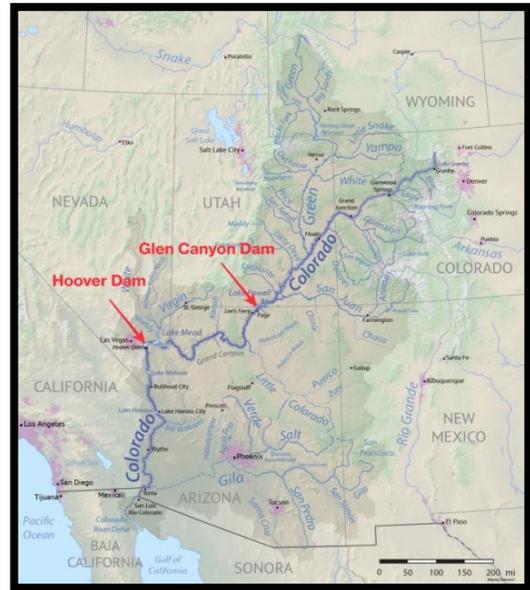
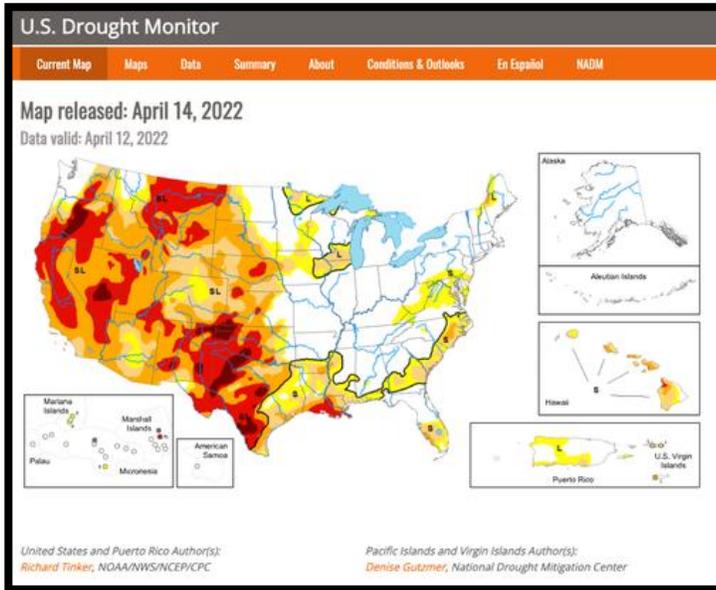
Again, what are we to make of this internal mass migration that is occurring in the US? What has caused this level of anxiety, angst and desperation to force people to make drastic changes in their lifestyle and level of comfort? I think it is a keen sense that the **US** is going down a dark path with unsustainable debt, moral decline, inept leadership and globalist agendas that threaten our freedom and civil liberties. As **Egon Von Gertz** has observed, at the end of major economic cycles people generally get the “abysmal leaders” they deserve. We are a **nation divided** and some are literally voting with their feet in search of a better way of life and safety for their families. A sad reality.

According to the U-Haul Growth Index for 2021, Texas ranks number one as the destination for one-way truck rentals coming from California and elsewhere. Last year saw a 20% increase over 2020 as refugees migrate to the Lone Star State, and you can see where your state ranks at [THIS LINK](#). As seen below, the sun belt states are where most people are moving to. Home prices have soared, but so have rental rates. According to **Realtor.com** median rent is around \$2,000 a month and Miami has seen the fastest rental growth at \$2,900 a month. Polls indicate that renters have now given up hope of ever being able to afford a home and are also being crushed with the highest inflation in 40 years.



In addition to domestic migration into the sun belt states we also have illegal foreign immigration from Third World countries. We've all seen the sickening images of refugees flooding our southern border – mostly “people of color” that *totally contradicts* the “systemically racist country” we live in. It also contradicts the concern about spreading a **deadly virus** since very little testing is done, if at all, and the **CDC** will be officially removing ANY restrictions soon. As noted by a Texas group, “There are millions of global migrants backed-up below the southern U.S. border awaiting the change. While many voices within the professional political class will deny the removal of Title-42 will result in a totally open border, those who operate the collapsing process of border security have noted it will be impossible to legally process all of the entrants, and the Biden administration have signaled they have no intent to turn anyone away for any reason.” Why are they doing this? The **Democrats** are deliberately trying to tip the **electoral process** with “the browning of America.” This is also known as the **Cloward-Piven Strategy** (1966) to enroll people on **welfare**, collapse the system and then adopt a Socialist/Communist government – read about it [RIGHT HERE](#). **The Constitution** (Art. IV, Sec. 4) states that “the US shall guarantee to every State in this Union a Republican Form of Government, and shall protect each of them against [foreign] Invasion.” Our leaders know exactly what they are doing and they are all traitors! As **Reagan** said, “a nation that cannot control its borders is not a nation.”

To summarize, we have socio-economic forces that are causing major demographic shifts in the **American** landscape. Another force is developing, however, that will be far more concerning for millions of people living in the southwest. The southwest is in the worst drought in **1,200** years and authorities have seen this coming for several years. At issue is the largest and most important dam in the US located near **Las Vegas**. **Hoover Dam** was finished in **1936** and literally gave rise to cities and growth throughout the entire southwest, and now matters are getting serious as levels drop – read more at [THIS LINK](#). As a backup, **Glen Canyon Dam** was finished in **1966**, but it is currently at **24%** of normal and will not provide **hydroelectricity if it drops another 30 feet!** **Lake Mead** (at Hoover Dam) is currently **1,056** feet above sea level and [THIS](#) report warns that **Hoover Dam** will become “inoperable” at **1,050** feet! **California** has announced water restrictions, but it is too little too late.



A humanitarian crisis is developing with very little awareness for **60 million** people. All of the dams in **California** are below **50%** or more and **70%** of this water if for farming. And this comes at a time when clueless politicians in **California** want [all electric cars](#) by **2035**. Good luck with that one! Of course, all of this is being blamed on man-made climate change. You think things are bad now? Just wait. **Alfred Henry Lewis** once said, “There are only nine meals between mankind and anarchy”



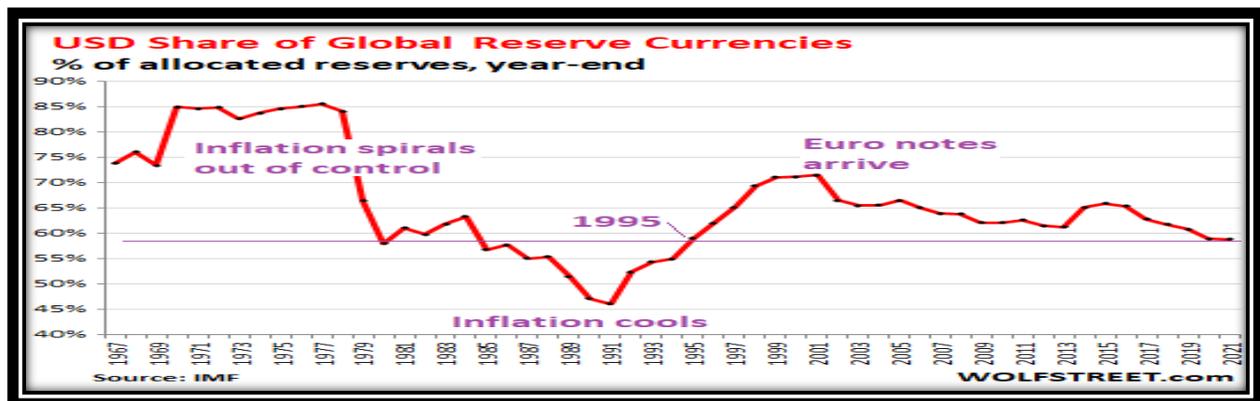
Monetary Challenge to the USD & Role of Gold



“There can be no such thing as a Keynesian state on the gold standard, any more than a cocaine addict or compulsive gambler can be on a strict budget.” - Vibhu Vikramadaitya

One of the unintended consequences of the Russian/Ukraine conflict has been **US** sanctions that have backfired in many ways. In the past, **US** economic sanctions (warfare) have hurt the target nation, but **Russia** has found ways to work around these issues. Last month, the **Bank of Russia** announced it will link the ruble to **gold** and is integrating the System for Transfer of Financial Messages to avoid the **US-based SWIFT** payment system. **Russia** is also linked to **China’s** Cross-Border Interbank Payment System to trade in **oil** other commodities. “By linking the ruble to gold and then linking energy payments to the ruble, the Bank of Russia and Putin are fundamentally altering the entire rulebook of the global trade system,” says M N Gordon. “They’re also accelerating change in the global monetary system.” Analyst **David Brady** adds, “The latest salvo from Russia means that gold is tied to the ruble and both are tied to commodity prices for natural gas and potentially many other commodities that Russia exports. Payments for natural gas must be in rubles or gold. This is a huge development because it could signal the end of the dollar as the global reserve currency.” There’s also talk of **China** dumping our bonds and buying **Saudi oil** with the yuan. As Zerohedge observes, “If global demand for Treasuries drop precipitously (and it would in a world without the petrodollar) the US government would either have to drastically cut spending or the Fed would have to continue printing money to monetize the debt. Even if this is nothing but talk, it underscores the fact that the dollar is on shaky ground, and US policymakers would be wise to consider future dollar weaponization carefully.”

As you can see from the above, the role of the **US** dollar as the **world’s reserve currency** is not what it used to be. In fact, since the arrival of the **Euro** there has been a steady decline of dollar reserves.



This is worth noting because **Russia** trades heavily with the **Euro** and the **Euro** is actually used for more global payments and Europeans are increasingly moving away from **US** dollar hegemony.

Russia has taken a bold step to position **gold** as real money and a link to their currency. As **Swiss** gold expert **Ronold Storferle** [recently concluded in their annual gold report](#), “The revaluation of gold looks more likely in one country than any other at the moment and that is Russia...It would also be a solution to the fiat currency problem as gold is a currency stabilizer that they own. Therefore, the introduction of a gold standard cannot be ruled out.” The problem for the **US**, and the **Fed**, is that we are a Keynesian state addicted to loose fiscal policy ever since we suspended **gold** from the **US** dollar in **1971**. This is also known as **Triffin’s Dilemma**, and the dilemma is how to retain *confidence* in the **US** dollar. This is at the very core of a **monetary reset** that will likely see a new basket currency with a **gold** component to anchor the system. **David Goldberg** [recently made this comment](#).

“The value of the nearly 32,000 tonnes of gold now held by central banks is a bit over U.S.\$2 trillion. That represents about one-sixth of world central bank reserves of \$12 trillion. If gold were to substitute for the dollar as a reserve instrument, the proportion of gold in central bank reserves would have to increase, which in turn implies a substantial increase in the gold price. Persistently high inflation in the U.S. and the Eurozone, moreover, would lead to an increase in the gold price as well.”

In a future “monetary reform” how substantial could the (real) price of gold be? Estimates range from **\$5,000** to **\$40,000** an ounce. This would be necessary to restructure debt as the world finally seeks a solution to **Triffin’s Dilemma**. Meanwhile, unelected technocrats like **Grandma Yellen** still make silly comments that the **US** will never have another financial crisis (in her lifetime) and that the **US** dollar will safely remain at the top. [I like how one blogger recently concluded](#). “Certainly, the hubris is dripping from Yellen’s statements at a time when anybody with both eyes open and three brain cells to rub together understands that the dollar is facing its most significant challenge in decades and that we’re on the verge of a new global monetary system.” [I say prepare for the coming storm](#).



And that brings me to a final comment about silver. Surely, if the outlook for **gold** is bullish it is *even more so* for the white metal. My own estimate is **\$150 to \$500** an ounce with a normal ratio of silver to gold. As a regular reader, you know that **silver** (like gold) is heavily manipulated by the **evil banksters** because they also see a storm coming and don’t want retail investors to manage risk and find safety in the **ark** of safety as depicted above. In **February** of this year we had a preview of things

to come when a single firm (in China) had a short position on **nickel** and they could not meet their **margin call** and essentially defaulted. [According to Ted Butler](#) this is a template of what to expect with **silver**. In a recent interview with **Dave Kranzler** and **Andrew Maguire** they discuss how physical demand for **silver** will lead to delivery defaults – listen at the 32-min mark:



[Is Russia Triggering a Monetary Reset?](#)

Compared to gold, silver is a tiny market. But that is the advantage for those who see an opportunity. As hedge fund guru **Stanley Druckenmiller** often says, "When you know you have an edge, push the advantage." Demand for **silver** is strong and extremely undervalued and I think we are near the very end of the **silver** manipulation. I discuss some of these things in an interview that you hear at [THIS LINK](#) (audio was not very good). And I conclude with this from **Jeremy Grantham**, "You don't get rewarded for taking risk; *you get rewarded for buying cheap assets.*"

Summary & Conclusion. I will have more to say about **metals** in my next mailing. It looks like the stars are aligning for **gold** and **silver** and that's why they call them *precious!* As always, if I can assist you in this area let me know. Market volatility and risk is flashing **red** and the **Fed** is trapped with no good policy decisions going forward. Look for more of the same as the hidden inflation tax continues to destroy our purchasing power. In addition, **US** foreign policy is being led by neocons, war hawks and bad actors in the **Deep State** that are provoking **Russia** into a potential nuclear war. **Russia** does not have imperial designs – but **China** does! For decades we have avoided confrontation, but things could change rapidly. As **Lenin** once said there are weeks when decades happen. Let's hope and pray that cooler heads prevail in this regional conflict. It is estimated that **3.7 million** refugees have fled **Ukraine** and I also wanted to address the "refugee crisis" here in the **US**. This demographic shift is likely to continue and the water situation in the **southwest** is one of the reasons I moved from **Arizona** to **Sandpoint**. The director of the Arizona Department of Water Resources recently *downplayed* the danger and you can watch it [HERE](#). In the **Bible**, **Jesus** predicted wars, *famine* and earthquakes in the latter days. **He** said these are just "the beginning of birth pangs" (Mt. 24:6-8). He also warned that conditions would be "like the days of Noah" (Mt. 24:37). I cover this in [my book](#) and we are assured that good will eventually triumph over evil. The ultimate **ark of safety** is to have a firm faith in our **Lord** and be trusting in **His** providence and guidance in our lives. Learn more at [THIS LINK](#).

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