

Central Bank Casinos, Pension Crisis & Police State Contingencies

Posted May 19th, 2018

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"The state — or, to make matters more concrete, the government — consists of a gang of men exactly like you and me. They have, taking one with another, no special talent for the business of government; they have only a talent for getting and holding office."

- **H. L. Mencken, Social Critic & Political Philosopher**

"While many believe that surging debt will boost economic growth, the law of diminishing returns indicates that extreme indebtedness will impede economic growth and ultimately result in economic decline. The standard of living cannot be raised without increasing output."

- **Dr. Lacy Hunt, Hoisington Investment Management**

"No nation in history has ever become prosperous by borrowing record amounts of debt to finance reckless spending...It's a financial death spiral."

- **Simon Black, The Sovereign Man, Santiago, Chile**

"A democracy cannot exist as a permanent form of government. It can only exist until the majority discovers it can vote itself largess out of the public treasury."

- **Professor Alexander F. Tytler (1747 - 1813)**

"You can avoid reality, but you cannot avoid the consequences of avoiding reality."

- **Ayn Rand, Novelist & Political Philosopher**

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

- **V. I. Lenin, Russian Dictator (1870 - 1924)**

Greetings to All,

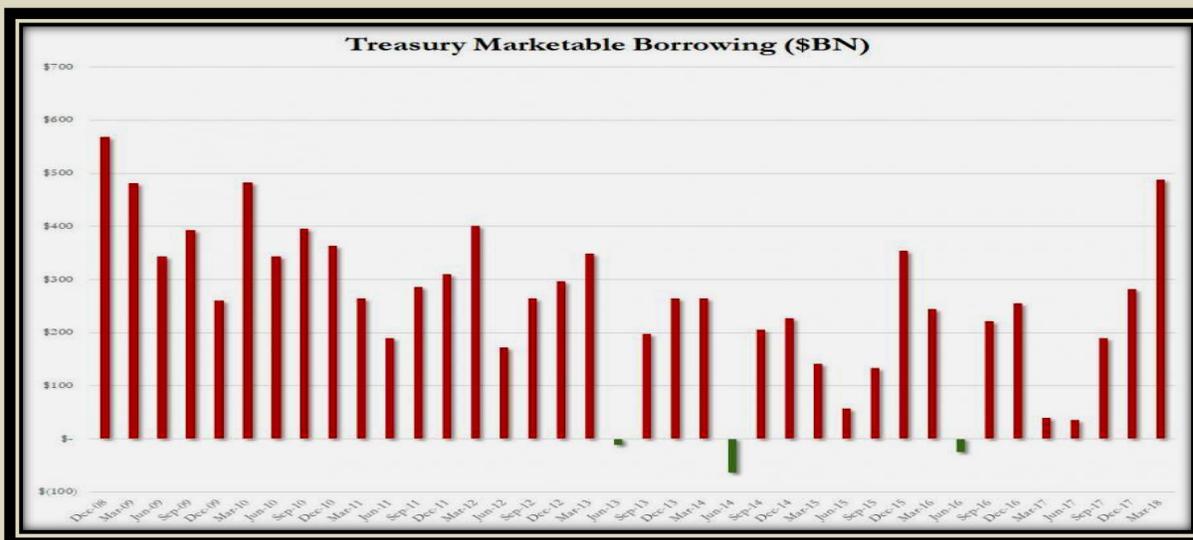
It has been **ten years** since [my book](#) came out, and I recently finished a **book revision for 2018**. What has been fixed since **2008**? **Absolutely nothing**. According to the **McKinsey Global Institute** since **2008** total debt (public and private) has risen from **\$149 trillion** to **\$239 trillion**, or **\$90 trillion!** This is all being stoked by the **central banksters** and the unintended consequences are not going to be pretty, as we shall see. As **Simon Black** notes, no nation in history has ever become prosperous by increasing **debt and spending** - *it is a financial death spiral* - a **reckoning day** if you will. Compounding these global debt pyramids, are the **unsustainable demographics** of our aging populations. A humanitarian crisis is looming and a likely concomitant will be a robust **paramilitary occupation** here in the **USA**.

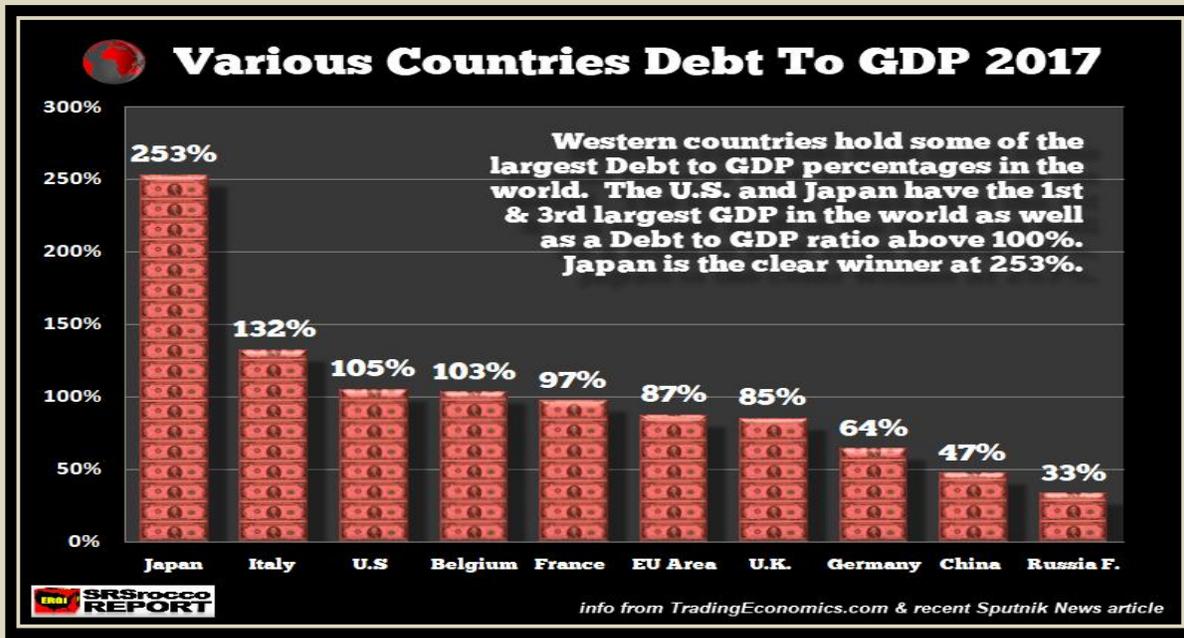
Central Bank Casinos & the Great Contagion



In a [recent interview](#), former assistant to the Dallas Fed, **Danielle DiMartino Booth**, refers to the central banks of the world as igniting *The Great Contagion*. This is a term that **Alan Greenspan** often referred to when it comes to systemic counterparty risk among the banksters. **As seen here**, the major central banks have accumulated **\$22 trillion** on their balance sheets. It is almost equal amounts in the **US, EU, China and Japan** with smaller amounts for the UK and Swiss. Can central banks unwind these toxic assets? Not very well, and the **Fed** is expected to sell **\$600 billion** per year into the capital markets starting this year, in addition to raising interest rates (QT = Quantitative Tightening).

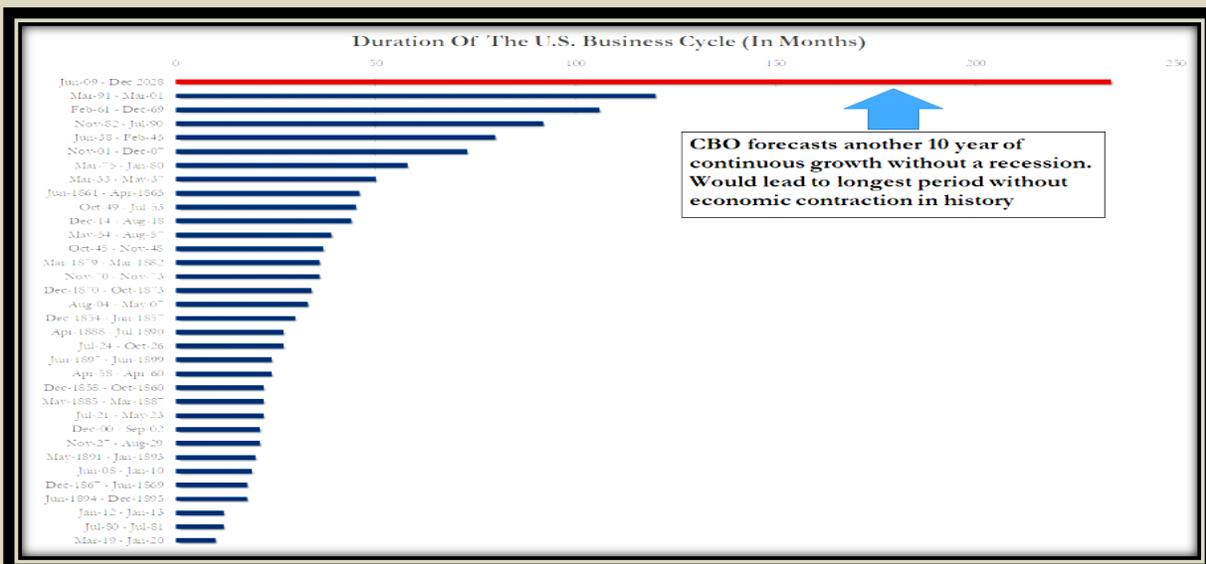
The chart below does not look like a fiscally responsible policy by the Fed. Just to give you some perspective, when I revised my book, I pegged the national debt at **\$20.4 trillion**. The national debt then soared from **\$20 trillion to \$21 trillion by March 2018!** *We added a \$1 trillion in debt in just six months!* Further, **this chart** indicates that the debt was increased by **\$488 billion** in just the first quarter of **2018!** Is **Trump** a fiscal conservative? Hardly, and it is just business as usual in **DC**. But in fairness to Trump, *fixed-mandatory-spending is 88% or higher*, and he can't do anything about it.



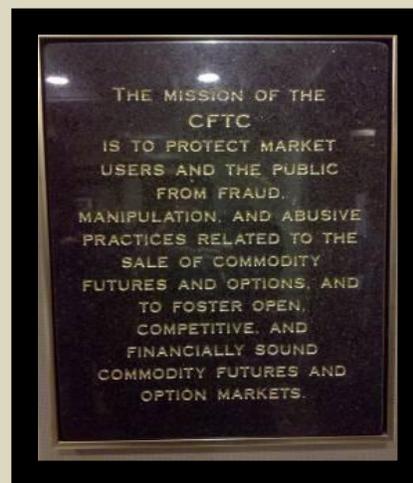


So does national debt really matter? If you ask Establishment economists like **Paul Krugman**, he says no big deal as noted [HERE](#). Above, you can see that **Japan** has the most **debt to GDP**, and their monetary experiment has been going on for **25 years!** But in this same article, **Dr. Lacy Hunt** argues that only **savings and production** can "boost economic growth" and that these debt levels **seen above** will "ultimately result in economic decline." I think that is a **nice way** of saying that industrial nations in the world are facing a **day of reckoning**. It is the law of diminishing returns. **Get it?**

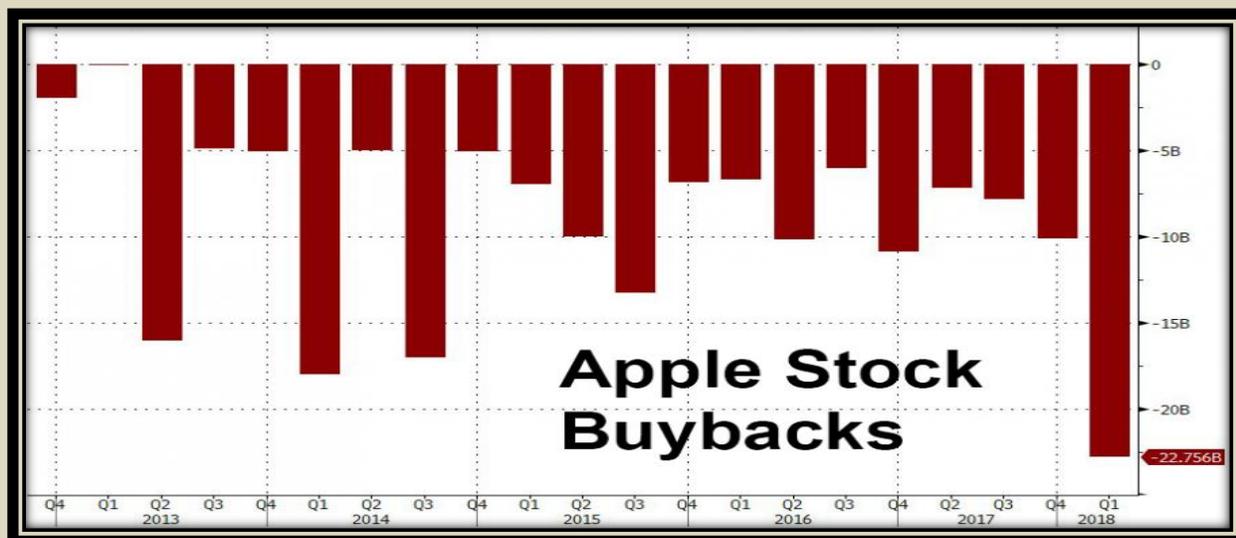
Now comes the Congressional Budget Office (CBO) prediction for the business cycle. What is a business cycle? According to normal economists, it is a reference to **boom/bust cycles** that usually occur in markets. Do we have normal markets today? **Ha!** Since massive central bank intervention in **2009**, we are approaching the longest expansion (bubble) in history, and the **CBO forecasts another ten years of continuous growth!** My friend, if you believe that I have a bridge in Brooklyn I would like to sell you! This would be **laughable** if it was just not **so tragic** for so many. **Mark Twain** famously said that "there are lies, damn lies and statistics." **Here is another good example.**



Rigging the Casino: *The Plunge Protection Team*

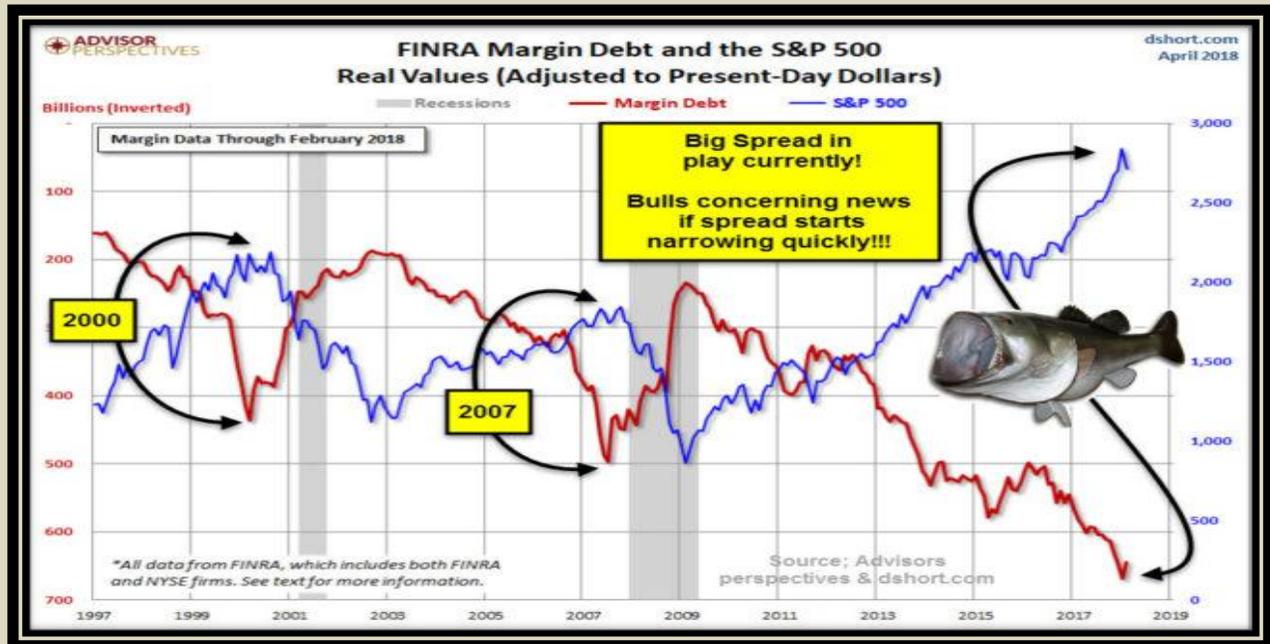


The CBO, central banksters and ersatz economists like Krugman and his ilk, are confident that they can suspend the **business cycle** forever. How do they do this? After the dramatic **23%** drop on the **Dow** on **October 19, 1987**, the Fed, Treasury, SEC and **CFTC** (see above) created the secretive "Working Group on Financial Markets" in **January of 1988**. At [THIS LINK](#) they are known as the **Plunge Protection Team**, and this means that the banksters and regulators are *colluding* to distort capital markets and **essentially deceive investors**. The Fed and Treasury buy futures contracts to bid up the Dow and S&P index, and the SEC and **CFTC** look the other way, and *suppress gold and silver*. The **CFTC** mission statement above is a **farce!** So what is driving the current insane business cycle? Folks, it is **stock buy-backs since 2009**, and tech giant **Apple** has been at the forefront.

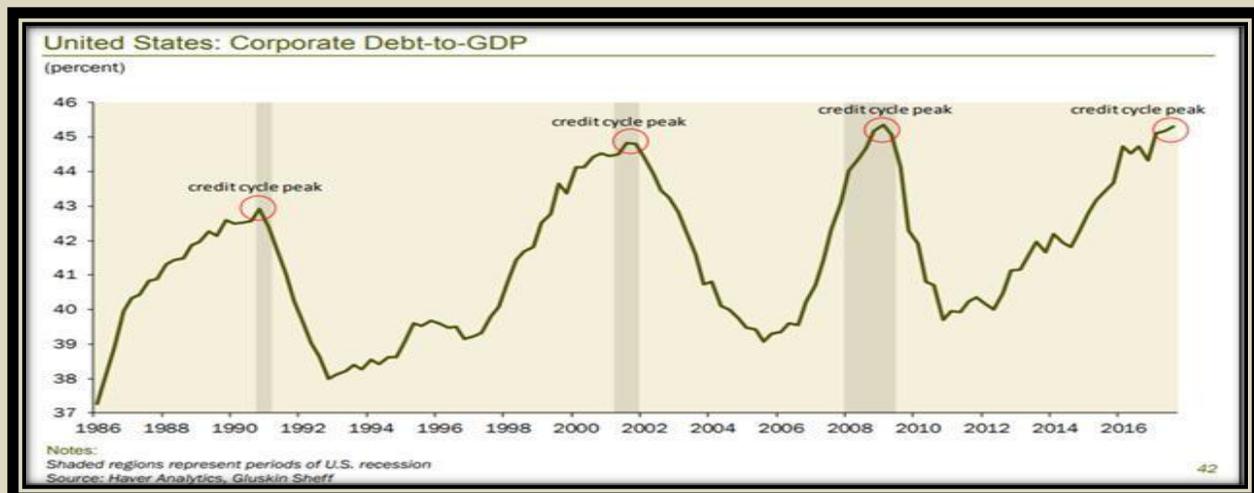


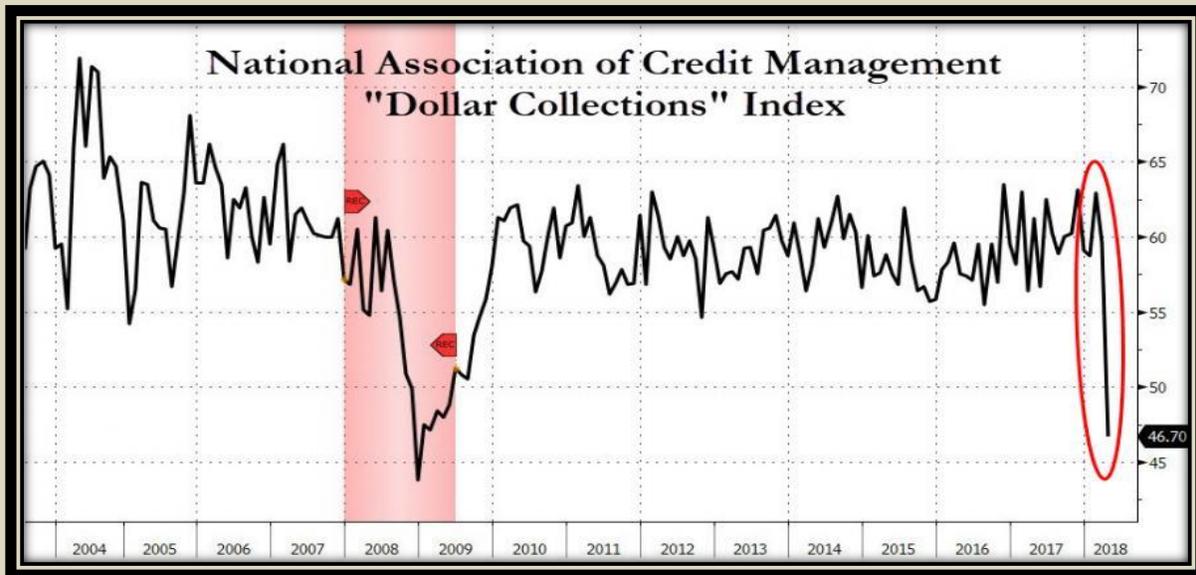
Why do most corporations on Wall Street buy-back their stocks? Boy, this is a good question! At first it sounds counter-productive, but the math is simple. **Easy credit** goes to buy corporate stock, this *shrinks* the pool of stocks and *raises* the stock price. Shareholders are happy, and senior management get **huge bonuses**. The vaunted **Trump corp tax cuts** in December **2017**, to "create jobs" is a fraud. **Apple** has **\$250 billion** offshore (Ireland), and their repatriation of these funds is larger than **275** of the **500** companies in the **S&P 500 Index**, and it is all going into **stock buy-backs**. In other words, **NO** job creation, no expansion, no R&D..... no Making America Great Again. **Just buy-backs.**

Wall Street Margin Debt & *the Minsky Moment*



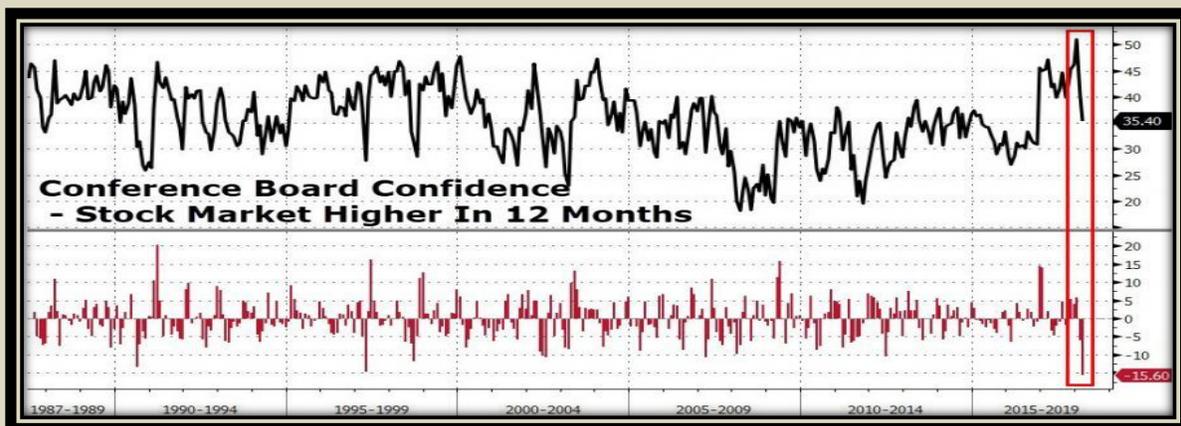
Above is a good chart to illustrate the danger that all investors are facing today. Retail investors do not even understand what **margin debt** means, and this is by design. Let me draw your attention the blue line above (the ever-expanding **S&P 500 Index**), and by contrast the red line (the unprecedented amount of borrowing (debt) that corporations are utilizing to buy their own stocks and boost share prices). **Global stock market capitalization** has gone from **\$27 trillion** in **2009** to over **\$100 trillion today!** **Margin debt** is now **three times** greater than the **Crash of 1929, Dot.com Bubble** in **2000**, and the **2008 Sub-Prime RE Crisis!** According to economist like **John Mauldin**, we are running straight into a **Minsky Moment**. Economist **Hyman Minsky** warned that when corporations use leverage in capital markets they are *vulnerable* to **margin calls** and a bust. In **2008, Lehman Brothers** had a margin liquidation that caused a rapid **45%** collapse in share prices! If you are feeling rather upbeat about **the false narrative of an economic recovery** (based on corporations exploiting credit cycle peaks), you might want to ponder **this chart below** and reconsider your optimism. As you can see, **corporate debt-to-GDP** is indicating a major collapse is coming soon in the **casino**.





According to [THIS](#) article related to the chart above "the reckoning is closer than we think." Why do they say this? A study of credit markets is indicating a sharp drop to **2008 crisis levels as seen here**. "For years, the naysayers have been warning about the precariousness of the corporate credit market. In an environment where balance sheets have become more and more bloated **from excess borrowing** stoked by the **Federal Reserve's easy-money policies**, shrinking bond yield premiums don't make sense. At some point, they argue, there will have to be **a reckoning**...rising **interest rates** will add pressure on corporations with large financing needs according to The Institute of International Finance [end of excerpt]." The days of **easy credit and buy-backs** might be coming to an end and this will finally trigger an end to the booming, and artificial, business cycle.

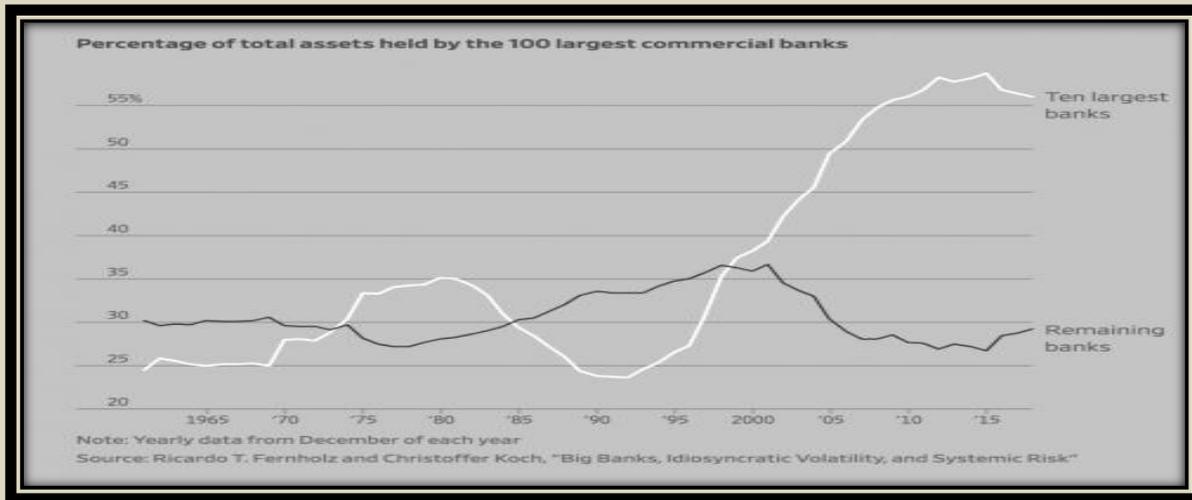
After the stock market plunge of **1200** (almost 1600) points on **February 5th**, confidence is beginning to wane. According to a report by the Conference Board Confidence, survey's indicate that investors **do not** expect the **S&P Index or Dow Index** to keep climbing. In fact **as noted here**, this is the **biggest two month drop** in their **30 year history**. Perhaps the animal spirits are being tamed?



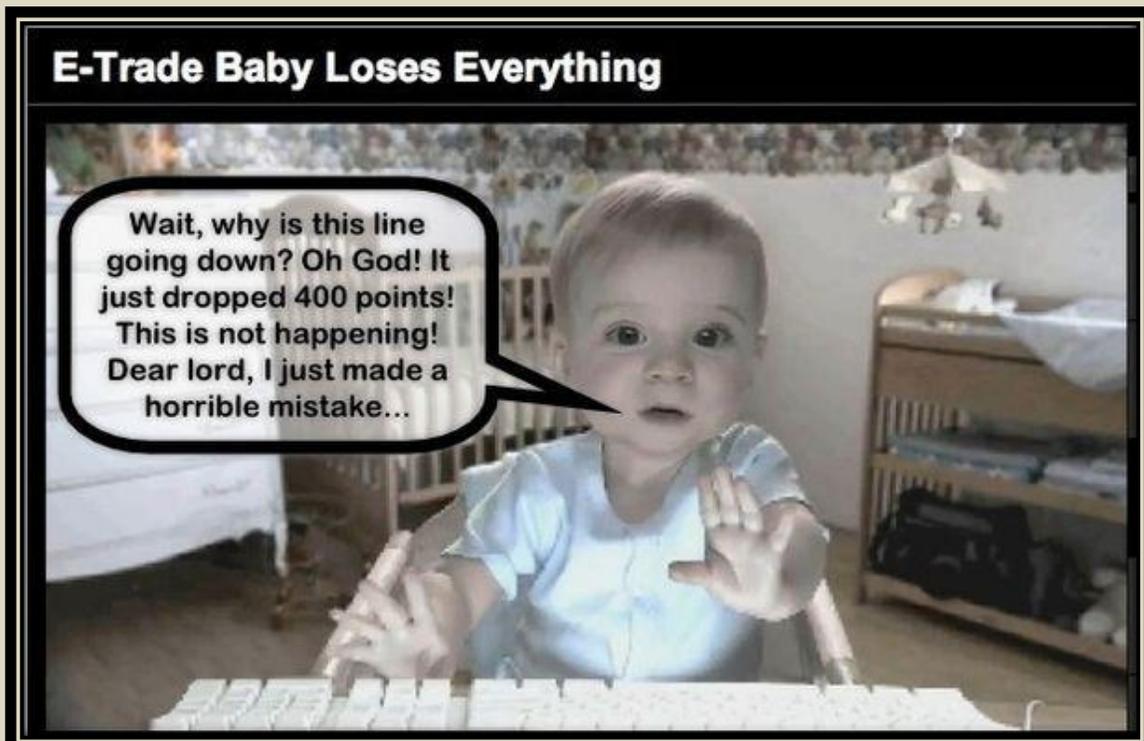
[This sentiment is shared by market analyst Mike Pento at this link.](#) This interview is **25 minutes** and an **October Crash** is no surprise since this is when markets are most vulnerable as history shows:

[Michael Pento: Market Crash Coming in October 2018](#)

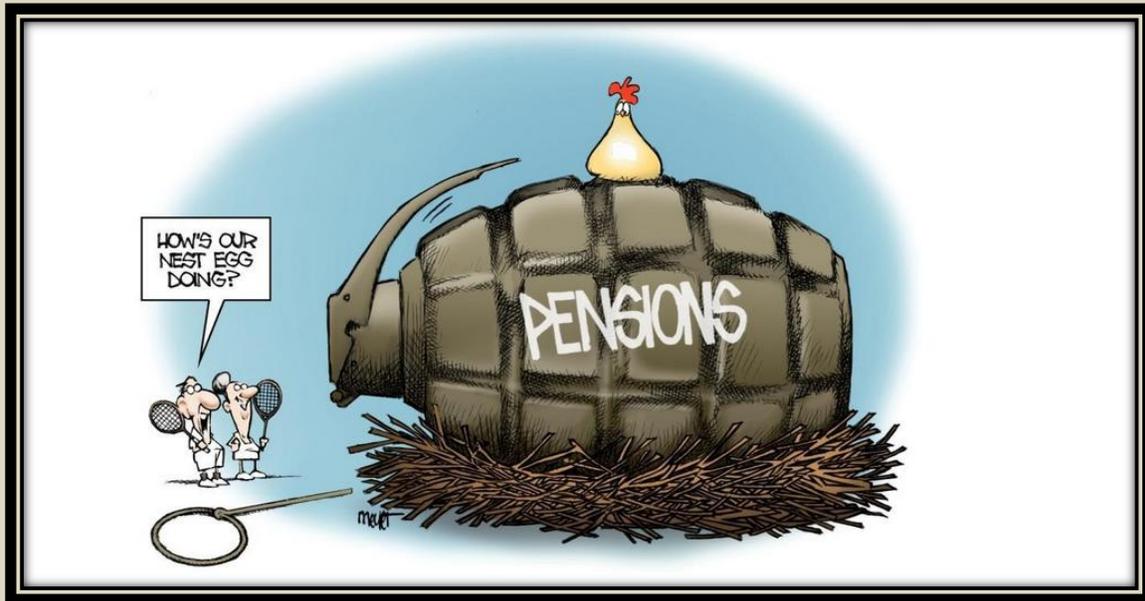
Too Big To Fail Banks are *Now Even Bigger!*



In addition to risk in capital markets and margin calls the banks have become riskier. According to [this study](#), JP Morgan Chase, Bank of America and Wells Fargo have seen a **180% increase** in deposits for a total of **\$2.4 trillion**. As seen above, just **ten mega-banks** have a majority of the deposits and just **five mega-banks** (thanks to constant mergers) have **98%** of all [risky derivatives](#) in the US, for a total exposure of **\$240 trillion!** The **TBTF** fail banks have become even larger and bank bail-ins, bank failures and defaults are likely in the next crisis. Today, people have been way too complacent (VIX Index) for way too long, and a rude awakening is coming. As **comrade Lenin** said, "There are decades when nothing happens; and there are *weeks* when decades happen." Months and years of **malinvestment** and **economic distortions** created by the central banksters has run its course, and many **complacent investors** are going to end up like [this classic clip by E-Trade Baby](#):



The US Pension Crisis & Government Liabilities



Also, Thanks to central bank interventions, rigged markets, easy credit and inflated assets, US household wealth has grown from \$56 trillion in 2008 to \$96 trillion today. This \$40 trillion dollar gain is known as the **wealth effect**, and it can be lost just as quickly as it has inflated. Unfortunately, a majority of **public and private pension funds** are gambling in the **Wall Street** casino, and are fully exposed to a **40-50%** collapse in asset values! According [to a study](#) by the **Hoover Institute**, states are grossly underfunded and taking enormous risk. "The difference between funded levels under Governmental Accounting Standards Board (GASB) metrics and more realistic expectations reveals a massive amount of "hidden debt," commonly referred to as unfunded liabilities. Under GASB metrics, public pension systems assume they will see annual returns of **7.5%**. *This assumption ignores the increased risks associated with stocks, hedge funds, real estate, and private equity to realize these returns.*" There you have it. Union thugs and progressives "assumed" they would get an easy **7.5%** yield (in the bond market) and this has **NOT been the case**. As a result, **all pensions are underfunded** and as you can see **below**, the **US** has the most exposure to this contagion. **Who knew? 38.3%**



So what does this mean for one third of Americans? It clearly means a **humanitarian crisis** is coming like the world has never seen before. It is a very **frightening scenario** that is barely being discussed, except in private think tanks, obscure articles and closed door meetings. As noted in this sobering **3-minute clip** by macroeconomist **Raoul Pal** just a week ago, the next recession is going to wipe out most Americans. Why? He reveals that **Europeans** have **70-80%** of pensions in the less volatile **bond market**, while in the **US** it is closer to **70-80% in equities!** Take a listen:

Raoul Pal: What Will Happen to Pension Funds in Next Crisis?

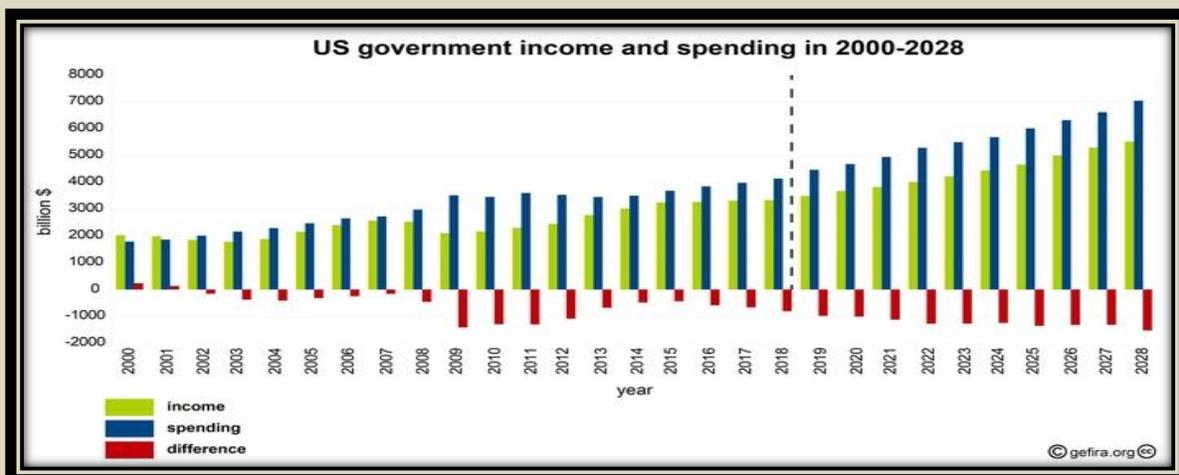
Are you getting a sense of the enormity of all this? As he states, we have never seen this before in human history. The pension/underfunded liabilities are of **Biblical proportions**. I have covered this in many of my past newsletters, and we are starting to see the **protests and unrest** in the evening news. Recently, it has been **school teachers** taking to the streets as seen in [THIS ARTICLE](#). It is noted in **this article**, teachers get nearly **TWICE** as much as normal retirees after **30 years**. This is busting many state budgets, and **Illinois** is the worst. What to do? **Raise property taxes of course!**

Illinois has highest property tax rate in nation, far higher than its neighbors
 Median property tax rate as a percent of property value by state, 2016

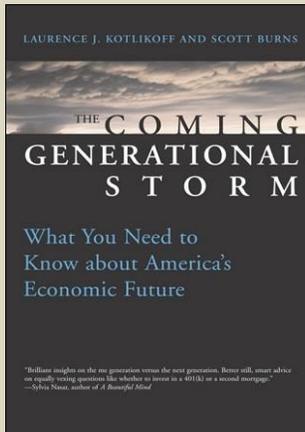
State	Median property tax rate	National ranking (1st=highest)
Illinois	2.67%	1st
New York	2.53%	2nd
New Hampshire	2.40%	3rd
New Jersey	2.37%	4th
Texas	2.17%	5th
...
Wisconsin	1.95%	10th
Iowa	1.69%	15th
Missouri	1.26%	22nd
Kentucky	1.04%	34th
Indiana	0.88%	38th

Source: Corelogic WIREPOINTS

According to [THIS REPORT](#), the Democratically-controlled state of **Illinois** is proposing an additional **1% property tax** for the next **30 years** - and people are *literally* leaving in droves! As **Doug Casey** says, the government sees you as a **milk cow**, and eventually as a **beef cow!** Personally, I have an aversion toward sharp steak knives! And we see the same problems in the private sector, like **UPS**, as seen [HERE](#). Pensions cut by **30%** for starters. But it all gets worse on the **federal level** as seen in this **chart below**. There is no way the gap between **taxable income and spending** can be sustained.

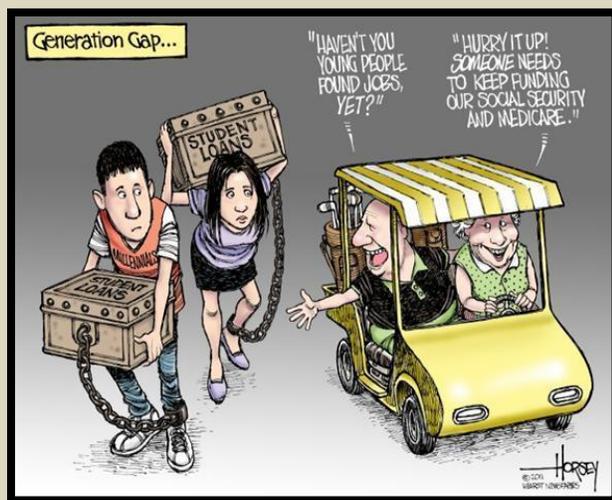


The above chart is from [a study](#) in the **European Union**. It's almost like you have to go to the foreign press to fully grasp how desperate the situation is in the **US!** Nobody is talking about it here. It is the **Third Rail of politics** as they say. I cover this in great detail in **my book**, and **this very issue** is what inspired me to write my own book as a **babyboomer**, [after reading this book by Bill Bonner in 2005](#).



The title says it all. A fiscal/monetary storm is coming, and here is what people need to know about America's economic future - and it is not good at all. What I see coming is an **intense intergenerational war**. As noted in [THIS](#) piece, "Doting parents and grandparents who post their darlings' every precocious moment and wouldn't dream of letting them walking a block to school by themselves **have no compunction** about burying them alive under welfare and warfare state IOUs. In a world riven with conflict, **the easiest war to predict is the intergenerational one.**" Indeed it is. [A study](#) by NW Mutual indicates that **1 in 3** have less than **\$5,000** in retirement savings, and most have less than **\$3,000** in the bank. According to this study, and others, **60%** will be depending on **Social Security and Medicare** to support them in their retirement, and both are both are going bust in a decade!!

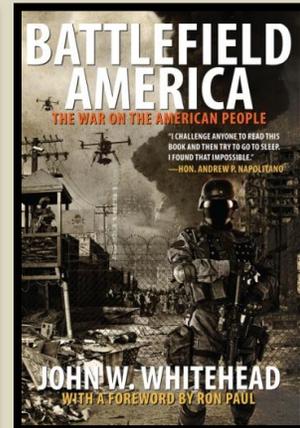
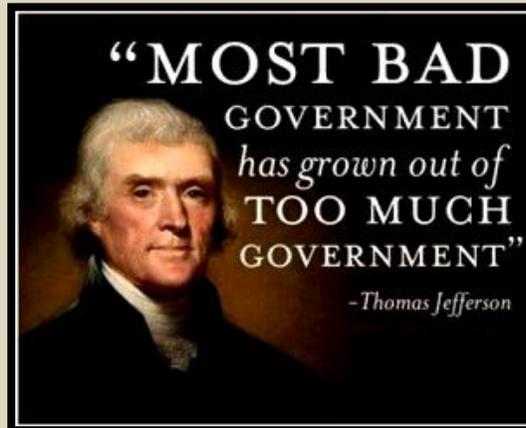
To further highlight the severity of this intergenerational war coming based on aging demographics, the **National Institute on Retirement Security** informs that nearly **70%** of **Millennials** have **NO** interest in saving for their retirements. Why is this? Well, they are just having **too much fun** in the **near-term**, having babies and as one **Millennial** said, "I've consciously decided *not to plan* for my retirement." **Yep.** You can read it all [HERE](#). The consensus among these **Millennials** was that they were too focused on paying off their **student loan debt**, which today is *the largest debt pyramid* in the **US** at **\$1.3 trillion**. A figure that exceeds all **credit card debt** in the **US** and the **huge sub-prime car loan debt bubble!** Below is a not-so-funny cartoon about the **coming intergenerational war**.



There you have the "doting grandparents" chiding their grandkids to get jobs to fund Socialism! And **Socialism** is all the rage among the **Millennials** isn't it - go figure? **Millennials** love **Socialists** and **Marxists** like old **Bernie Sanders** (see above), giving out "free stuff" but they never figure out how **Socialism** is going to be paid for, right? [notice the hand on the wallet]. **Margaret Thatcher:**

"The problem with Socialism is you always run out of other people's money."

Societal Collapse & Police State Contingencies



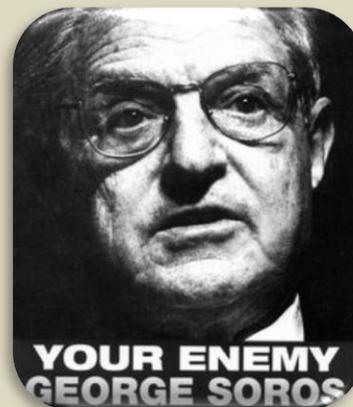
*"A democracy cannot exist as a permanent form of government. It can only exist until the majority discovers it can vote itself largess out of the public treasury. After that, the majority always votes for the candidate **promising the most benefits** with the result the democracy collapses because of the **loose fiscal policy** ensuing, **always to be followed by a dictatorship.**"*

We now turn to a topic that I utterly despise, but it is **the one thing** that seriously keeps me awake at night. I have researched this for too long, and for too many years, to come to any other conclusion than we are facing the **Mother of all Financial Reckoning Days**, and this is going to lead to a degradation of our civil liberties. Attorney **John Whitehead** has been warning about this for some time (see books), and we are clearly at a **tipping point** as far as the growth of the federal government, and most certainly the unelected, unaccountable, secretive intelligence agencies in the **US**. It was **Professor Alexander F. Tytler** in Edinburgh who observed **200** years ago that **democracies** always collapse due to **loose fiscal policy**, and this is followed by an **all-powerful state**. Does this sound like the **US**? I develop this likely outcome in my book, and in particular, a study prepared by **Nathan Freier** for the **Strategic Studies Institute** of the **US Army War College** after the **Financial Crisis in 2008**. Entitled "*Violent, Strategic Dislocation Inside the US*" this report by **Professor Freier** was responding to the collapse of **Lehman Brothers** and the near collapse of the financial system:

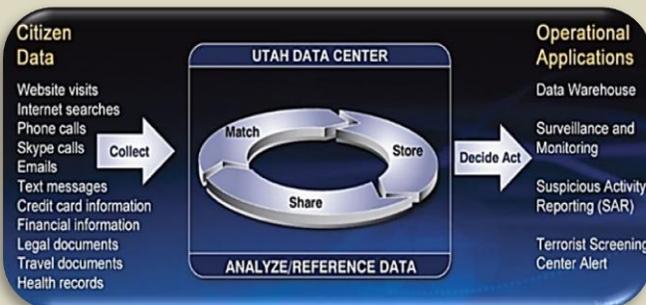
*"Widespread civil violence inside the United States would force the defense establishment to reorient priorities in extremis to defend basic domestic order and human security. **[U]nforeseen economic collapse, loss of functioning political and legal order, purposeful domestic resistance or insurgency are all paths to disruptive domestic shock....DoD might be forced by circumstances to put its broad resources at the disposal of civil authorities....Under the most extreme circumstances, this might include use of military force against hostile groups inside the United States. Further, DoD would be, by necessity, an essential enabling hub for the continuity of political authority in a multi-state or nationwide civil conflict or disturbance.**"*

Constitutional authority Dr. Edwin J. Vieira picked up on this disturbing report in **2010**, and adds "Once they had been called in as domestic 'peacekeepers', the **Armed Forces** would be **uniquely positioned to take over politically**, because they could quite correctly point to the civilian leadership as the efficient cause of the chaos, thereby delegitimizing and even demonizing that leadership." **READ MORE!!** It was **Gen. Tommy Franks** in a *Time* interview (11/21/03) who said if there is a **9/11-event** "the Constitution will likely be *discarded* in favor of a **military form of government.**" Folks, this is not good. The Dept. of Defense (**DoD**) is making **contingency plans** to occupy the **US** and **federalize the police**. I wrote **the following** two years ago (9/11/16) in response to **Black Lives Matter (BLM)**, and how **US citizens** are increasingly becoming the **enemy of the Deep State**.

Secret Agenda to Create a *Federal Police State*



[BEGIN] The **BLM** movement began in **2013** following the shooting of a young black (thug) by **George Zimmerman** in Florida (in self-defense). According to **David Horowitz** this movement has heavy Marxist origins and funding from dozens of leftist groups as seen on [HIS RESEARCH SITE](#) that reveals radical fronts and individuals (please check it out!). A key supporter has been none other than **George Soros** (possibly the most evil person on the planet). We learn from [THIS SOURCE](#) that his **Open Society Foundation** has provided \$33 million to **BLM** with the goal to bring “more federal oversight” to local police forces. With the help of an activist **DOJ** (Holter, Lynch, etc.) the blow back against local law enforcement is working. Among the ‘ten demands’ by **BLM** is the “demilitarization of law enforcement” *but their very actions are causing even more!* Homicides are up **17%**, and **60%** in the cities I have mentioned above. As if the militarization of law enforcement is not bad enough **Dr. Chuck Baldwin** cites a [new study](#) that “There are now more non-military government employees who carry guns than there are U.S. Marines.” This is a reference to those who work in the **Deep State** along with all government agencies. **Baldwin** asks, “To realize that the alphabet agencies of the federal government have more armed agents (assigned to domestic duties) than our premier combat branch of the U.S. military (the U.S. Marines), whose job is to engage America’s enemies in direct combat, is a staggering thought. Tell me again exactly who it is that our federal government deems to be **the enemy?**” *It is becoming increasingly clear that **US citizens** have become the enemy.*



Edward Snowden was concerned about the US becoming a massive surveillance state, and that is exactly what we have become. The new **Utah Spy Center** is the “crown jewel” of the **Deep State**. This **NSA** project was built with no media coverage and very little protest and I invite you to [CLICK HERE](#) to see *stunning photos* of this behemoth. It is under supervision by **Gen. James Clapper** (who has lied under oath) and [just today](#) told a Senate Committee that the **Deep State** will “use the Internet of things for surveillance and monitoring.” By this they mean apps, cameras and all devices that are connected to the **Internet** as seen in **this chart**. This makes you feel safe and secure, right?

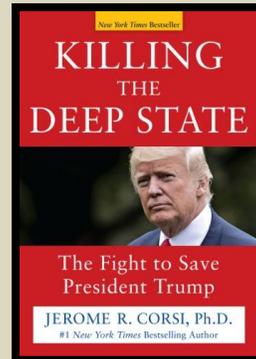
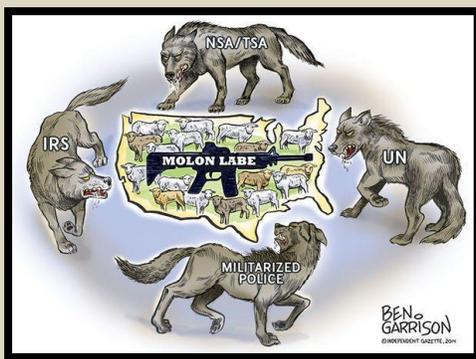
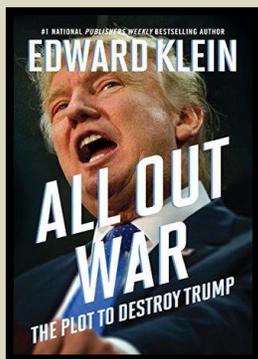
George Orwell died in 1950 and never could have imagined *how big Big Brother* has become. Here are just a few examples. The **DHS** is contracting with firms in Silicon Valley for thousands of drones which are being used against the American people. **Dave Hodges** has revealed street cameras known as [IntelliStreets](#) videos placed by the **DHS** “with a strong interface to the NSA.” **YouTube** has been censoring [politically incorrect content](#) along with **Facebook**, which also collects [THIS LONG LIST](#) of private data collected on you. **Twitter** is [suspending accounts](#) it considers extreme, and China is proposing a “[social credit score system](#)” to monitor free speech and dissent that will be mandatory by 2020. Social credits sound like something right out of the writings of **Edward Bernays**, who was related to psychoanalyst **Sigmund Freud**. Bernays was a propaganda genius who stressed the need to manipulate the habits and opinions of the masses to form a sort of **Group Think**. “Those who manipulate this unseen mechanism of society constitute an **invisible government** which is the true ruling power of our country.” The desire to control public opinion according to state objectives is like the invisible government of the **Matrix**, and formally known as the **US Praetorian Guard** [END].



This excerpt highlights the danger we face. The major beneficiary of 9/11 was the rapid expansion of the **US** surveillance state that **Snowden** bravely exposed. I would even submit that 9/11 was an inside job to create the **DHS**, **USNorthcom**, etc. in 2002, in anticipation of an "economic" and societal collapse. The **central banksters** are about to **blow up the casino**, and what do you think people will do when the entitlements, pensions and safety nets are broken? I know this is heavy stuff, but this is what happens when you have "bad government" because a government has become all-powerful, as **Jefferson** stated. **John Whitehead** is pushing back with repeated articles like [THIS ONE](#), and helping defend people against our militarized police and rouge courts, but it is getting late in the scheme of things. In this clip, **Peter Schiff** talks about the certainty of another **Great Depression** coming:

Peter Schiff: Another Great Depression is Coming

Can this reckoning day be avoided? Schiff says no, and I agree. In a rare comment, Peter begins by talking about his father **Irwin Schiff**, who died as a **political prisoner** last year - a terrible injustice and *ugly* show of force by the **Deep State**. These same forces are attacking our **President** as noted in these books here. **Trump** represents a threat to their power and hidden agendas. These same **swamp creatures** know that they must **first disarm** the populace by **grabbing our guns** before the next crisis.



Another high school shooting has occurred in Texas this week. We can expect the usual hysteria and demonizing the NRA and the other 300 million guns and rifles that did not harm anyone. In this case, the **troubled young kid** (an atheist and Satanist) *used his father's shotgun and pistol.* Tell me *how stricter laws* can prevent this from happening? But **logic, common sense and reason** never apply when it come to the gun debate. **Their agenda** is extremely obvious, and extremely dangerous!

Chilling Documentary: Graphic History of Gun Control

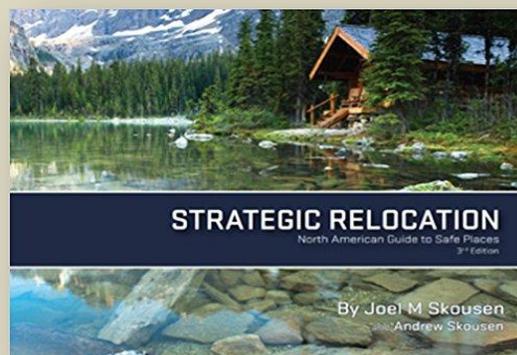
I know we are sick to death of all this. The above documentary was censored by YouTube thought police, but you can still see it. **Government** is the source of genocide and murder. Marching **snowflakes** today chant "there is no such thing as a **good guy** with a gun" and this is *exactly* the message the **Shadow Government/Deep State** wants to communicate. **All guns are evil** and we must **ban them.** Mike Adams mocks the **controlled corporate media** by saying we should *ban knives* because they *might hurt people* (which the UK is doing!) - Listen **HERE.** Crazy stuff people.

Ben Shapiro: Destroys Gun Control Logic with Hard Facts!

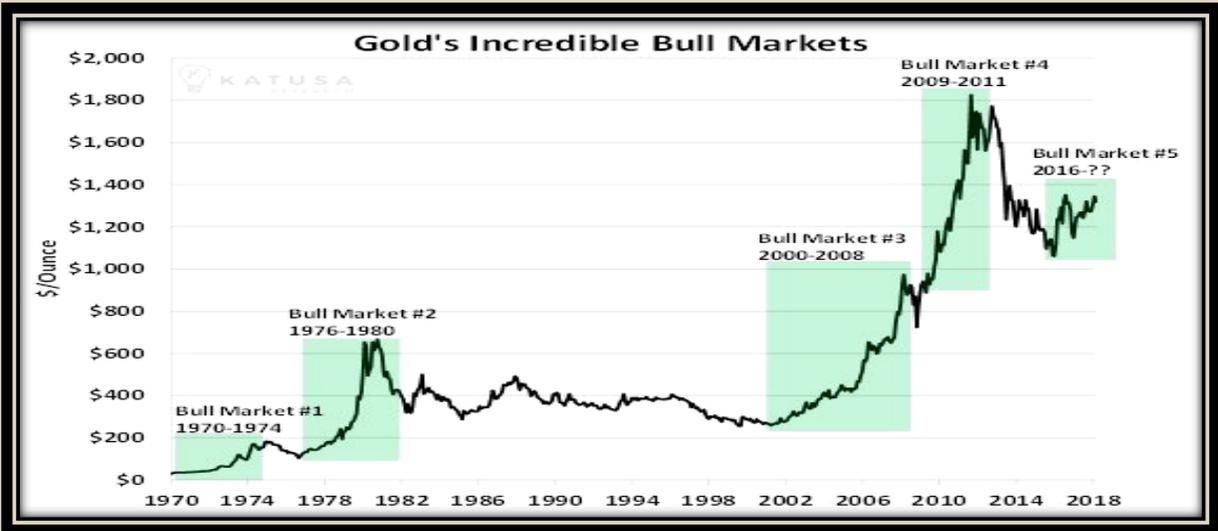
If you want to arm yourself with some gun facts take a listen above (esp. 6-13 minutes). There is a saying, when the government fears *your guns* you need to *fear that government.* **Caracas, Venezuela** is the **murder capital** of the world - But don't they have **strict gun control laws**? I can see the smirk on your face. **Criminals and gangs do not care about laws!** Venezuela is a **failed Socialist state** and people are **killing and looting** to survive. Their currency is **worthless.** They are **slaughtering cows** in the field and the military is **even starving!** Talk about a humanitarian crisis and a **media blackout!**



But this could never happen here right? Perhaps you should ask the US Army War College? The US has **FEMA** camps around the country, and they intend to use them. The time to prepare is **now**, and below is a **good book** for prepping/relocating available at **THIS LINK.** For some practical advice on how to survive **crisis situations** this **interview from Bosnia** is rather instructive. I have settled in the high country of **Arizona**, and I have some contingency ideas on **my website** - **CLICK HERE.**

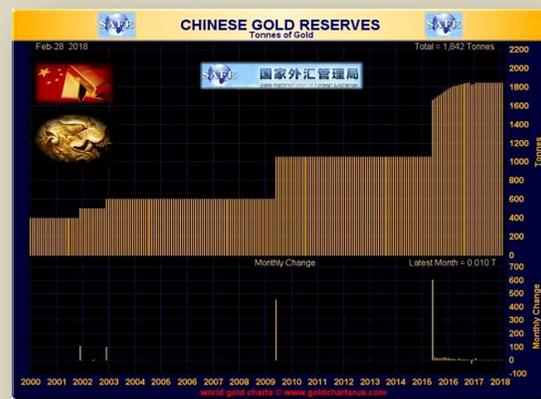
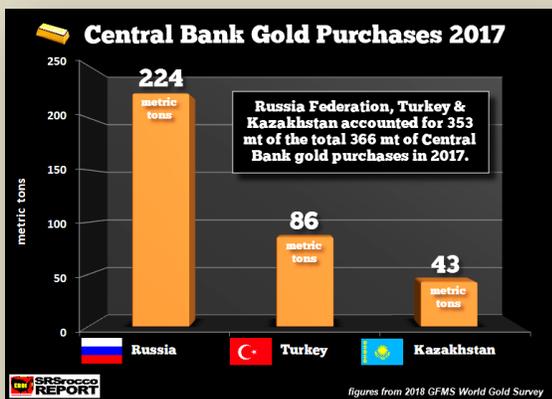


Historical Chart: *Coming Gold Bull Market?*



Just as the government has contingency plans, so must we. And this essentially includes hedging with **gold and silver** against the collapse of fiat paper currencies. **Gold and silver** have been in a flat trading pattern and *this is not normal*. As most of you know, the **evil banksters** are trying to suppress physical metals price discovery based on supply and demand fundamentals. As indicated earlier (p. 4) the **CFTC** and crony regulators turn a blind eye to **manipulation** in the **gold and silver markets**. Can this go on forever? **Certainly not**, and things are lining up for a bullish leg up in **precious metals**.

Recently, an **Egyptian** billionaire, **Naguib Sawiris**, announced that he is putting half of his wealth in **gold**, or **\$2.8 billion**. This same amount would buy **15%** of all the **silver** in the world! Why did he do this? He expects global stock markets to crash and potential for war in the **Middle East**. Hedge fund managers like **John Paulsen** and **Ray Dalio** remain bullish on the **yellow metal**, and central banks have been aggressively added **gold to their reserves** - especially **Russia and China!**



On the left, Russia now has more gold than the official **Chinese** total of **1,842 tons**, but that figure is more like **25,000 tons**. As **Jim Rickards reports**, **Turkey** has demanded all of its gold from storage at the **NY Fed**. The reason? They don't trust the **US** and they don't want sanctions and so on. **Gold** is real money with intrinsic value and also represents **financial independence** with no counterparty risk. The world is becoming *more and more unstable*, and people want the security of real money.

Silver Opportunity: *Like a Coiled Spring!*



The current silver to gold ratio is now 80:1, and history shows that when **this ratio** occurs it usually signals great potential to the upside. As **Chris Kimble** explains in **this chart**, strong rallies have taken place at this line. Both **gold and silver** are trading near their **cost of production** and something has to give pretty soon. **Capital markets** are facing a **bust** (Minsky Moment), most **financial derivatives** are **interest rate sensitive**, and lots of **E-Trade Babies** are going to be slamming their keyboards soon!

It has been grueling to endure these flat metals markets for the past seven years, but if you have **silver** in particular, please a bit more patient and don't bail. I have had only two clients close their accounts in the past year or so. **Keith Neumeier** is CEO of **First Majestic Silver**, and in **THIS** interview he agrees with **Jim Rickards** that gold is going to be repriced at **\$10,000/oz.**(at 8-minutes), and this would suggest a **silver price of \$300/oz.**, even based on the **30:1** ratio that we saw in **2011!**



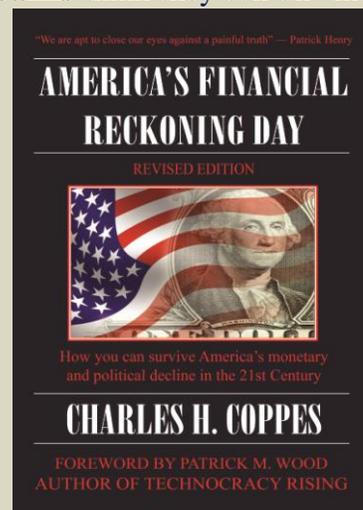
I also draw your attention to the above chart. What is this saying? It is actually **screaming** that something **big** is about to happen with **silver**, and I will have more to say about this in **my next newsletter**. This looks like a **capitulation** in the **COMEX** trading pits, and we will should know soon.

Summary & Conclusion. Regarding the above on silver, you can click [HERE](#) for more. This same analysis confirms that neither silver or gold will collapse in the next financial crisis that is coming. [CLICK HERE](#) for that commentary. Furthermore, after the dramatic drop on the Dow Index on February 5th (p. 6), JP Morgan Chase released [THIS](#) report that they expect a 'capitulation' in the US stock market. Is this also why JP Morgan Chase has accumulated 700 million oz. of physical silver, as I noted in [my last newsletter](#)? I think you know the answer, and this is why we like silver.

[Ron Kirby: Silver Delivery Defaults and 30-Fold Increase](#)

Above is a Greg Hunter interview in which Ron Kirby notes tightness in the metals and predicts that we will see delivery defaults (*force majeure*) for silver that will also trigger genuine price discovery. He also mentions hyperinflation and this is the eventual outcome of central banking efforts to keep monetizing unsustainable debts. I also cover this in my book along with a coming monetary reset that will resolve the US dollar as the reserve currency (Triffin's Dilemma). This will either be adopted in an orderly manner through the IMF, BIS and World Bank, or it will be the result of a crisis scenario that I think is most likely. As covered in this newsletter, there is too much public and private debt and too little savings, production and fiscal responsibility. A reckoning means to settle assets and liabilities, and we are at a tipping point, especially in the US. Central banks think they can unwind \$22 trillion off of their balance sheets and also raise interest rates at the same time. This will blow the casino and do harm to millions of pensioners and perhaps even lead to a militarized political order. This and much more is covered in my revised book. If you would like a copy you can go to [my website](#) or drop me a note.

Concluding, we can avoid reality, said Ayn Rand, "but we can't avoid the consequences of avoiding reality." It is prudent to be prepared, and also spiritually prepared. The passing of Billy Graham seems like the passing of an era, but his message of faith in Christ and hope for a better world is still your most important contingency. This message is in my book and also at [THIS LINK](#). "And the witness is this; that God has given us eternal life, and this life is in His Son. He who has the Son has the life, he who does not have the Son of God does not have the life" (1 Jn. 5:11-12). "The free gift of God is eternal life in Christ Jesus our Lord" (Rom. 6:23). Amen!



Until Next Time, Your Messenger from Pinetop 📬

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