

Very Strong Indirect Reasons To Buy Precious Metals

By Michael Noonan

Got gold? Got silver? If not, you may not survive very well under the current and future regime[s] established in this country. Does price matter? Sure, everyone wants to buy reasonably near the lows, and there are many of us who paid substantially higher prices than currently exist. However, if there is no intent to sell but only hold as a form of wealth protection and/or a form of insurance against a worthless fiat paper currency, then price paid is really immaterial and focus should remain on purpose, not price. Owning and controlling either or both gold and silver are far more important.

In a market that is forming a bottom, price usually moves sideways along the RHS of the chart [Right Hand Side]. What is known for certain is that the farther price moves along the RHS, the closer it gets to a final resolution: a final bottom and eventual reversal of trend. The same applies to the ownership of gold and silver.

No one, absolutely no one knows when a bottoming process will end, and in this regard, we refer to the ending process of the Federal Reserve fiat "dollar" being used as the world's reserve currency. [What that means is goods on the world market are priced and settled in terms of dollars and no other currency, unless countries decide to trade using their own currencies and outside of the fiat "dollar" system.] The fiat "dollar" is still moving farther along the RHS of its ultimate demise.

This is where the elite's central banking system, through London and Washington DC, finds itself today. More and more countries are turning away from the fiat "dollar" and using alternatives. Think of London as the controlling financial arm and Washington DC as the military enforcement behind the money.

The Western financial central banking system is losing its control, and it continues to move along the RHS of that loss of control. When will loss of control be final? That is the same as asking when will gold and silver put in a final bottom? Unanswerable as to an exact date, and almost near impossible as to a reasonable window of time. Almost none of all the experts in the PM community foresaw the extent of the decline from the highs over three years ago, and since 2013 and 2014, almost none called for the recent lows currently prevailing. [There may always be one or two, but we do not know who they are.]

When the fiat Federal Reserve "dollar" finally loses its status as the world's reserve currency, gold and silver will have then begun to make an upward price adjustment or will begin to make the upward adjustment, and all who paid much higher prices for gold and silver will stop whining about price.

Here are a few examples of very strong, not so unrelated reasons for actively buying physical gold and silver.

More people need to be aware of the government under which they live in the United States. It is not "their government," as most assume. The United States has not been a Constitutional Republic for almost 150 years, when it became a *de facto* government on 27 March 1861, when 7 states from the South walked out of Congress that then lost its Constitutional quorum, *sine die*, [pronounced sy-nee dye, Latin for "without a day"]

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Exponential Explosions in Debt, The S&P500, Crude Oil, Silver And Consumer Prices

By GE Christenson

In 1913 the US national debt was less than \$3 Billion, gold was real money, and a cup of coffee cost a nickel.

By 2015 the US national debt had increased to over \$18,000,000,000,000 (\$18 Trillion), the gold standard was called a "barbarous relic," most currencies had devolved into fiat paper and digital symbols backed by insolvent governments, and a Grande soy cinnamon latte, double pump, triple shot, extra hot, with sprinkles cost about five bucks.

Debt, money, coffee and prices have

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Americans Fail To Understand As All Nations Bring Home Their Gold

By Roxanne Lewis

"When plunder becomes a way of life for a group of men, they create for themselves, in the course of time, a legal system that authorizes plunder and a moral code that glorifies it." Frederic Bastiat

Yet another country has requested that their gold be repatriated from the United States! Netherlands was the newest nation to announce this past November that they too had requested that \$5 billion of their gold be repatriated from New York. Their 122-ton stockpile represents 20 percent of the Netherlands' total gold supply. It also represents the world's dwindling confidence in the United States as a safe house for foreign gold. Venezuela, Iran and Libya pulled their gold reserves years ago, and Europe began following suit in 2012 when Germany launched an effort to repatriate 300 metric tons from the United States. Germany has thus far managed to receive less than five tons which represents less than 2% of their total deposits.

Germany requested that the U.S. audit its gold holdings, but auditors were only allowed to see a fraction of Germany's gold in Fort Knox. Could it be true that the U.S. has already spent Germany's gold? Some German elites have formed a "Repatriate Our Gold" initiative and increasingly Europeans are becoming vocal throughout Europe and are starting to gain the ear of their governments. The U.S.'s lack of transparency has caused such speculation and concern. Previous congressman Ron Paul's cry to, "Audit the Fed" was ignored by his peers and next the bought media painted him as a right wing, nut job in an effort to keep their scheme in place and forbid a great potential leader from attaining presidential power and potentially eliminating the Fed. It could have been historically life changing for Americans from all walks of life and ended the rule of Central Banks to deem them bankrupt, take their power and repeal the 1913 Federal Reserve mandate that has stolen earnings, tax monies and

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for reconvening Congress. Without the necessary quorum to reconvene, the Constitutional government ceased to exist.

On 15 April 1861, President Lincoln reconvened Congress entirely under the Executive branch by presidential proclamation, Executive Order 1, "I do hereby, in virtue of the power vested in me by the Constitution, convene both Houses of Congress."

What people do not know is this country has been a presidential dictatorship ever since.

Let that sink in.

What has since evolved is a fascist government with a primary goal of serving the ruling oligarchs. The terms will be defined simply so that everyone is clear as to meaning. A fascist government is one that is more important than any individual or group, as well as any provision for liberty[s]. Think of the Patriot Act and Obama's National Defense Authorization Act, both severely restricting individual freedoms in this country.

One need also consider the NSA and how its pervasive spying of every US citizen's phone calls, e-mails with express government approval and full budget support. There is also FEMA, DHS, and the hands on everyone everywhere TSA. To all of these can be added the recent militarization of local police forces that are often more heavily armed than real soldiers in combat. [Few people in this country are aware that police are not required to protect the public, per Supreme Court rulings.]

Under a fascist government is one person designated as leader, for which Obama qualifies. He rules however he wants with little regard for the established political process, one that has been totally corrupted, anyway. The entire *de facto* government has been under the direction of a shadow government, the ruling elite pushing for a one world government, via the United Nations. Those in control of the government are the oligarchs. An oligarchy is where a small group of people have all the power.

For anyone who believes this "governmental shoe" does not fit the US, you are not paying attention, or the only attention being paid is to bought-and-paid-for-mainstream-news and announcements [almost always, if not always, lies] from the *de facto* government.

The Constitution does not exist in the *de facto* government, only a federal constitution exists, one where Rights have been replaced with privileges, where the will of one is protected against the majority has given way to the majority rules and Rights are subordinate or nonexistent.

The United States is recognized as the leading country transgressing the rights and sovereignty of its own citizens, and for those of the rest of the world. There is no country that conducts more wars than the US. The entire banking system has been protected by the government at the expense of all citizens. Today, any money held in a bank now belongs to the bank. *It ain't your money any more!* If a bank fails, you lose. This is how the federal government has set up the rules to protect the oligarch's banking system.

Here is a link to an article we found posted on the Shift Frequency web site entitled "America's War On Whistleblowers And Journalists Since 9/11." [If the hot link does not work, it is on our website under "Anything Goes" section.] If you want to know why you should own *and hold* gold and silver, this article is a mosaic of so many and on topics too numerous to mention. It provides an awareness of what this government is doing and how *it will have a direct impact on your future*, financial and otherwise. To not own PMs *at any price* is a huge gamble.

Back to the charts...There are times when little can be added to what has already been said. The trend remains down in gold, and

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Exponential Explosions in Debt, The S&P500, Crude Oil, Silver And Consumer Prices

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changed in 100 years.

What has NOT changed is the inevitable collapse of exponentially growing systems. A few extreme examples of exponential increases are:

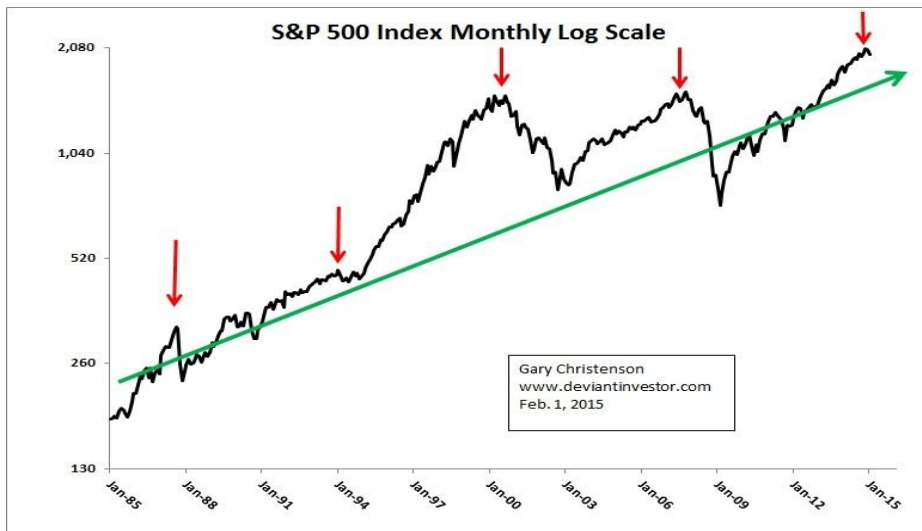
1. **\$0.01 (one penny)** deposited at the 1st National Bank of Pontius Pilate at 6% interest in the year 15 would be worth approximately **\$4 Trillion Trillion Trillion Trillion** dollars 2000 years later. (Yes, I double checked the numbers, and I used a web based compound interest calculator to triple check. Yes, the number has 48 zeros. Compound interest is the 8th wonder of the world.)
2. Promise 1 grain of wheat on the 1st square of a chess board. Promise 2 grains of wheat on the 2nd. Then 4 grains on the 3rd square and 8 grains on the 4th square and keep doubling. That promise will consume all the wheat grown in the world long before it gets to the 64th square. (Do you see the similarity between political promises and grains of wheat on chess squares?)
3. The US national debt has increased at 9% per year since 1913 and slightly more rapidly since 2008. Assuming the 9% rate continues, the current \$18 Trillion in national debt will grow to over \$300 Trillion by the year 2065 and to about \$6,000 Trillion by the year 2115.

I DOUBT IT!

Exponentially increasing systems cannot last forever. Our problem is that the global financial system is based on exponentially increasing debt, energy usage, population, and exploitation of natural resources. This appears to work nicely, especially for the financial and political elite, in the early years of the exponential increases. However, we are approaching the inevitable end of the exponential increases – perhaps not in a few months – but our systems probably will not last another decade. In the meantime, the plan seems to be “Party On!”

Examine the 30 year chart of the S&P 500 Index (monthly) on a log scale.

1. Exponential increases are clearly visible.
2. Peaks have occurred about every seven years.
3. Rallies and crashes have become more extreme. Look out below!



Examine the 30 year chart for crude oil on a log scale.

1. Exponential increases are clearly visible.
2. Lows have occurred every five to six years.
3. Prices appear ready to rally – maybe not this month or even this year – but I don't believe prices will stay this low for long when viewed from a 30 year perspective.

Americans Fail To Understand As All Nations Bring Home Their Gold

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jobs from all Americans forcing us to continue a life of servitude to their government in their kingdom.

Now here comes presidential, right-wing leader candidate, Marine Le Pen who is demanding that all of France's gold be brought home and that gold sales be discontinued immediately. Once upon a time, the U.S. held the world's largest stockpile of all gold, about 75 percent. Today the U.S. is the largest national debtor nation in human history of \$18 trillion and actually closer to a \$100 trillion in future promises to Americans. Americans who are being forced to retire in droves due to high unemployment and increasingly strong competition from illegal immigrants being granted amnesty and incentives of \$3000 tax credits to companies, approved through Obama Care, to hire them at a lower than average or minimum wage.

Most countries and their leaders have awakened to understand that the U.S. is in serious trouble as the leading debtor of the world and no longer in charge! Will Americans, in their arrogance, discover that their country is no longer “a great nation under God”? Will they discover that the world is moving away from their western centered world? The western narrative, contrived by our media, is not reporting the real story and proves untrue on most fronts!

Next Americans need to understand that Russia is not the evil grizzly bear they were raised to believe, the cold war did end and the media is again lacking objective journalism. Russia will protect and defend their economy and may succeed in their aim as they attempt to persuade Europe to dump trade with the U.S. Why? Because the U.S. has cost Europe yet another year of declining economic growth and they would benefit by joining the Eurasian Economic Union!

“When goods do not cross borders, soldiers will!”-Frederic Bastiat

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Americans Fail To Understand As All Nations Bring Home Their Gold

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What happens if the EU renounces a free trade agreement with the United States and our proposed Transatlantic Trade & Investment Partnership (TTIP) and enters into a partnership with the newly established Eurasian Economic Union instead? A free trade zone with close neighbors would make more sense than a deal with the spying arrogant eye of the U.S. We need American companies to create jobs here in the U.S. not in Germany and Europe.

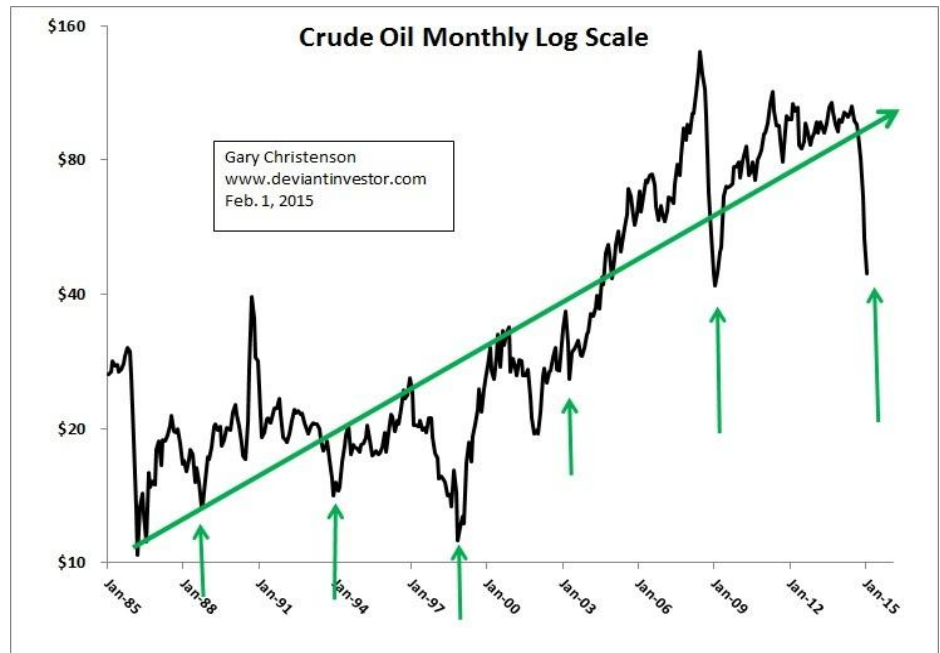
Now we are seeing many nations show their "sense and sensibility" in dictating that a common economic space in the Eurasian region is beneficial to all and will include Ukraine, Armenia, Azerbaijan, Belarus, Georgia and Moldavia. The Eurasian Union has now begun with Russia and Kyrgyzstan to join later this year. This Eurasian Economic body aims to launch free movement of capital, goods, and services, and to extend its single market to 40 other sectors of commerce. So if Europe joins, out of a simple desire to survive, it will be at American's loss. One can only pray for such a union which would possibly put a wrench in the Goldman-Sachs hegemony. Could it possibly end the central bank's rule over Americans as well as the world's people, a fiefdom they created for their purposes?

Ninety eight % of Americans possess no real assets of physical gold and that choice will ultimately be a success or failure! One day we ALL will discover who will benefit in that decision to ignore what other countries have been doing over the past 50 years, bringing home their gold. The truth will set us ALL free to suffer or survive with our personal choice to bring home our own gold or NOT!

Article by:
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January 9, 2015
<http://www.whynotgold.com/>

Exponential Explosions in Debt, The S&P500, Crude Oil, Silver And Consumer Prices

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Examine the 30 year chart for silver on a log scale.

1. Exponential increases are clear and very erratic.
2. Important lows have been roughly six years apart.
3. Prices look like they have fallen well below the exponential trend, are currently at a cyclic bottom, and have begun a rally. In my opinion, new highs are on the horizon.



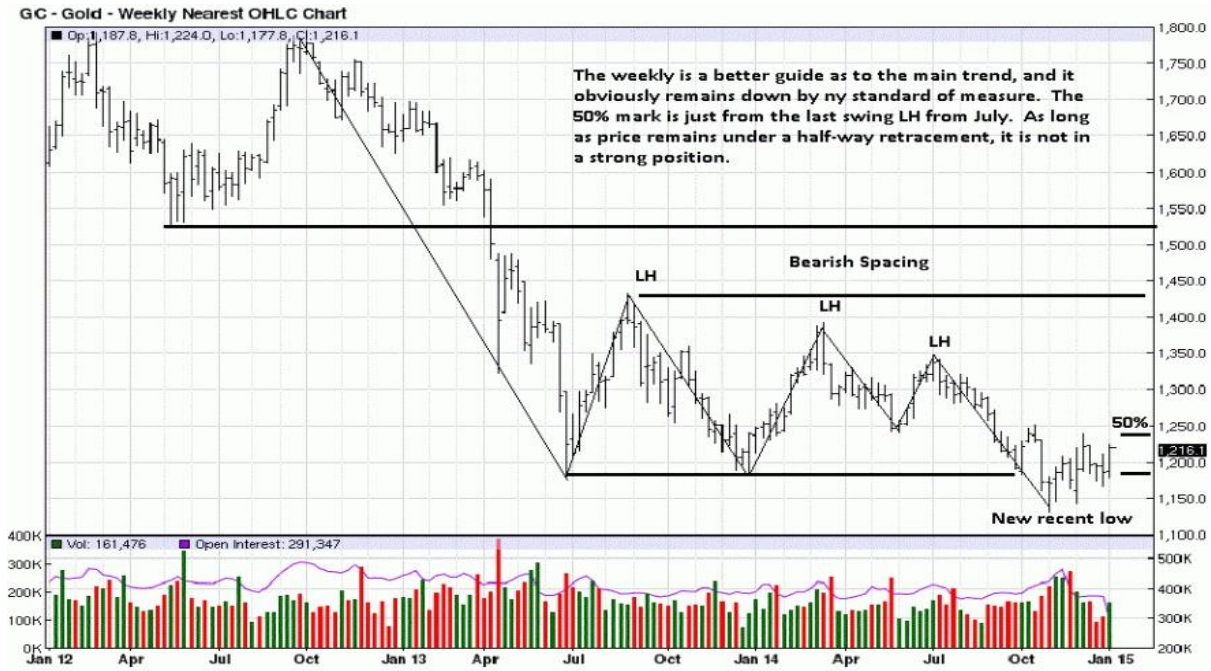
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until there is evidence of a strong reversal, this market continues to move along the RHS of a weak TR [Trading Range]. This is why we do not engage in any "predictions" of what the market will do. It is an exercise in ego and folly, and a waste of time. One need only go back to those who are making predictions for 2015 and read what was predicted for 2014 for proof.

Continue buying the physical, but the paper market is dead in the water from the long side.



Even with a decent rally to start 2015, look at where price is...locked within a TR. The market is not advertising any opportunity[s] at present.



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Switzerland Wins As Its Central Bank Surrenders

Peter Schiff

If anyone had any doubt how severely the global economy has been distorted by the actions of central bankers, the "surprise" announcement last week by the Swiss National Bank (SNB) to no longer peg the Swiss franc to the euro should provide a moment of crystal clarity. The decision sent the franc up almost 30% in intraday trading, a scale of movement that is unprecedented for a major currency in the modern era. Although very few in the media or on Wall Street fully understand the ramifications, the situation that forced the Swiss to abandon the peg will soon be faced by bankers of much larger countries in the coming years, the implications of which can have more profound implications for global financial markets.

Other than the immediate fluctuations in exchange rates, the primary reaction to the Swiss move has been indignation. The airwaves have been awash with officials and investors who have felt betrayed by an irresponsible bank that has not only squandered its own credibility but has also damaged the reputation of all central banks. Despite the complaints of now-ruined foreign-exchange speculators, who believed recent statements from the SNB that it would continue to enforce the peg, a blindsided policy reversal was its only viable option. Any hint that the policy was about to change, or could change, would have resulted in the same mass buying of Swiss francs.

But the only thing the SNB did wrong (other than initiating the peg in the first place) was to admit that the policy was unsustainable and have the courage to reverse course. In so doing, they violated the first rule of central banking, which appears to be: Never admit to making a mistake.

Although the move is not as dramatic a change as the recently defeated gold reserve referendum would have likely produced (see my prior commentary <http://www.gold-eagle.com/article/clock-ticking-switzerland>), the abandonment of the peg makes Switzerland the first major economy to surrender in the international currency war. It has decided not to race to the bottom, and it has understood that a cheap currency does not solve economic problems. The decision gives a long-delayed victory to the Swiss people.

With a centuries-old legacy of economic independence, the Swiss initially had the good sense to avoid joining the monetary quagmire that became the Eurozone. But with the 2011 euro peg, the country *de facto* joined the currency union. This tasked a country with a population of just over 8 million people to support the euro, a falling currency used by 335 million people locked in a dysfunctional political union, with governments that have been serially unable to deal with horrific debt profiles. According to tradingeconomics.com, 2013 figures show Switzerland has a debt-to-GDP ratio of just 35.4%. In contrast, the Eurozone has an extremely high ratio of 90.9%. Taking on that kind of dead weight was a very big job for a very small country.

Predictably, the numbers got very silly very fast. In 2009, Switzerland's foreign exchange was \$92 billion (SNB Annual Report), representing just 17.5% of its annual GDP. This was high by national standards, but well within the range of most developed countries (The U.S. now has almost no foreign exchange reserves - just .9% of GDP). But in order to maintain the peg, the SNB had to buy hundreds of billions of euros annually. Over the past six years, the tab came to almost \$10,000 per year per Swiss citizen. These are enormous sums, even for a rich country. As a result, by the end of 2013 Switzerland's foreign exchange reserves had swelled to \$488 billion (SNB Monthly Statistical Bulletin, Dec. 2014) or 71% of its annual GDP. This dwarfs the reserves-to-GDP levels held by the globe's two primary foreign exchange depositories, China (41.3%) and Japan (24.4%).

In retrospect the task was absurd. It was like asking a 100 lb. jockey to perpetually piggyback a 600 lb. sumo wrestler. But the real problem came in recent months when the European Central Bank came closer to announcing a program of quantitative easing, which would have brought even more downward pressure on the euro, requiring the SNB to pick up the buying pace even further. Asking the Swiss to shoulder the QE burden was like asking the jockey to carry the Sumo wrestler into an all-you-can-eat sushi bar. Given that grim reality, the SNB had no choice but to lay down its burden.

Despite this prospect of an open-ended euro buying *cul-de-sac*, mainstream economists have argued that the move will decimate Switzerland's finances and ruin its economy. They argue that by letting the euro fall, the SNB will suffer immediate losses on the hundreds of billions of euros it now holds in reserve. While this is true, it ignores all the hundreds of billions, if not trillions, of francs that the Swiss would have had to spend (to buy euros) in coming years to maintain the peg. Modern economists believe that the money needed could have been printed out of thin air with no cost to the Swiss economy. But to believe that is to believe in fairy tales.

But when you look at it clearly, Japan, China, and many emerging economies find themselves in roughly the same boat as Switzerland. They are continually inflating their own foreign exchange reserves in order to enforce an unofficial peg against the U.S. dollar. However, in no other country has the relative scale of foreign exchange purchases been as dramatic as in Switzerland. But if the Fed unexpectedly launches another round of QE, which I believe it will, then the rest of the world will have to face the same decision as Switzerland had; whether to continue to throw good money after bad, or to cut and run and take the pain now.

Those still in shock by what they see in the rear view mirror had better focus their attention on what lies ahead. To me, the mother of all pegs is the one provided by China to the U.S. dollar. Both the yuan and the Hong Kong dollar are pegged to the U.S. dollar, and China has spent far more money than Switzerland defending its peg. Should China pull the plug on the dollar, our economy has a much larger drain to go down. The Europeans had only recently begun to rely on Switzerland, yet America has been limping on

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Since breaking under 18, silver traded sideways for 5 weeks and then made another break to the downside. It has been trading sideways for 11 weeks. It is from this kind of sideways activity that an opportunity can arise. The problem is the overhead resistance appears to be an impediment for an upside breakout. However, anything can happen. Best to wait and see what develops and the manner in which it does.



Interestingly, the sideways activity looks more promising on the weekly than on the daily. Until there are signs of strong upside movement with strong closes and increased volume, it is hard to get excited for the paper market.

Otherwise, keep staking.

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January 10, 2015
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Switzerland Wins As Its Central Bank Surrenders

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China's crutch for decades. Since our reliance is much greater, so too is the potential impact once it's removed.

Another difference is that while the Swiss are few in number relative to the population of the Eurozone, per capita income in Switzerland is higher. In contrast, China has a larger population than the United States, but its people subsist on much lower incomes. So it's not the rich subsidizing the less well off, but the Chinese poor subsidizing America's middle class. As a result, the immediate gain to China and loss to America will be that much greater than is the case with Switzerland and Europe.

In the future the Swiss surrender may be looked at as the first significant counter-attack against our current global system of monetary insanity. The mistake was not ending this peg, but in adopting it in the first place. The Swiss once again have a strong currency with expanded purchasing power.

Yes, Swiss exporters may lose market share to international rivals. But the amount of Swiss francs they will actually earn from each unit sold will likely increase. So the Swiss may be able to export less and still earn the same money. In addition, the cost of imports will fall, allowing the Swiss to buy more with less.

Contrary to the common current belief, the goal of an economy is not to manufacture more products for others to buy, but to be able to buy more products yourself. In that respect, exports are merely the means to achieving that end. The less you need to export to pay for your imports the better.

In other words, the goal of an economy is to consume, not to work. If we could consume without working we would happily do so. Working without consuming, not so much. In the past, the Swiss prospered with one of the world's strongest currencies. It will do so again.

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Switzerland Wins As Its Central Bank Surrenders

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Ironically, without the support of the SNB in propping up the euro, full-blown European QE may now be a more remote possibility, and a euro rally against the dollar may not be too far off. Goldman Sachs noted the Swiss' message is that QE is going to be done and perhaps even larger than previously thought.

But, with tough love from Switzerland perhaps the European Union may choose to consider real economic reforms rather than risk QE without a Swiss safety net to catch the euro if it starts to tumble uncontrollably. In fact, the forces now in motion, accelerated by the SNB's move, may push the Fed that much closer to launching QE4. Since the "long dollar, short euro" trade is predicated on the expectation of QE in Europe and rate hikes in the U.S., if we end up with QE4 in the U.S. and no QE at all in Europe, the fireworks in the foreign exchange market are just getting started.

Article by:
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January 20, 2015
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Exponential Explosions in Debt, The S&P500, Crude Oil, Silver And Consumer Prices

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CONCLUSIONS:

- Exponentially increasing systems do NOT last forever and become increasingly unstable.
- The current global financial system depends upon "printing" massive quantities of unbacked fiat currency and exponentially increasing debt.
- The exponentially increasing trends for debt, sovereign bonds, currencies, the S&P 500 Index, consumer prices, gold, crude oil, and silver are still in effect. But for how long? What happens at their critical phase transition points?
- The S&P looks like it could roll over at any time.
- Gold and silver appear ready to rally for several more years. Crude oil appears to be finding a bottom and will eventually rally.
- Unstable systems often react violently when they near a critical phase transition or crash point. When the global financial system reaches a phase transition or crash point, would you rather own fiat paper, such as sovereign bonds paying practically nothing and fiat currencies backed by the debt of insolvent entities, or silver and gold?

Repeat: Silver and gold have been a store of value for over 5,000 years. Unbacked paper fiat currencies have always failed. Do you trust politicians and central bankers more than you trust silver and gold? If not, I encourage you to take door # 2 – the one plated with silver on the top and gold on the bottom.

Gold is still undervalued, based on my long-term empirical model, by about 16%. Silver is also undervalued. **Unless the President and the US congress slash expenses, actually reduce the national debt, negotiate world peace, and make many other unlikely policy changes, expect silver and gold to rally in a strong up-cycle for several, perhaps many, years.**

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February 3, 2015
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The Outstanding Public Debt

National Debt:

18,132,184,875,310.70

The estimated population of the United States is **319,974,774**

US citizen's share of this debt is **\$56,667.54**

The National Debt has continued to increase an average of **\$2.40 billion per day**

Business, Government, Financial and Unfunded Liabilities Debt exceeds **\$100 Trillion**

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