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Financial World: House Of Cards Built On Sand

By Michael Noonan

Take heart PM community, your turn is coming. What is happening in the stock market is a harbinger of what is sure to come for gold and silver, at some point in the future. When? Ah, that elusive question the answer to which so many want to know, the same answer to which so many so-called prognosticators have serially gotten wrong over the past few years. The best answer is *patience.*

It is highly unlikely that a single bank, at least in the Western fiat central banking system, is solvent. All, repeat, all banks are insolvent, propped up by the Rothschild system that few can successfully challenge. All banks exist by accounting deceit and every kind of threat, indirect or otherwise, that it is not wise to challenge the international banking cartel [on the verge of collapse]. Russia and China are rising to the occasion rather timely.

What is the result of "printing" trillions upon trillions of fiat currency? While it has not yet played itself out, due to market distortions by "The Powers That Be," history shows that **all fiat paper currency systems fail.** Is it any different this time around? **No!** The only thing "different" would be the mechanics of how the Western system will fail. A combination of computers and the internet have given the elites a decided upper hand that has enabled the "disenabling" system they run an extended life, if you will, in their ability to perpetuate fiat deceit.

As an aside, most people are totally unaware of the extent to which the elites have been able to dominate every facet of human life on this planet. Control is not a strong enough word to describe the extent and depth of the evil they wrought in their utterly corrupt ambitions to rule as a one-government New World Order.

We believe we have a degree of insight on some of the ways in which events have been played out on the world's stage, the coup d'etat against the United States by the Rothschild moneychangers, the final nail in the proverbial coffin being the takeover of the United States currency with the passage of the Federal Reserve Act in 1913, and the simultaneous abdication of Congress in its Constitutional duty to Article 1, Section 8: "To coin money, regulate the Value thereof, and of foreign Coin, and fix the Standard of Weights and Measures;

"To provide for the Punishment of counterfeiting of the Securities and current Coin of the United States;" [There has never been any indictment or punishment of anyone from the Federal Reserve Banking System for the counterfeiting Ponzi scheme run by that private banking cartel over the past 101 years. There has, however, been many examples of punishment for those who have opposed the Rothschild central banking system, the assassinations of Presidents Lincoln, Garfield, and Kennedy as the most prominent.]

There have been hundreds of thousands of deaths of lesser known people as a result of opposing the elite's system, almost all of which cannot be directly linked to those in control. Remember the more than a dozen bankers who "suicided" themselves in the past few years, one by several "self-inflicted shots from a nail gun." It is possible that the number of deaths over time may be in the millions. We will never know.

Continued on page 2

Governments Need Inflation, Economies Don't

By Peter Schiff

In an article in the UK's Telegraph on October 10, veteran economic correspondent Ambrose Evans-Pritchard laid bare the essential truth of the nearly universal current embrace of inflation as an economic panacea. While politicians, CEOs and economists talk about demand stimulus and the avoidance of a deflationary trap, Evans-Pritchard reminds us that inflation is all, and always, about debt management.

Every year the levels of government debt as a percentage of GDP, for both emerging market and developed economies, continue to go higher and higher. As the ratios push out into uncharted territories, particularly in Europe's southern tier, the ability to "inflate away" debt through monetization remains the only means available to postpone default. Evans-

Continued on page 3

Also Inside This Issue:

A Funny Thing Happened On The Way To Raising Rates

Michael Pento

It wasn't too long ago that the stock market was busy celebrating a "great" September jobs report. There were 248k net new jobs created and the unemployment rate dropped to 5.9 percent. Janet Yellen, Ben Bernanke and the rest of Washington D.C.'s central planners deemed it a great time to take a Keynesian victory lap, basking in the delusion that they now have proved you actually can print and borrow your way to prosperity.

And, because of their success, the Fed would be able to raise interest rates without any damage to the economy.

But while crossing the finish line they discovered they were on the wrong track. U.S. stocks have dropped for the third consecutive week and have erased all the gains for the year. The market's anxiety stems from the global economic slowdown (that includes the United States). Industrial commodity prices, most notably oil, are tumbling and sovereign debt yields are plunging—asset prices around the world have begun to collapse.

Ever since the late 1980's, the Fed has viewed itself as the savior for the stock market; this is affectionately referred to on Wall Street as the Fed put. Like a fireman standing ready to put out a major fire brewing in the economy's kitchen, the central bank has stood ready to bail out any of the markets bad behaviors—most of which were first derived from the Fed's provision of artificially-low interest rates to begin with.

But, today's Fed isn't merely waiting for a fire to start, it is using a flame thrower to light the stove. It has stopped relying strictly on overnight repos to manage short-term rates and providing liquidity on the margin; but instead has now put the responsibility of the worldwide economy squarely on its shoulders.

Continued on page 6

Financial World: House Of Cards Built On Sand

Continued from page 1

There is so much more that would be shocking to anyone's senses to hear and learn of the degree to which psychological, economical, educational, medical, and biological warfare has been directed against The People, or those not a part of the diabolically corrupt system controlling and running everything, by the moneychangers.

Back to that to which some people can relate. There is one reason and one reason only why the stock market has been going up in "paper value," an oxymoron in itself, and it has been a direct result of pouring in trillions of freshly printed fiat currency from the banking system into the stock market. We gave up on participating in that Ponzi scheme a few years ago, not willing to abet the corruption and greed of the Wall Street scammers, the largest firms that control the markets, and the federal government.

This has been a result of cheap available "money," [available only to bankers to support the corrupt and totally insolvent banking system], [mis]used to perpetuate the myth that unbridled money printing can sustain the economy, when as any reasonably literate person has to know that an infinite supply of money can only **destroy the system.**

If anything has been learned from the 2008 real estate and stock market bubbles, too many have either forgotten or disregarded recent history. Last week's decline and speed in the stock market is the first shot across the bow that this fantasy called a stock market rally is beginning to end. It often takes several months for a market to top, and one need only look back at the 2008 stock market to see how a top unfolds. The details or the mechanics of the market top may differ, but the net results, a precipitous decline, will not.

The point for buyers and holders of gold and silver is to see how blatant, unless you watch and believe in the elite's mainstream media cartel, the stock market has been manipulated, a word familiar to the PMs markets. The beginning of the end is about to unfold right before your eyes. It is impossible for the central banks to keep printing money to feed a broken system. Almost all markets have been distorted by the Rothschild central planners, and the extent to which distortions have been disrupting the natural order of events, it will result in an equal and opposite effect will eventually ensue.

We discussed this in July 2013. [See article about Newton's Third Law, {7th par.}] We stated even then that we did not know when the market decline would end but was more optimistic that the end would be sooner than the now later time frame. It may be changing to the sooner-now-rather-than-later situation, but no one knows, and our point continues to be that knowing does not matter…preparation does.

The damage being done to the world economy has no precedent. The extent to which the world is being manipulated has no precedent. The degree of endless "wars" engaged in and provoked by the United States in has no precedent. The amount of worthless "currency" being used by the moneychangers to fleece the world of its wealth does have a precedent in the Rothschild formula, but the degree to which it has been utilized has no precedent.

One day, and it is a certainty, the value of gold and silver will double, triple, or some unknown multiple of current suppressed values, and those who have been bemoaning the current prices will be equally rewarded as those who have kept the faith and knew that it was just a matter of time.

In the world of fundamentals, timing is never an absolute or a factor. In the world of charts that track developing market activity, which is actually a more accurate way of reading all of the known and yet to be known fundamental considerations, timing is everything. So far, the moneychanger manipulators still have the upper [dirty] hand.

The gold/silver ratio has recently risen above 71:1, after staying in the 68:1 area for a while. It should be more closely watched for those considering a switch from gold into silver, or some portion of their gold holdings into silver. For our reasoning on why, see Magic Of Gold/Silver Ratio article from July. Yes, there is a "give-up" cost in the number of ounces exchanged in the process, but do the numbers to determine if it is worthwhile.

Continued on page 5

Governments Need Inflation, Economies Don't

Continued from page 1

Pritchard quotes a Bank of America analyst as saying that even "low inflation" (not to mention actual deflation) is the "biggest threat to the dynamics of public debt." IMF Managing Director Christine Lagarde ramped up the rhetoric further when she recently told the Washington Press Club that "deflation is the ogre that must be fought decisively." In other words, governments need inflation to remain viable. It's the drug they just can't do without.

But as this simple truth is just too embarrassing to admit, politicians and central bankers (and their academic, journalistic, and financial apologists) have concocted a variety of tortured theories as to why inflation is not just good for overly indebted governments, but an essential economic good for all. In a propaganda victory that even Goebbels would envy, it is now widely accepted that purchasing power must decrease for an economy to grow.

Despite centuries of economic evidence to the contrary,they argue that if prices do not rise by at least 2% per year consumers will not spend, business will not hire, and economies will slip into an intractable deflationary death spiral. To prevent this, they recommend governments spend without raising taxes. Not only would such a move involve a direct stimulus by increased government spending, but the money printed by the central bank to finance the deficit will push up prices, which they argue is very healthy for the economy. As the Church Lady used to say, "How convenient." Offering voters something for nothing is the Holy Grail of politics. But as a matter of reality, voters should know that a free lunch always comes with a cost. This isn't even economics, its physics.

When increased government spending is paid for with higher taxes, workers notice that their paychecks have been reduced. This provides clear evidence that government spending comes with a cost. But this bright line is much more difficult to see when the spending is paid for by inflation (printing money). But the net impact on consumers is the same. Inflation does not reduce the nominal amount of one's paycheck. But rising prices reduce the amount of goods and services it can buy. So when governments run deficits, workers will be stuck with the bill. Whether they pay through higher taxes or inflation, their standard of living will be diminished. The main difference is that workers know to blame government for higher taxes, which explains why politicians prefer inflation.

To give cover to this tendency, economists have come up with the bizarre concept that falling, or even stable, prices squelch demand and deter consumption. The idea is that if consumers know that something will cost less in the future (even if it's just 2% less) they will defer their purchases indefinitely, perhaps waiting for the cost of their desired product or service to approach zero. They argue that this can push an economy into a deflationary spiral of falling prices and diminished demand which may be impossible to escape. But this idea ignores the time value of a product or service (people will tend to pay more for something they can enjoy sooner rather than later) and the economic law that shows how demand goes up as the price falls. But common sense has absolutely nothing to do with the current practice of economics. Instead, the dominant argument is that inflation is needed to seed the economy with demand.

However, this argument is merely a smoke screen. The only thing that inflation can do is to help governments spend. Economies do just fine with low inflation. In fact during the late 19th century, in the Great Sag, the United States experienced sustained deflation while creating much faster economic growth than we have seen in the last few generations. As recently as during the early 1960s the U.S. experienced consistently low inflation (barely 2%) and strong economic growth based on government figures. But in their call for more inflation, modern economists tend to forget or downplay those periods.

But inflation is actually more economically harmful than taxation. By blurring the link between higher government spending and reduced purchasing power, the public is less likely to oppose government expansion. And therein lies the truth. Inflation is not needed to grow economies but to grow governments. The problem is particularly acute in Europe where countries of radically different fiscal characteristics have been locked into a politically unworkable monetary union. On one side are countries like Italy, Spain, and France whose governments have been notorious for offering generous benefits for which they can't pay.

Before adopting the euro, these countries had currencies that were not known for their bankability. Germany, on the other hand, had built its reputation on balanced budgets and a strong Deutsche Mark. But given the strict monetary restrictions that were needed to grease the skids toward union, the European Central Bank has not been able to create inflation as freely as the U.S. or Japan. As a result, the debt crisis there has been placed in particularly sharp focus, as the problem is

Continued on page 4

Perpetual Debt Slavery

Jeffrey Lewis

There is an unspoken difference between debt that is designed to be paid back and debt (disguised as perpetual flow) to finance pre-existing streams of debt service.

The second type of debt is a Ponzi large enough to make Bernie Madoff blush. And crash the system. In the current system, debt is money for nothing used to create asset bubbles. Including the equity lift-off we see today.

Giving rise to the pump and dump scams that are very much alive and well.

A recent publication captured the essence:

"To be sure, Wall Street has sponsored such market-rigging ploys since time immemorial. However, the true evil of rampant central bank money printing is that it vastly enables and amplifies such speculative ventures, while at the same time eviscerating the natural checks and balances against speculative manias which are embedded in honest financial markets."

At the base is the debt finance.

Streams that are, ultimately, instruments of enslavement promoted, traded, and described as debt. The intention to enslave is not the point. It is just one of many unintended consequences.

It is the result of a century of abuse and ultimate power over the people. Treasuries are perpetual claims on taxpayers.

Debt to be repaid is not being sold: People are. If Treasuries can neither be paid off nor defaulted then the people are being sold as revenue streams. Normally, people who are provided too much debt correct the lenders by defaulting. The system clears.

Public debt is different. In essence, public debt is a scheme to leverage the backs of

Continued on page 7

Governments Need Inflation, Economies Don't

Continued from page 3

perceived to be much larger than in other developed countries that can print at will.

The calls for more inflation in Europe should be raising hackles on the streets of the Continent. But Keynesian economists have provided cover for politicians for years, and true to form, they have again risen to the occasion. While it is understandable that governments are motivated to champion inflation, it is harder to see why professional economists are similarly inspired.

Perhaps they believe modern economics has the magic ability to create something from nothing. But the idea that a properly applied macroeconomic formula can somehow circumvent the laws of supply and demand is ludicrous and dangerous. Of course, the idea that governments can hold inflation to just 2% per annum is preposterous. Once it breaches that level, governments will be powerless to contain it. The endgame will be hyperinflation. That is because escalating levels of debt will prevent them from raising interest rates high enough to break the inflationary spiral.

The last time that inflation really got out of hand was back in the early 1980s when a boldly inspired Federal Reserve was able to put the genie back in the bottle by hiking interest rates all the way up to 18%. The economy not only survived that harsh medicine, but it prospered as a result. Does anyone seriously believe that we could survive even a quarter of that dosage today?

Since the central banks are now destined to forever remain behind the inflation curve, it will continue to accelerate until the real threat of hyperinflation looms much larger than did the contrived threat of deflation.

Article by:
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October 15, 2014
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The Foundation For A Stock Market Crash Has Been Laid

Graham Summers

"Buy stocks! It's a great opportunity! They present great value."

This is the non-stop mantra espoused on financial media. It's simply astounding given that

- Everyone with a modicum of sense knows stocks are in a bubble
- Financial media viewership is plunging to multi-decade lows (you think they'd consider changing the content?)

Here are a few thoughts no one in the mainstream financial media seems to address.

First of all, corporate insiders are dumping shares at a pace not seen since 2000.

That's correct. The folks who know more about their companies and future growth prospects than anyone in the world are unloading their shares as quickly as possible.

Investment legends are doing the same. Warren Buffett, perhaps the single biggest fan of stocks in the last 100 years is currently sitting on over $50 billion in cash. **Buffett's partner Charlie Munger recently commented that he has not bought a single stock in his personal portfolio in over two years.**

Aside from Buffett and Munger, Carl Icahn, Stanley Druckenmiller and numerous other investment legends have warned of a potential market catastrophe. George Soros has even taken out a record size bet on the market collapsing.

Beyond the legends, institutional investors have been net sellers of stocks for most of 2014. The same goes for hedge funds. Do you think they'd be doing this if they thought stocks were offering a lot of opportunities and value today?

Continued on page 6

Financial World: House Of Cards Built On Sand

Continued from page 2

If the ratio were at 73:1, for example, maybe you will get a 68:1 exchange from a dealer. 10 oz of gold = 680 oz of silver. At some point the ratio goes under 40:1, and you get an exchange at 45:1. Your 680 oz of silver is exchanged into 15 oz of gold, or 50% more in gold had you opted not to do an exchange because there was a "cost" involved. Who knows, the ratio could get back to the 20:1 area, and an exchange at 25:1 from a dealer would yield almost 28 oz of gold, almost tripling the 10 oz when started. One thing about the future, Anything Can Happen! A pre-set mind can be limiting.

Consider the above when considering the below. Just a thought.

What can be said about the decline under broken support is that there is no acceleration to it. When price broke the important 26 support level, it immediately [almost] went to 18+. Breaking 18.50, the decline, so far, has "only" been to 17, where it has been consolidating, as opposed to being driven lower. Price may continue lower, or not, but at a much lower pace, and that is a positive.

Regardless of the final level of decline for silver, keep in mind the bigger picture of reality as it temporarily remains distorted by fiat fiction, but a fiction that has lasted longer in it temporary phase than most have expected. It is what it is, and that is what we must all deal with, for now.

Continued on page 7

The Foundation For A Stock Market Crash Has Been Laid

Continued from page 4

Market volume is collapsing to a dwindle…and fewer and fewer companies are participating in the rally. Both of these are clear signs of a top forming. Nearly half of the stocks on the NASDAQ are down over 20% from their recent peaks.

Global growth is slowing down sharply. The only non-manipulated economic data point out of China (electricity consumption) shows GDP growth there is HALF of the official 7.5%. In Europe, Italy is back in recession for the third time since 2008. Germany's economy contracted in the second quarter of 2014 and will likely be in recession before the first quarter of 2015. France has registered zero growth for six months now. And the US is showing anemic growth if any.

So we have corporate insiders selling the farm, investment legends warning of a collapse, institutional investors selling stocks, and global growth slowing rapidly.

And now is the time to buy stocks?

No, now is the time to prepare.

Article by:
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October 1, 2014
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A Funny Thing Happened On The Way To Raising Rates

Continued from page 2

This is why former Fed Governor Laurence Meyer recently complained that too-low inflation, "is getting to be a real issue again," With inflation at 1.5 percent according to the Fed's preferred index, Meyer believes FOMC policy makers aren't likely to raise interest rates, even if the economy approaches full employment—what Keynesians believe causes inflation.

And taking this a step further, John Williams, president of the San Francisco Fed, said in a recent interview with Reuters that the first line of defense at the central bank would be to telegraph that U.S. rates would stay near zero for longer than mid-2015. Then, if inflation isn't really hollowing out the middle class fast enough, Mr. Williams suggests the Fed should be open to another round of asset purchases. Even so called Fed Hawks, like St. Louis President James Bullard, are now suggesting that the current quantitative easing program should be extended.

It has become clear that the Fed is no longer just tinkering on the edges of the economy, it is now micromanaging every economic data point and, most importantly, each tick of the stock market.

This over-engaged Fed has created an overwhelming sense of investor complacency—an entitlement that asset prices will always go up and bond yields will always stay low.

All central bank intervention comes with a price. The upside of lowering interest rates is that it lowers debt service costs. The down side is it encourages more gluttonous debt consumption. That is why the U.S. National debt has risen from $9.2 trillion, to $17.9 trillion, since the beginning of the great recession. This is also why total Global debt has soared by over $40 trillion, since the start of the Great Recession. Stated differently, total global debt has leaped from 176 percent of GDP in 2008, to 212 percent by the end of last year. The truth is there has been no deleveraging at all since the financial crisis; but rather a dramatic re-leveraging of the global economy.

Rising rates are not the current problem. Despite the fact that the biggest buyer (the Fed) is nearly out of the picture, yields are falling because deflation is pervading across the globe. However, the ending of our central bank's massive QE programs is acting like a defacto tightening of rates.

The fact is that debt levels have increased to such a lofty level that zero percent interest rates are not enough to keep the current stock market bubble afloat. If you don't agree with this, take a look over in Europe. Central Bank head Mario Draghi is having difficulty getting a genuine QE program going and there has been no increase in the ECB's balance sheet. Despite the negative nominal interest rate environment in Europe all stock indices are down on the year; with the German DAX down 11% in 2014.

U.S. markets fell around 15% after QEs 1 and 2 ended. That's because asset bubbles have risen to the extent that they now rely on perpetual central bank money creation to survive. Investors need to be reminded that the stock market did not bottom from the panic selloff experienced during the height of the great recession until QE1 was expanded to $1.55 trillion in March of 2009. Each time QE ended the stock market fell apart. Only this time the end of QE III finds the market more than 40% higher than it was at the end of QE II. In addition, the end of this round of money printing coincides with the majority of developed and emerging market economies at or near a recession. And, the Fed isn't just ending QE but is planning to raise interest rates in the next few months.

Bond yields and industrial commodities have already tumbled in price; and now real estate and stock prices have also begun to plummet. I believe that stocks have entered into a significant bear market. Without having the ability to further lower interest rates, it will take another massive and protracted QE program to pull equities out of this tailspin. To keep the bubble growing we will see a promise from the Fed that QE won't end until inflation has become permanently entrenched in the economy. It looks like yet another Fed prediction has failed to materialize and another of its strategies has been thwarted. The sad truth is that the Fed's plan to raise interest rates next year will not come to fruition. In sharp contrast, the new plan will be called QE infinity.

Article by:
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October 20, 2014
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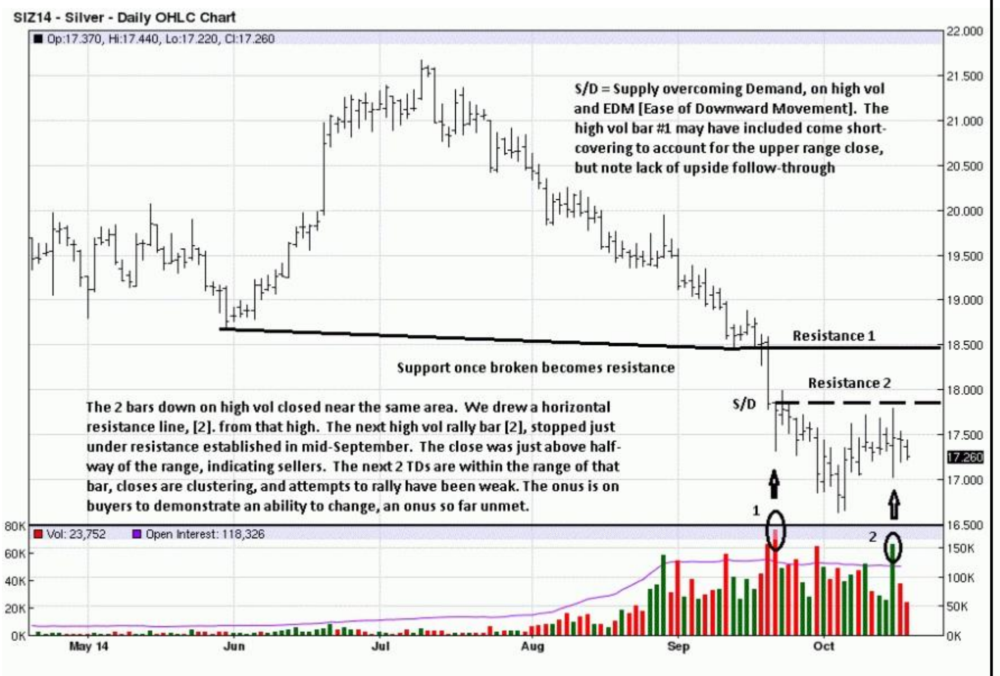
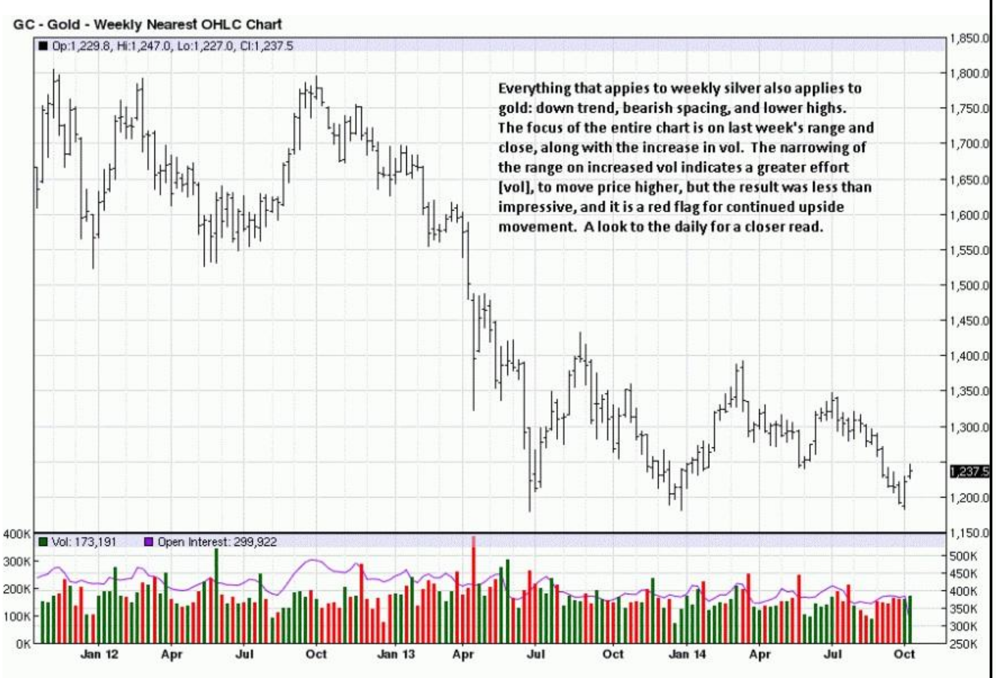
Financial World: House Of Cards Built On Sand

Continued from page 5



Weekly gold, second verse same as the first.



1240 was an area of resistance, for us. Price rallied to 1250. Does this mean the beginning of a change in pattern behavior? Possibly, but it does not matter because there is not enough information to declare a change in trend is under way. Will the rally extend higher into next week? Possibly, but the probability is low. What will be of keener interest is how the next reaction lower develops. If the ranges narrow and volume declines, it will indicate a lessening of selling pressure.

Continued on page 8

Perpetual Debt Slavery

Continued from page 3

the citizens, soldiers, and serfs. And propaganda greases the wheels.

Debt streams enable leverage. Re-hypothecated paper leverage. And the ability to manipulate.

When people finally feel this pain en masse, it ends. What is now hidden by price controls and manipulations and returns with the full force of sudden reality. When prices are dislocated, shortages or surpluses appear.

Too many paper silver tickets created by the speculators create a massive shortage of silver available to back those promises. There was never any plan to come clean on those promises.

They are simply letters of credit for more leverage. The unthinkable default would strip away the Ponzi for all to see, immediately calling into question the entire paper complex.

It will probably happen under another name. People will likely not see the currency collapse for what it is.

Correct, and once the oligarchs behind this "let them eat cake" monetary policy try to maintain this in a resource-limited world, the people lose faith fairly quickly. They will do whatever they need to do and real wealth seeking will start occurring everywhere.

All kinds of economic activity go on outside the eye of the taxman already. Such monetary experiments always end the same way. Economists, financial leaders should be sounding alarm bells. Yet they do the opposite.

Alas, the academics who call themselves economists are not, in fact, economists. A real economist describes the way the world works - not just the way he wants it to work.

They have little incentive to evaluate objectively. In fact, they exist to celebrate our supposed victory over nature, like predicting earthquakes or inducing hurricanes.

It is true. Mankind has achieved some pretty incredible things.

Continued on page 8

Perpetual Debt Slavery

Continued from page 7

But science cannot be applied to financial markets more than bean counting or programming automatic trades. When it is tried, we stagnate. No growth. No creativity or evolution.

From the highest echelon of modern finance to the little cubicles where programmers create the next crypto currency; nothing has changed all that much. We just keep evolving new and more efficient channels of propaganda.

The next collapse will come wrapped in some other fear-laden, false flag-riddled tragic disaster meant to distract and protect the elite. Only in retrospect will the truth be known.

Sadly, people still worship their masters. Too distracted by circuses to feel the collective cancer growing inside them.

As of now, most people are not prepared for the change in lifestyle that will set in very quickly.

You can prepare and keep stacking, leveraging physical weight against the crumbling illusion that the tail can actually wag the dog forever.

Article by:
Jeffrey Lewis
October 20, 2014
http://www.silver-coin-investor.com

The Outstanding Public Debt
National Debt:
17,907,544,509,710.38
The estimated population of the United States is **319,255,836**
US citizen's share of this debt is
$56,091.52
The National Debt has continued to increase an average of
$2.45 billion per day
Business, Government, Financial and Unfunded Liabilities Debt exceeds
$100 Trillion

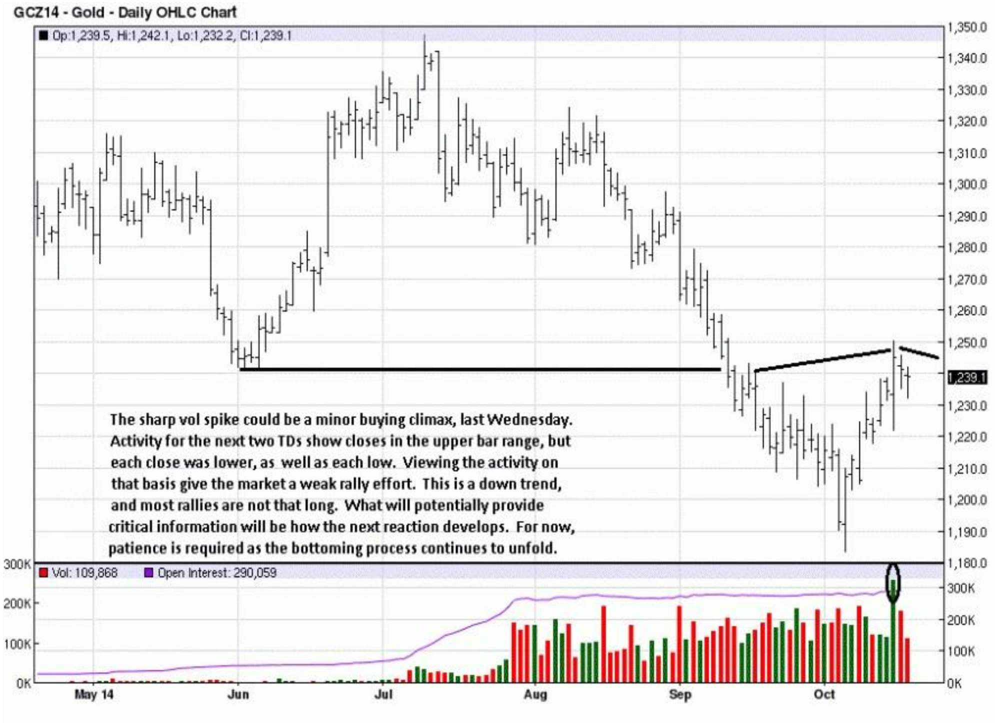
Financial World: House Of Cards Built On Sand

Continued from page 7

If ranges widen and volume increases, there is no promise that support will hold, as it failed in silver.

We have no clue how the next reaction will develop, and we do not need to know ahead of time. All we need do is be prepared for the information the market provides and *then* be in a position to respond and not have to guess.

Patience is not a common trait for futures traders. [It is for holders of the physical]. The best one can do for now is to be patient, grasshopper.



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