Posted February 10, 2014

Bank Runs, Bail-Ins & Loss of Confidence

By www.chuckcoppes.com

"I am afraid the ordinary citizen will not like to be told that the banks can and do create money. And they who control the credit of the nation direct the policy of Governments and hold in the hollow of their hand the destiny of the people."

- **Reginald McKenna, Chairman of Midland Bank, addressing stockholders in 1924.**

"Money plays the largest part in determining the course of history."

- **Karl Marx writing in the Communist Manifesto (1848).**

"I believe that banking institutions are more dangerous to our liberties than standing armies."

– Thomas Jefferson, President and Founding Father

"We are in danger of being overwhelmed with irredeemable paper, mere paper, representing not gold nor silver; no sir, representing nothing but broken promises, bad faith, bankrupt corporations, cheated creditors and a ruined people."

Daniel Webster, speech in the Senate, 1833

"With the global monetary system we have now, the careful savings of a lifetime can be wiped out in an eye blink."

Larry Parks, Executive Director, FAME.org

Greetings Faithful Readers,

I told a client the other day that our looming financial reckoning day is like watching a slow train wreck. And isn't that what we are witnessing today? As noted in my radio interviews the central banks have merely *papered over* the crisis of 2008 and the worst is yet to come. The banksters have only *postponed the reckoning* with trillions in new debt and now bank depositors are at risk with bank runs, bank bail-ins and a complete loss of confidence as the system erodes. As quoted above, the careful savings of a lifetime can be wiped out in the blink of an eye.

Before we address this general topic just a brief comment on the annual World Economic Forum that just concluded in Davos, Switzerland. This year's confab was attended by 2,500 and 30 heads of state along with a gaggle of globalists like Clinton, McCain, Lagarde, Bill Gates and notably Joseph Nye, North American Chairman of the Trilateral Commission. The theme this year was (what else) "Reshaping the World" and a new initiative was launched on the future of "Internet Governance." Got it? What does *controlling the Internet* have to do with macroeconomics? If you are the elite it is *everything* since their financial crimes and misdeeds are broadcast around the world at lightning speed. The GCIC (see below) was created by the Royal Institute of International Affairs (RIIA). What is the RIIA? It is the original London-based front for the Council on Foreign Relations in NY, the quintessential Establishment network in the US. John McCain (CFR) has long called for an "Internet Kill Switch" (because China has one he said). Even worse is that GCIC founding member Michael Chertoff is guiding this initiative as former head of the Department of Homeland Security(DHS). The DHS along with our extensive surveillance state has a compelling interest in suppressing free speech and dissent of a political nature. Any talk of a free and open Internet is pure propaganda and especially as the banksters and globalists become more desperate to *inspire confidence* in a dying global monetary system. An interesting note huh?

Davos 2014: Elite are Launching Global Internet Governance

Susanne Posel ,Chief Editor Occupy Corporatism | The US Independent
January 25, 2014

At the World Economic Forum (WEF) the Global Commission on Internet Governance (GCIG) was announced as a "two-year initiative that will present a comprehensive stand on the future of multi-stakeholder **Internet governance."** The GCIG was created by the Centre for International Governance Innovation (CIGI) and the Royal Institute of International Affairs (RIIA). One purpose of the GCIG is to "create and advance a strategic vision for the future of Internet governance that can act as a rallying point for states that are striving for a continued free and open Internet." Using influence to foster debate, the GCIG will lobby heads of state, incorporate public relations tactics and inject pro-agenda propaganda into the mainstream ideology across the globe.

And speaking of confidence in our banking institutions it is already wearing quite thin since the bank bail-ins in Cyprus (more in this later). Growing fears of new "bank runs" are beginning to surface in Europe and Russia. On February 7, 2014 a total of 10,000 depositors in Danske Bank in the Netherlands were "denied access" and locked out of their accounts (many forced to close), and some Russian banks are also banning cash withdrawals. See this link:

http://www.infowars.com/bank-run-fears-escalate-as-russian-lender-bans-cash-withdrawals/

And now even more recent – and more serious – comes news that the largest bank in the UK is also restricting withdrawals. Perhaps you have already heard of this (thanks to the Internet) and I have included a few supporting article below on a "quasi" bank run on HSBC in London. What is at issue here? HSBC has assets of $2.6 trillion and $75 billion in revenue, but they also have $93 billion in *bad loans* and toxic mark-to-market assets. In short, they have a liquidity problem, and this becomes your problem. Get it? As indicated below, depositors at HSBC are harassed and asked why they want their money and what they want it for. HSBC is asking for a "satisfactory explanation" of what depositors want their money for! You can't make this up:

A "Quasi" Bank Run in Motion

mises.ca / by David Howden / January 26th, 2014

HSBC has apparently stopped letting customers withdraw more than £5,000 from their British bank accounts unless depositors can provide evidence of "why they wanted it." According to the BBC: Stephen Cotton went to his local HSBC branch this month to withdraw £7,000 from his instant access savings account to pay back a loan from his mother. A year before, he had withdrawn a larger sum in cash from HSBC without a problem. But this time it was different, as he told Money Box: "When we presented them with the withdrawal slip, they declined to give us the money because we could not provide them with a satisfactory explanation for what the money was for. They wanted a letter from the person involved." Mr Cotton says the staff refused to tell him how much he could have: "So I wrote out a few slips. I said, 'Can I have £5,000?' They said no. I said, 'Can I have £4,000?' They said no. And then I wrote one out for £3,000 and they said, 'OK, we'll give you that.' " He asked if he could return later that day to withdraw another £3,000, but he was told he could not do the same thing twice in one day.

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So Now Banks are Demanding People Explain “Why” They Want to Withdraw “Large” Sums of Money

tfmetalsreport.com / By 4tephanie / January 27, 2014 at 1:34 am

In case you missed this news on a Sunday…. From the BBC News: HSBC imposes restrictions on large cash withdrawals – “restrictions” as in, they want a reason as well as *documentation* regarding your intended withdrawal. Customers of HSBC have been stopped from taking out as little as £5,000, because the bank has been requiring that depositors give them a “satisfactory explanation” of what they intend to use the money for. In order to comply, customers were told in some cases they needed a letter or other form of documentation. For example, a “Peter from Wiltshire” was told he needed to provide “booking receipts” for his travel plans. From the article: *”Belinda Bell is another customer who was initially denied her cash, in her case to pay her builder. She told Money Box she had to provide the builder’s quote!”*

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HSBC and Chase Send Clear Signals That a Bank Run Is Near

thecommonsenseshow.com / By Dave Hodges / January 27, 2014

The HSBC bank is limiting withdrawals in both the United States and in Britain!

For the life of me, I have no idea why anyone would want to bank in this criminal enterprise bank. Regardless, isn't the money your money? Shouldn't you be able to do with your money what you want without justifying the purpose to the bank that you designate to hold your money?

John Cruz is a former vice president and relationship manager at HSBC. Cruz has made two guest appearances on *The Common Sense Show* in which he alleged that he uncovered that HSBC was laundering money for the Mexican drug cartels through phony shell corporations. He brought this to the attention of his supervisors at HSBC and was told to "leave it alone". When he did not leave it alone, he was fired. Cruz went to prosecutors in the New York City area. They acknowledged that they knew what was going at HSBC, but they refused to investigate and prosecute and DHS and the FBI told Cruz the same thing. **The Cruz revelations leave no doubt that the entire banking system is nothing but a criminal enterprise system.**

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I would like to remind you that HSBC is the London bank at the center of the LIBOR interest rate scandal that enriched the banksters to the tune of billions! (LIBOR is the "overnight rate" extended to fellow banksters). This is also the same bank that laundered $15 billion for Mexican drug lords and for these financial crimes they were fined a mere $1.9 billion. Important to note is that HSBC settled out of court for *civil* fines and not *criminal* fines. In other words, the banksters are quick to settle for civil matters and avoid jail. Too Big to Fail also means Too Big to Jail. Iceland was an exception, but jail sentences were less than a year…now back on the job! Now comes a Harvard economist warning us all that our money is not safe in the banking system. Read this:

Why This Harvard Economist Is Pulling All His Money From Bank Of America

zerohedge.com / Tyler Durden / 01/31/2014 19:25 -0500

A classicial economist… ***and*** Harvard professor… preaching to the world that one's money is not safe in the US banking system due to Ben Bernanke's actions? ***And*** putting his withdrawal slip where his mouth is and pulling $1 million out of **Bank of America?** Say it isn't so…

From Terry Burnham, former Harvard economics. **Is your money safe at the bank? An economist says 'no' and withdraws his.** Last week I had over $1,000,000 in a checking account at Bank of America. Next week, I will have $10,000. Why am I getting in line to take my money out of Bank of America? Because of Ben Bernanke and Janet Yellen, who officially begins her term as chairwoman on Feb. 1. Before I explain, let me disclose that I have been a stopped clock of criticism of the Federal Reserve for half a decade. That's because I believe that when the Fed intervenes in markets, it has two effects — both negative. **First,** it decreases overall wealth by distorting markets and causing bad investment decisions. **Second,** the members of the Fed become reverse Robin Hoods as they take from the poor (and unsophisticated) investors and give to the rich (and politically connected). These effects have been noticed; a **Gallup poll** taken in the last few days reports that only the richest Americans support the Fed. (See the table.)

Approval of Ben Bernanke, by Annual Household Income

	Less than $24,000	$24,000 to <$60,000	$60,000 to <$90,000	$90,000+
	%	%	%	%
Approve	34	36	43	54
Disapprove	36	34	42	35
No opinion	30	31	16	11

Jan. 25-26, 2014

GALLUP

Why do I risk starting a run on **Bank of America** by withdrawing my money and presuming that many fellow depositors will read this and rush to withdraw too? Because they pay me zero interest. Thus, even an infinitesimal chance **Bank of America** will not repay me in full, whenever I ask, switches the cost-benefit conclusion from stay to flee.
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HSBC Cash Restrictions Show New Kind of Internet Messaging

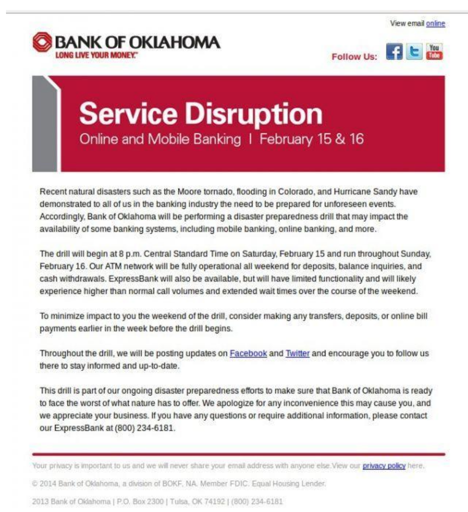
thedailybell.com / By Staff Report – January 27, 2014
HSBC imposes restrictions on large cash withdrawals … Some HSBC customers have been prevented from withdrawing large amounts of cash because they could not provide evidence of why they wanted it, the BBC has learnt.
Dominant Social Theme: They will protect our financial system at any cost. Thank goodness!
Free-Market Analysis: The government wants you to know that if you try to take out too much cash, there will be trouble. **READ MORE**

The Gallup Poll (above) is quite revealing. A majority of the new wealthy *support* the Fed and a majority of the poor *do not support* the Fed. The Fed was created to support the banksters and not the nation back in 1913. It operates more like a banking cartel or crime syndicate. It operates above the law as we will see in a moment. In March of 2013, the Cypriot banks faced a debt crisis and government bonds were severely downgraded by Moody's. Cyprus agreed to a $10 billion bail-out by the European Central Bank (ECB) and IMF if they also agreed to "bail-in" depositors below $100 Euro with a 6.7% levy and a 9.9% levy on accounts above $100 Euro. In other words, bank depositors were treated as "unsecured creditors" of the banks and given Class A bank stock in exchange. After all the Russian billionaires and oligarchs safely withdrew their money from this offshore haven, Cyprus banks ripped off nearly 50% of depositors assets! Is this a template for things to come in the US? You bet and you can read more at this link:

http://www.wnd.com/2013/09/americans-warned-bank-bail-ins-coming/

If you have a significant amount of cash in US banks, or an insignificant amount, you need to pay close attention here and I am dead serious. On December 10, 2012 (a year earlier) the FDIC and Bank of England (BOE) issued a PDF report on how to resolve "Globally Active, Systemically Important Financial Institutions" (known as G-SIFI), and in this report it talks about *bail-ins* instead of *bail-outs*. On page two of this 18-page report, paragraph 11, we read that a failing G-SIFI "should assign losses to shareholders and *unsecured creditors*" and this means you as a bank depositor! A bank depositor is now considered an "unsecured creditor" of the failing bank! Upon closer inspection of this 18-page report we learn that not only has the FDIC helped draft this template, but also the NY Fed and the Board of Governors of the Fed! Talk about desperation at the Fed! And now new bank drills are planned for this month. Read on:

Federal Reserve Issues Warning, Bank Drills, Possible False Flag



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Service Disruption
Online and Mobile Banking | February 15 & 16

Recent natural disasters such as the Moore tornado, flooding in Colorado, and Hurricane Sandy have demonstrated to all of us in the banking industry the need to be prepared for unforeseen events. Accordingly, Bank of Oklahoma will be performing a disaster preparedness drill that may impact the availability of some banking systems, including mobile banking, online banking, and more.

The drill will begin at 8 p.m. Central Standard Time on Saturday, February 15 and run throughout Sunday, February 16. Our ATM network will be fully operational all weekend for deposits, balance inquiries, and cash withdrawals. ExpressBank will also be available, but will have limited functionality and will likely experience higher than normal call volumes and extended wait times over the course of the weekend.

To minimize impact to you the weekend of the drill, consider making any transfers, deposits, or online bill payments earlier in the week before the drill begins.

Throughout the drill, we will be posting updates on Facebook and Twitter and encourage you to follow us there to stay informed and up-to-date.

This drill is part of our ongoing disaster preparedness efforts to make sure that Bank of Oklahoma is ready to face the worst of what nature has to offer. We apologize for any inconvenience this may cause you, and we appreciate your business. If you have any questions or require additional information, please contact our ExpressBank at (800) 234-6181.

Your privacy is important to us and we will never share your email address with anyone else.View our privacy policy here.

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govtslaves.info / By Allison Martinez / February 6, 2014

Either the new Federal Reserve Chairman Janet Yellen is a prepper, or there is something afoot in the world of banking. If she is a prepper, I missed any indication of that in her background. Bankers typically talk in terms of contingency plans and liquidation programs, not prepping for disasters. In January of this year, Supervisory Regulation (SR) 14-01 was issued in regarding the need for bank preparedness particularly for **the eight bank holding companies** (BHCs) in the United States. According to the memo, there are eight Bank Holding Companies that appear to be **at risk** and **that risk threatens the financial stability of the United States**. **These eight companies are Bank of America Corporation, Bank of New York Mellon Corporation, PLC, Citigroup Inc., Goldman Sachs Group, Inc., JPMorgan Chase & Co., Morgan Stanley, State Street Corporation, and Wells Fargo & Company.** The memo, dated January 24, was the first one of the year. It was sent from Michael Gibson to the top banks to stress increased supervisory expectations. Gibson stated, "*… the Federal Reserve is issuing this letter to clarify the heightened supervisory expectations for recovery and resolution preparedness for* ***the eight domestic bank holding companies that may pose elevated risk to U.S. financial stability.*** "

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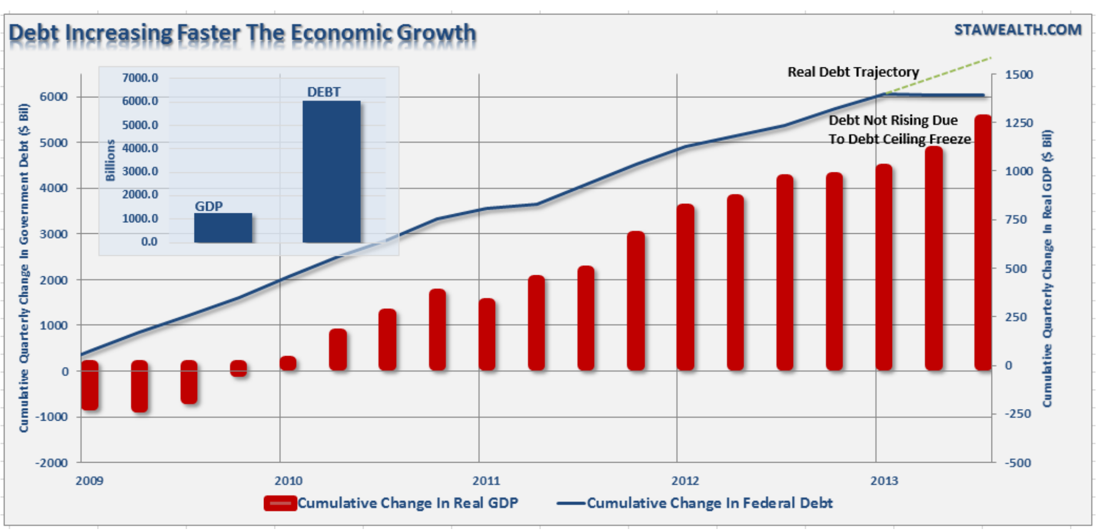
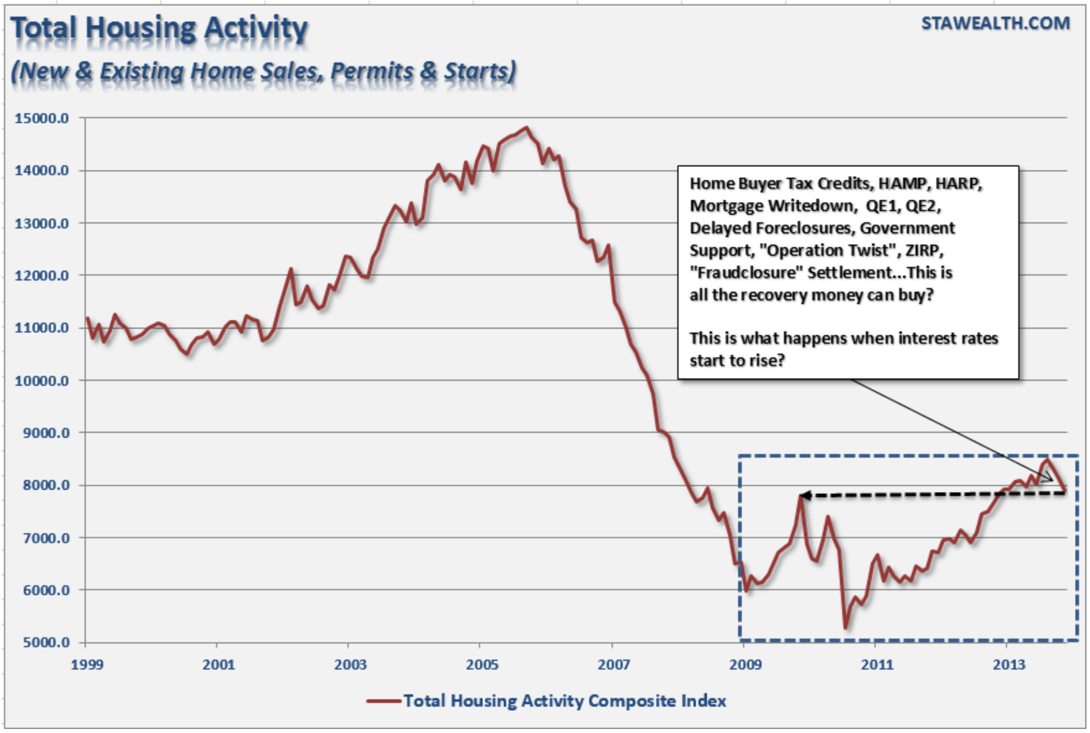
I don't know how things could be any more urgent than this. You can click the link above, but these "bank drills" are being planned for the weekend of February 15-16, 2014. You will note that these eight (8) Bank Holding Companies are also TBTF banks and also Primary Dealers of the Fed. These are the "G-SIFI" banks noted earlier. If they go down so will you. Even more proof is the fact that Section 716 of the Dodd-Frank Bill now "prohibits" taxpayer bailouts for banks with derivatives exposure. The above mentioned banks have a majority of the $300 trillion in credit derivatives here in the US! What is good for Cyprus is good for the USA. And the US is not creditworthy! The US already has unsustainable debt (and massive unfunded liabilities) as indicated in this chart below. The next chart show how ALL attempts to stimulate the economy, and particularly housing, has done NOTHING!! And also noted in this chart is the question what happens when real interest rates start to climb? No economic growth and only defaults:





Is the US a failed state? Are we insolvent? Yes, and I submit the following two articles as proof. Talk about a confidence game! As I highlight in my book, S&P downgraded US bonds in August 2011 and now the Justice Dept. is suing S&P in retaliation. What does this mean? It means that the US government *can defraud investors* and the rating agencies had better go along or else! I mean what else can you conclude? And if this isn't desperation what is?

S&P: The Government Sued Us As 'Retaliation' For Downgrade

By By SARAH SKIDMORE SELL Posted: 09/03/13

Standard & Poor's says the U.S. government sued the rating agency as "retaliation" for its downgrade of the country's credit rating. The Department of Justice filed civil charges against the rating agency in February, claiming that S&P refused to warn investors that the housing market was collapsing because it would be bad for business. It also says S&P knowingly inflated ratings of risky mortgage investments that helped trigger an economic crisis. And that S&P gave high marks to the investments because it wanted to earn more business from the banks that issued them.

Geithner Warned S&P Chairman US Would Retaliate For Downgrade

Submitted by Tyler Durden on 01/21/2014 07:39 -0500

Who can forget Tim Geithner's historic interview from April 2011, in which he said:
Peter Barnes "Is there a risk that the United States could lose its AAA credit rating? Yes or no?"
Geithner's response: "**No risk of** that."
"No risk?" Barnes asked.
"**No risk**," Geithner said.
Considering that the US was downgraded by S&P just 4 months later, one person who certainly will never forget his idiotic preannouncement, is the former Treasury secretary, Tim Geithner. And being the sore loser that everyone suspected he was (although one hopes his recent well-paid move to Warburg Pincus will help soothe his sensitivity) it will come as no surprise that Geithner told the Chairman of embattled rating agency Standard & Poor's, that its downgrade of the US from AAA to AA+ "**would be met by a response.**" S&P filed a declaration of McGraw yesterday in federal court in Santa Ana, California, as part of a request to force the U.S. to hand over potential evidence the company says will support its claim that the government filed a fraud lawsuit against it last year in retaliation for its downgrade of the U.S. debt two years earlier. **In his court statement, McGraw said Geithner called him on Aug. 8, 2011, after S&P was the only credit ratings company to downgrade the U.S. debt. Geithner, McGraw said, told him that S&P would be held accountable for the downgrade.** Government officials have said the downgrade was based on an error by S&P. "S&P's conduct would be looked at very carefully," Geithner told McGraw according to the filing. **"Such behavior would not occur, he said, without a response from the government."**

The Justice Department last year accused S&P of lying about its ratings being free of conflicts of interest and may seek as much as $5 billion in civil penalties. The government alleged in its Feb. 4, 2013, complaint that S&P knowingly downplayed the risk on securities before the credit crisis to win business from investment banks seeking the highest possible ratings to help sell the instruments. **None of this comes as a surprise, and it has been well-known for a long time that the only reason the US Department of Injustice targeted only S&P and not Moody's or Fitch for their crisis era ratings of mortgages is precisely due to Geithner's vendetta with S&P. Of course, this kind of selective punishment simply means that nobody else will dare to touch the US rating ever again, or speak badly against the sovereign in a public medium for fears of retaliation. Naturally, while this means that the credibility of the rating agencies is now non-existent even among the head in the sand groupthink, what is worse is observing the US' slide into the kind of totalitarian, 1st Amendment quashing tactics that worked out so well for all previous fascist regimes.**

I hope you read through the above testimony. When America's financial reckoning day comes this will be **Exhibit A** in our bankruptcy court. The Globally Active, Systemically Important Financial Institutions (G-SIFI) are poised to "cheat" and "ruin" depositors and creditors as Daniel Webster said and all we will be left with is "broken promises" by the FDIC. Time to wise up. And now time to talk about real money and how to protect your wealth with precious metals.

As most of you know, gold and silver demand has been steady for more than a decade and yet the paper price index has been flat for nearly two years. Why is this? Have the metals entered into a bear market? Have the metals lost their value due to weakening demand or sell off? Or is the disconnect between the *paper and physical markets* due to market manipulation? Yes indeed, and now we have it from a bankster insider in Germany (the equivalent of the FDIC in the US)! This news has gone literally viral on the Internet because as bad as the financial crimes and manipulation of the LIBOR scandal have been this regulator says that the manipulation of gold and silver has been even WORSE! And this is coming from Germany that can't get its gold from the NY Fed:

Precious Metals Manipulation Worse Than Libor Scandal, German Regulator Says

Submitted by Tyler Durden on 01/16/2014 18:39 -0500

Remember when banks were exposed manipulating virtually **everything** except precious metals, because obviously nobody ever manipulates the price of gold and silver? After all, the biggest "conspiracy theory" of all is that crazy gold bugs blame every move against them on some vile manipulator. It may be time to shift yet another conspiracy "theory" into the "fact" bin, thanks to Elke Koenig, the president of Germany's top financial regulator, Bafin, which apparently is not as corrupt, complicit and clueless as its US equivalent, and who said that in addition to currency rates, **manipulation of precious metals "is worse than the Libor-rigging scandal."** Hear that Bart Chilton and friends from the CFTC?

Blythe Masters Withdraws From CFTC : Furious Twitter Backlash Blamed!

zerohedge.com / by Tyler Durden on 02/07/2014 11:15 -0500

Following our post yesterday which included the occasional F-bomb and got well over 40K reads since its posting late last night, the reaction was sharp and severe. So severe in fact that less than 24 hours later, Blythe Master has withdrawn from the CFTC. The culprit for Masters' resignation in just 24 hours? *A very angry Twitter.* Blythe Masters, **JPMorgan Chase & Co.'s** commodities head, withdrew from an advisory committee of the U.S. Commodity Futures Trading Commission a day after her appointment was disclosed, according to two people with direct knowledge of the decision.

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At the center of metals manipulation (particularly silver) has been the commodity division of JP Morgan Chase in NY, and the head of this cabal was Oxford-London-Establishment bankster Ms. Blythe Masters. A fire storm was created when the banksters brazenly tried to install Masters in an advisory position at the CFTC, which is the equivalent of putting a mafia don on the Nevada gaming board (which is probably the case anyway). Ms. Masters has promptly withdrawn and has slinked back into the Wall Street corridor to influence markets in other ways. She will also be remembered as the architect of credit default swaps (CDS) back in the 1990s at JP which was at the core of the 2008 financial crisis. The *UK Guardian* regarded her as "the woman who created the weapons of mass financial destruction." Just another day at work you know.

What is most appalling with this kind of corrupt crony capitalism is the fact that financial crimes and rigging has gone mainstream and it is allowed to continue? The major story from 2013 is the fact that Germany requested their gold from the NY Fed and the Bundesbank has to wait until 2020, or longer! Is it any wonder that it is a German regulator that is blowing the whistle on the fraud at the Comex in NY along with serious questions for the Fed. As mentioned here, the public is starting to question if central banks even have the gold they claim and it is becoming apparent that they do not! This is a huge scandal and one that will end **catastrophically**:

Is a Major Gold Scandal Going Mainstream?

washingtonsblog.com / January 27, 2014

Allegation that Central Banks Have Rehypothecated, Leased or Outright Sold the Gold They Claim to Have Is Gaining Momentum. We noted in 2012 that there are *serious* questions as to whether the Fed and other central banks really have the gold holdings which they claim. This story is starting to go mainstream. A year ago the Bundesbank announced that it intended to repatriate 700 tons of Germany's gold from Paris and New York**. Although a couple of jumbo jets could have managed the transatlantic removal, it made security sense to ship the load in smaller consignments**. Just how small, and over how long, has only just become apparent. Last month Jens Weidmann, Bundesbank president, admitted that just 37 tons had arrived in Frankfurt. **The original timescale, to complete the transfer by 2020, was leisurely enough, but at this rate it would take 20 years for a simple operation.**

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The Financial Times: Learn From German Central Bank and "Demand Physical Gold"

goldcore.com / By Mark O'Byrne / 27 January 2014

The Financial Times has told investors that they should act like the German Bundesbank and "demand physical gold" and warned that gold price "manipulation" could end **"catastrophically".**

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As you can see from the above comments there is a growing awareness that central banks and warehouses like the LBMA in London and the NY Comex will not be able to deliver physical gold and silver if the pace continues. Attempts to rig the metals markets (worse than Libor) is going to blow up and this will cause real prices to explode – just like a balloon being held under water. Just as the banksters are preparing for "bail-ins" the warehouses are facing delivery defaults (*force majeure*) and the only asset to place your confidence is in physical metals. JP MorganChase may be notorious for manipulations (especially in silver), but silver expert Ted Butler thinks that the end is drawing near and this will be good news for those who have been patient:

2014 Will Not End Well Other Than Precious Metals for Smart Investors

blog.milesfranklin.com / By David Schectman / January 27th, 2014

JPMorgan has amassed between 100 – 200 million ounces or more of physical silver. Most of it is stored in London. According to silver expert Ted Butler, their plan is to force silver's *paper* price (Comex) lower and then buy the physical metal as cheaply as possible. They use the same technique on gold. According to Butler, even if it isn't JPMorgan that is the big buyer of physical silver (and he is sure that they are), silver has moved from weak hand to strong hands.

Butler wrote…

I continue to be amazed at the amount and level of commentary in gold and silver that centers on manipulation. While I don't agree with everything that is being said, there is no denying that the commentary about price manipulation in gold and silver is intensifying to an extent never witnessed previously. Further, the subject of manipulation appears to be unique to gold and silver, as I am unaware of any similar discussion in any other market. ***What does this mean? Since this is a highly unusual circumstance, there is no sure way of blueprinting how it turns out. But something tells me that the more widespread the subject of gold and silver manipulation becomes, the greater the likelihood it will end soon.***

-*Butler Research, January 22, 2014*

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With regard to silver I leave you with this final article. Our best days are ahead and you have to think long-term in this environment. Several reasons are cited here for the reality that silver will reward smart investors in good time. Demand is strong, supply is dwindling, industrial uses are up, the US dollar is losing its appeal, central planners are wreaking havoc and a hyper-inflationary depression is likely. Here are some key points:

If You Believe In Reality….Buy Silver!

Ryan Jordan

January 31, 2014

Watching the price action of silver these past few weeks reminds me just how long the long term is. Identifying the fundamentals for an asset to move higher is one thing—it is something quite different to actually be able to **"sit tight and be right,"** as the great Jesse Livermore reputedly said, to ride a bull market to its top. Bull markets do their best to throw followers off the market's track to higher prices. Years can go by where price does nothing and exhaustion or indifference among the former bulls starts to set in. I do believe that is where we are right now in the silver market, as I have repeatedly made comparisons to the 1968 to 1971 correction. If you are someone involved in the silver space, I hope you are able to hang on to your investments, even if price goes nowhere this year. **Try to remember the long term. I would also**

ask you to try to remember reality. You know that thing that Wall Street and their affiliated asset-gatherers would very much try to get you to forget. There is a very long list of things that conventional investors would like to pretend are not true—but these things are true. And they are reasons that silver will move higher in years to come. Maybe not tomorrow, but with time.

- In 2013, even using unreliable and likely overly optimistic government data, the U.S. economy grew at less than 2%. Not exactly my idea of a recovery, and not exactly a great reason capital should "flee" to the U.S, as so many equity bulls would have us believe.
- Just yesterday, another Chinese official openly called for diversification away from the U.S. Dollar as a global reserve currency (whatever you may think of China's future prospects at becoming the world's biggest economy.)
- Paper claims on physical gold in particular continue to grow (silver is not far behind.)
- Meanwhile, mints around the world are working overtime to meet physical demand for real, physical metal. 2013 was a record year for coin and bar purchases.
- Gold and silver are not only commodities, and they are not only financial assets. They are money and they are real assets.
- If everyone is so convinced that a strong global economy is just around the corner, why are interest rates in most western nations at 0%?
- But regardless of the state of the global economy, real demand for all of the trinkets and contraptions demanded in the 21st century might mean that silver's industrial demand could grow at a faster rate than mine supply in the years to come.
- Chinese solar demand (bear in mind solar panels use quite a bit of silver in amounts that cannot be easily recovered) is by some estimates set to grow five times over the next 6 years.
- Central bankers around the world continue to believe that there isn't enough inflation in the developed world.

This last point may be the most significant one longer term. I don't believe that you can trust the same people who by their own admission did not see the last crisis coming from being able to fine tune their own policies so as to avoid serious inflation in the years ahead. In fact, it might even be the case that **central planners** wouldn't be too concerned about inflicting some inflation on the broader economy, since these same **central planners** seem to view the economy as one big academic monetary experiment. Their most recent experiment was **quantitative easing—**and we have all seen how well that worked for the vast majority of people in the developed world (hint: it didn't.) To be honest, we have no idea what the **central planners** have in store for us in the years ahead. The **great confidence** placed in them of late for levitating stock prices can just as easily give way to anger if these leaders preside over another stock market down turn. Put differently, do you really believe that the economy can be so easily controlled by academics like Yellen or Bernanke? If you have any doubt that the economy is actually a force of nature, as uncontrollable as any winter storm or tropical hurricane, **you may then want to think twice about leaving all of your wealth in the system. Put differently, gold and silver not only represent a vote of no-confidence in central planning—they also represent a vote for reality.**

In summary, we are living in an age of bank runs, bank bail-ins (bail-outs), bank drills and central bank desperation as they *prop up* capital markets, *suppress* metals and *lie* about sovereign debt *creditworthiness*. People are starting to lose confidence and that is all fractional-reserve banking and fraction-reserve bullion banks have to offer! So what is a practical alternative to having cash in the banking system? A strong consideration is a depository account for safekeeping and I discuss this in my book and website. I have clients with large silver holdings at Dakota Depository Company in Fargo, North Dakota. For a nominal fee you can have peace of mind, instant liquidity and rock solid protection of wealth. If you are interested in this alternative contact me and check out my link - http://www.idpconsultinggroup.com/storage-of-metals/4577742244.

As central planner and collectivist revolutionary Karl Marx stated, "Money plays the largest part in determining the course of history." Indeed it does and I will have more to say about this in my next mailing. We are facing a global monetary crisis and you need **knowledge** to overcome the **ignorance** of the mainstream media and vote for reality! The Bible says, "My people are destroyed for lack of knowledge" (Hos. 4:6). "How much better it is to get **wisdom** than gold, and to get **understanding** is to be chosen above silver" (Pro. 16:16, 3:13-20). I say, with your wisdom and understanding get some gold and silver! If I can assist let me know.

Until next time, Your Messenger