

Convention Politics, Class Warfare & the Fate of Nations

Posted August 14th, 2016

By www.chuckcoppes.com



“The state — or the government — consists of a gang of men exactly like you and me. They have no special talent for the business of government; they have only a talent for getting and holding office. Their principal device to that end is to search out groups who pant and pine for something they can’t get, and to promise to give it to them....In other words, government is a broker in pillage, and every election is a sort of advanced auction on stolen goods.”

- **H. L. Mencken, Journalist/Satirist (1880 – 1956)**

“Government is the great fiction, through which everybody endeavors to live at the expense of everyone else....When plunder becomes a way of life for a group of men in a society, over the course of time they create for themselves a legal system that authorizes it and a moral code that glorifies it.”

- **Frederic Bastiat, *The Law* (1881 – 1950)**

“Politics is not a bad profession. If you succeed there are many rewards, if you disgrace yourself you can always write a book.”

- **Ronald Reagan, 40th President of the US**

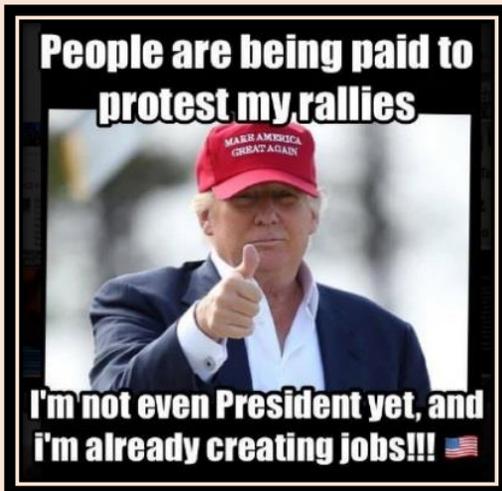
“Diapers and politicians should be changed often, and for the same reason.”

- **Anonymous Political Humor**

Greetings to All,

And welcome to the two-party political paradigm in 2016. In my business, I am literally asked about the current political “race” on a daily basis, and I thought I would share my thoughts with you as a “political atheist” (I hate *both* parties). I am far more concerned about the **systemic risk** posed by the Chinese [real estate bubble](#), global bond markets, credit default rates in the Eurozone, Comex silver defaults, pension fund insolvency in the **US** and **counter-party risk everywhere else.**

The Republican and Democratic Conventions have concluded with the usual oratory and pageantry that has been institutionalized since the invention of **TV**. The **GOP** launched out first with a fine presentation of **Donald Trump** by his friends and family for all America to see. Say what you want about **The Donald**, but he has a very strong, loyal and well-grounded family that is poised for the media and this enduring campaign. One has to be totally impressed with the fact that a non-politician like Trump has amassed the sheer organizational structure to *run and win* his nomination! Think about it; he has his own planes and helicopters, security, media reps and all of his rallies are perfectly staged (and attended) throughout the country. If he wins in November he will be the oldest person to ever be sworn in (**Reagan** was 69), yet he has the energy of a *30-year old!* Could you do this? At the GOP Convention he secured all **1,237** delegates to clinch the nomination, with **NY** casting all **89** votes for him (which included his family). After the GOP Convention he had a six-point lead over **Clinton** and the liberal media has been rigging the polls ever since, as we will see later.



It is an *understatement* to say that our country is sharply divided with its **culture wars** and acrimony mainly from the **Progressive Left**. Compared to the complicit Leftist media, front organizations (by Soros) and GOP Establishment fronts against Trump, he stands out as **the adult in the room** trying to tell Americans what is wrong and what is politically incorrect. In order to balance the ticket, Indiana governor **Michael Pence** has been chosen (selected) to be his **VP**. This was a prudent choice to appeal to the GOP faithful and general Tea Party sentiment in this election. **Who is Mike Pence?**

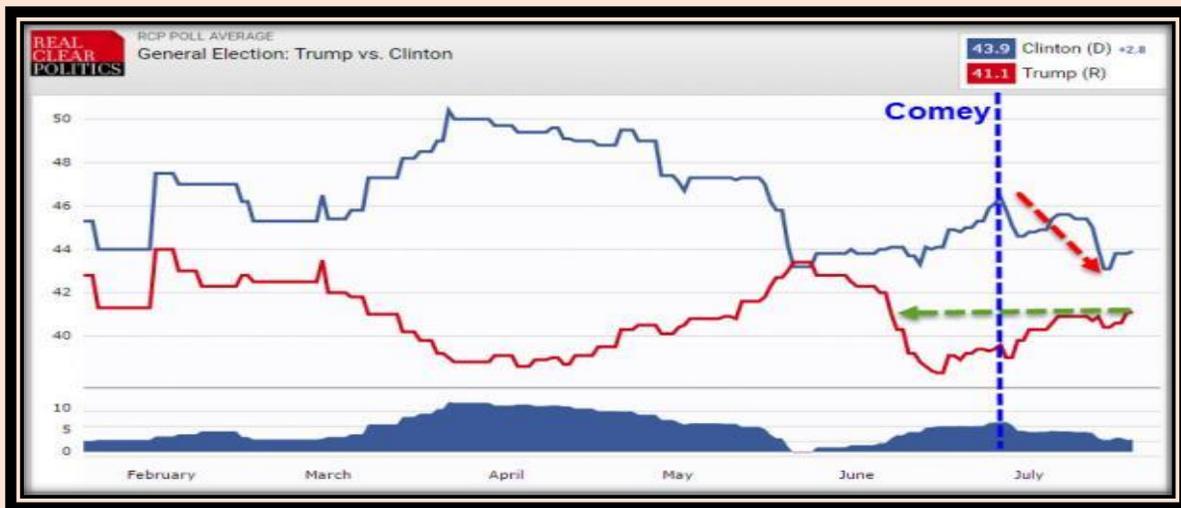
According to [THIS ARTICLE](#), Pence is more of a traditional neocon Republican that can be put at the end of the **Trump Train**. In this article we learn that Pence served six terms in the **House** and supported Establishment causes like the war in Iraq (with Bush), the despicable USA Patriot Act, UN, CAFTA, NAFTA and the recent TPP initiative. On domestic issues his state has adopted Common Core educational goals designed to produce equality and “group think” and the governor’s office also caved in to the **LGBT** controversy last year by twisting the First Amendment. Hardly a staunch warrior in our culture wars. But, he is pro-life and the **Trump-Pence** ticket has even called to audit the Fed and has inserted language in the Republican Party platform to restore the **1933 Glass-Steagall Act** to bust up the crime syndicate Wall Street banksters (who support Crooked Hillary Clinton).

So the **Trump-Pence Train** has left the station and we have to ask ourselves if there is enough steam in the engine (popular support) to make it to the **November** electoral deadline? We certainly had better hope so, because the alternative is *almost unthinkable*, as I shall cover in this newsletter.

They say a man is known by his friends and enemies, and the Trump phenomena is a very good example of this. Recently, I received a clever email that noted all of the people, organizations and forces against Trump. Here we find the Establishment Democrats and Republicans, the Bush family, Obama, Hillary, Sanders, the entire Leftist media, the Pope, the EU, the UN, China, Mexico, Soros/Move ON, Black Lives Matter, Muslims, Planned Parenthood, NOW, ACORN, SEIU, union thugs, feminists, illegal aliens and a variety of perverts, gays and transgenders (not all). The email went on to point out that Trump is not a lifetime politician, lawyer or lobbyist. He is a **natural born citizen** with American parents, a successful businessman who meets a weekly payroll, has created thousands of jobs, wants to abolish Obamacare, reform Social Security, taxes and strengthen our infrastructure, VA and other national issues. His *common sense* message of protecting our borders, limiting mass immigration, reducing our NATO budget, supporting the Second Amendment and so on has a distinctly *Reagan-tone*, and especially the theme of **Making America Great Again**. In response to this the Hollywood Left, represented by Tom Hanks, said “America is already *great*, what is he talking about?” The US is *great* when it comes to national debt, unfunded liabilities, military budget, institutionalized Welfare State, student loan debt, mass NSA surveillance (theme of my next newsletter), prison population, drug abuse, porn industry and a host of other national ills. Soon after the GOP Convention, the polls showed Trump gaining on Hillary, and especially after the obvious collusion and corruption of the **DOJ** and **FBI** protecting *their* candidate. This even led Progressive Leftist **Michael Moore** to make the following declaration in **July** – and his *worst nightmare* is still very much possible if the American people have the resolve to preserve **liberty and the rule of law!**

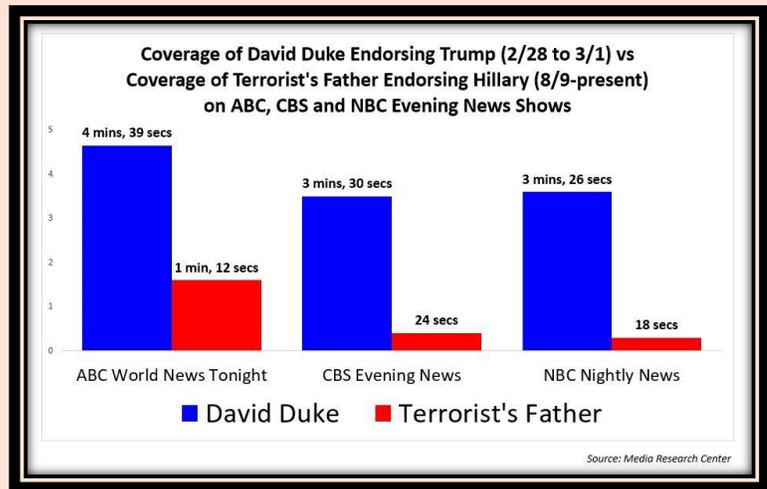
As Hillary Polls Slump, Even Michael Moore Says “Trump Is Going to Win!”

zerohedge.com / by Tyler Durden / Jul 21, 2016 12:00 PM



As Hillary Clinton prepares for the Democratic National Convention next week, the latest poll shows **she is now tied with Trump (losing a 7-point lead** from before FBI Director’s Comey’s decision). While the DNC will likely provide a bounce (Trump at 7-week highs), if outspoken liberal filmmaker Michael Moore’s comments are anything to go by, the best is behind Hillary... *“I think Trump is going to win. I’m sorry,”* Moore said, *“people are in denial of this, but the chance of winning is really, really good.”* Clinton is sliding fast...[and is vulnerable].....[READ MORE](#)

Following the Democratic Convention, we have seen the **Leftist MSM** attack Trump with an *intensity* that only confirms what I have said above. Everything about Trump is a scandal, outrage and *horribly politically incorrect!* Consider the hysteria after a **Muslim** couple was selected, coached and scripted to speak at the **DNC** event and even *flashed* the **US Constitution** as a prop! Yes, it was the **Wrath of Khan**, but fortunately it has been revealed that his legal firm is a **DNC** donor with ties to Leftist causes (of course), and it is generally known in the entire world that **Sharia Law** *trumps* (no pun) any other law in the world. So the Gold Star family gets a Gold Medal for lying. And speaking of radical Islam, the most recent flap in the media proves their ideological bias as the Muslim father of the Orlando shooter (Seddique Mir Mateen) was spotted in the background of a rally for Hillary in Orlando – *to honor the shooting victims!* – and the corporate media peddled the line that it was a coincidence (like the \$400 million payment to Iran). **But!** If a **KKK** leader appears at a GOP event, there is obviously some antipathy towards racial hatred and the media spent *ten times* the air time to drive this wedge as seen in the following chart. *Their bias was 11.45 minutes to 1.45 minutes:*



We are just getting started folks, and this is why I hate what we have become as a nation. Jesus said that a nation divided *cannot stand* (Mt. 12:25). We are getting perilously close to the cliff edge of political, fiscal, cultural and moral collapse, and I will conclude with a warning for all of us.

This election is critical. You know and I know it. This could very well be our last chance to preserve any memory of what our nation used to be, and I am speaking to most of you as a fellow babyboomer. Is **The Donald** a perfect candidate in the tradition of a highly polished **Ronald Reagan** (his hero)? Certainly not, but it is what it is. Can **The Donald** go the distance in this election cycle? I don't know, and his major weakness is a sense of composure when it comes to the hostile **Fourth Estate**. Geopolitical analyst **Joel Skousen** recently issued his own perspective as follows:

“When a powerful person gets used to having their own way too often, using self-control to restrain your thoughts and actions becomes painful and resistance builds up. It becomes too easy to disregard warning signals, and that’s why I think Trump has no patience for the careful mental preparation it takes to deal with the media and avoid mistakes. From my vantage point early on in this campaign, I can see nothing but disaster ahead for Donald Trump. Short of some extremely damaging revelation about Hillary’s crimes and corruption coming from some outside leak source, I don’t see any way that Donald Trump is going to win this election—especially given the government and media’s abilities to cover up for the Clintons.”

Skousen makes a good argument, and it is a major concern among the GOP faithful, Tea Party and Libertarian factions of the Trump campaign. It is my own perspective that GOP handlers need to carefully craft this candidate with teleprompters and keep him on topic – exposing Hillary Clinton’s *crimes and corruption* – and for goodness sake *shut down* his incendiary **Twitter** account that only serves as *fodder* for his Establishment and Progressive enemies! While it is impressive that Trump has defeated all of his GOP primary opponents and produced the largest primary turnout in GOP history, he has done this as “**a powerful person**” who is used to having his own way. And this is a concern for all Libertarian-minded people who have a distrust of **executive power** that has been all too common in recent administrations. In other words, we need a candidate that is grounded in the principles of limited government, rule of law, due process, free markets and liberty (like **Dr. Ron Paul**). **Peter Schiff** (and John Stossel) have endorsed **Gary Johnson** as a genuine Third Party option, and I have strong leanings for a viable Establishment outsider from the two-party paradigm.

Meet Your *Third Option* for President: Libertarian Gary Johnson



schiffgold.com / BY SAMUEL BRYAN / JULY 20, 2016

It’s hard to remember a time when the press wasn’t talking about Hilary Clinton or Donald Trump. The US two-party system is sustained by one-sided media coverage. However, Presidential candidate and Libertarian Party nominee, Gary Johnson may be forcing his way onto the political stage. Also a candidate in the 2012 election, the former New Mexico governor saw few opportunities for sharing his views via public debate. However, recently he and running mate, Massachusetts Governor **Bill Weld** had made significant gains. A CNN/ORC national survey puts Johnson at 13%, just shy of the 15% that would secure him a podium at the national debates. **Peter Schiff** has supported Johnson since his **2012** run and recently endorsed him at Freedom Fest. “I think if people really want change that makes sense, they might support **Gary Johnson** who has the Libertarian Party nomination, who really embraces more of the philosophy that I stand for.”

*“Each party steals so many articles of faith from the other, and the candidates spend so much time making each other's speeches, that by the time election day is past there is nothing much to do save **turn the sitting rascals out and let a new gang in.**”*

- **H. L. Mencken**

Henry L. Mencken was a cynical pundit a hundred years ago and had great wit and insight. As he famously observed, "...government is a broker in pillage, and every election is a sort of advanced auction on stolen goods." The ruling Establishment (Shadow Government) has been gaming the two party "dog and pony show" since the days of **Lincoln** and **Wilson**. While Trump is a unique outsider in many ways, he still has a neocon VP, and both would betray our lofty expectations as sure as gridlock is the order of the day in the **District of Criminals**. I am not being cynical, just realistic. This election year is more about people hating the other candidate and *status quo* as **noted here**:

Clinton and Trump *both Embody Plunder and Paternalism*

mises.org / Richard M. Ebeling / July 20, 2016



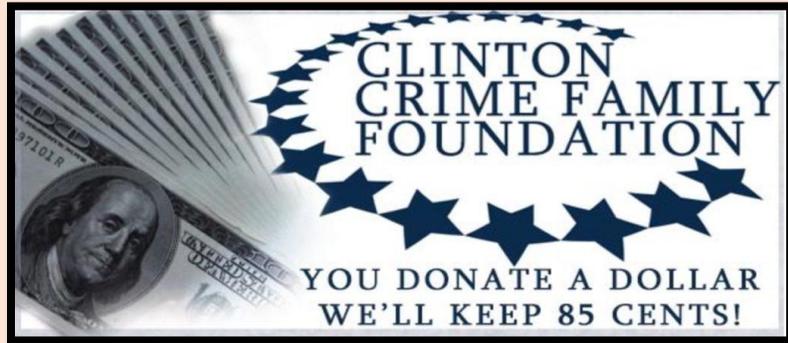
Whether it is Hillary Clinton or Donald Trump who stands on the steps of the Capitol Building in Washington, D.C in January 2017 to take the oath of office as president of the United States, all public opinion polls suggest whomever emerges victorious will have among the highest unfavorable ratings for anyone beginning their time in the White House. Both Clinton and Trump represent a failure for American democracy. According to an Associated Press poll taken in early July 2016, **57 percent** view Clinton unfavorably and only 37 percent favorably. **Sixty-three percent** hold an unfavorable view of Trump, and only 31 percent are favorable. Of those planning to vote for either Clinton or Trump, only 26 percent, respectively, said they would be positively "excited" if their candidate wins. Plus, **three quarters of prospective voters in the poll declared that they were making their decision based upon whom they wanted to vote against.** If there was an option on the ballot box that enabled voters to choose "None of the Above", for president in this election year, it very well might be the case that that option would receive either a plurality or maybe even a majority. **That may be why come November the Libertarian Party candidate, Gary Johnson, well likely receive the largest number of votes that the LP has ever won in a presidential election.** Not because a large number of voters either understand or agree with libertarian political philosophy or public policy views, but as a protest against the alternatives being offered.[READ MORE](#)

People are rightfully disgusted with partisan politics, plunder and paternalism. Below is a short 3-minute video clip of just how scripted and fake political speeches are. **This is a must see:**

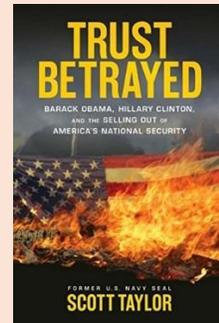
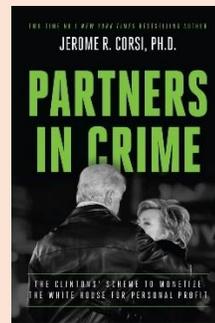
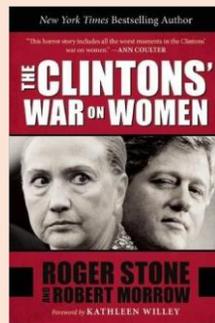
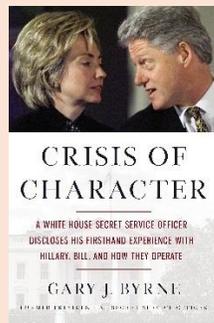
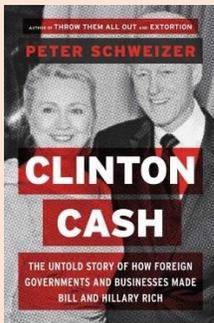
[The Corbett Report: Faked Political Speeches on Display](#)

There is inherently nothing wrong with teleprompters in this modern age. It is just when politicians become obvious puppets and snake oil vendors...and **Hillary Clinton** has crafted her art of deception.

The Clinton *Crime Family* Foundation



As mentioned by **Skousen**, the Leftist media has their own agenda to “cover up for the Clintons” and nothing reeks of scandal, cover-up and criminality than the **Clinton Crime Family Foundation**. As I covered in my last newsletter, the Clinton’s operate their “foundation” like a private hedge fund for clearing millions in favors and “pay to play” as **Trump** has been hammering. According to [THIS LINK](#), in **2013** the phony Clinton Foundation received \$140 million in “donations” and only spent \$9 million in “aid” to needy causes. The Clinton’s often remark how they left the White House “dead broke” **20** years ago, but a recent [REPORT](#) reveals how they have made a *million per month* since those dreary days. Clinton operative, **Cheryl Mills**, is **NOW** under investigation as a top aide in *both* the Clinton Foundation *and* the US State Department. Despite these ethical and legal matters, the **DOJ** has filed a motion last month for a *27-month delay* in their investigation of the **Clinton Crime Family Foundation** (with Teneo Holdings, etc.) and this would mean out to..... **October 2018**.



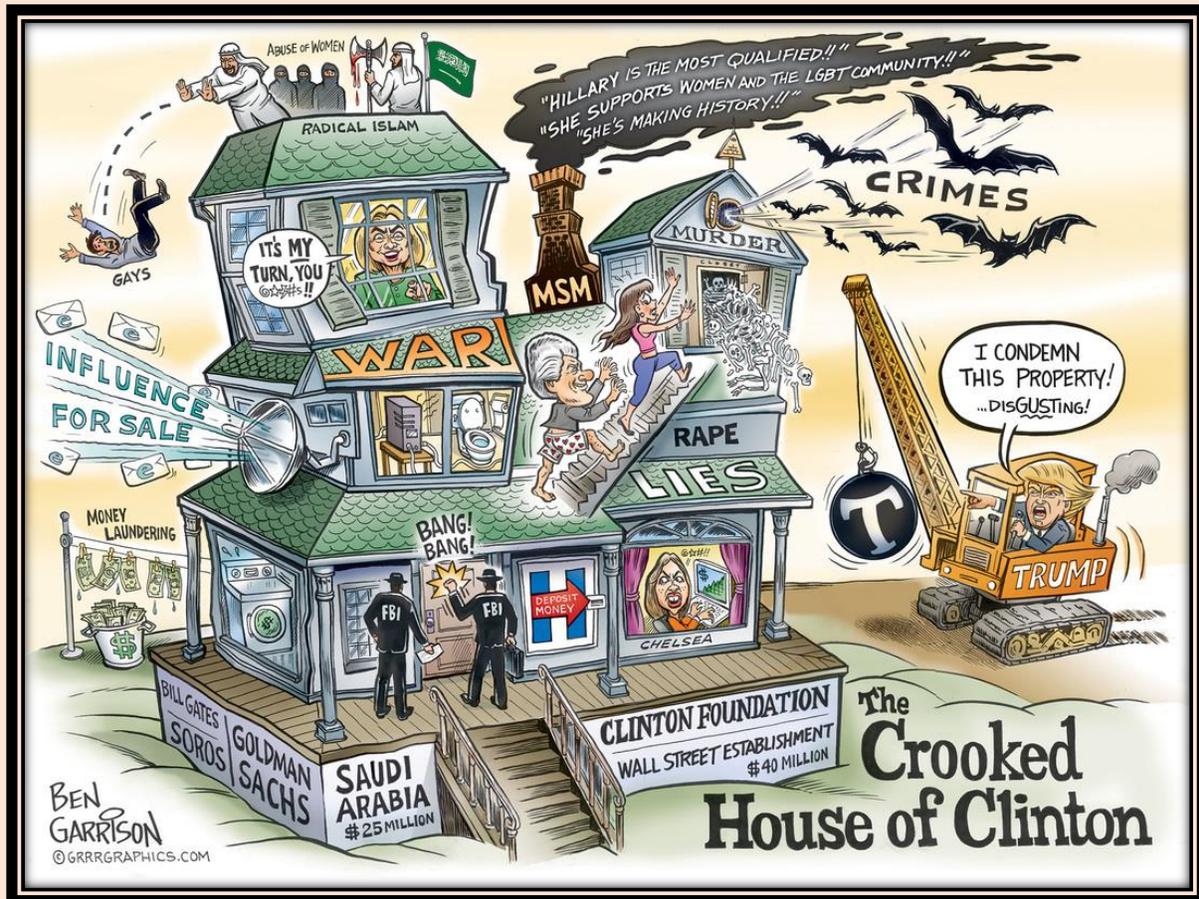
[Do you see a distinct pattern here?](#) The *Clinton Cash* book is now a full-length **one-hour movie** online, and you can access it at the **following link** for a complete background of their corruption.

[Clinton Cash: The Official Documentary Movie](#)

As you can see, there is no lack of documentary evidence for the Clintons and their “public service,” but reporting on these crimes can be risky. Ex-Secret Service agent **Gary Byrne** has been harassed as well as **Roger Stone**, an advisor to Trump, and [www.stonezone.com](#) is *highly recommended!* On a more deadly note, the Clinton body count is rising as [THIS LINK](#) also documents that DNC analyst **Seth Rich** was found murdered on July 10th after he was linked to 20,000 emails leaked by Wikileaks that brought down DNC Chair **Debbie Wasserman-Schultz**. This link goes on to list as many as **50-80** other deaths around the Clinton Family, and more recently on August 1st, **Victor Thorn** was killed with a single gunshot at his home. Thorn wrote a trilogy of books against the Clinton crimes in Arkansas as seen at [THIS LINK](#). At this same link, we learn that on August 2nd, **Shawn Lucas**, a

lowly process server, was shot twice in the back soon after he had served papers against **Debbie Wasserman-Schultz** on behalf of **Bernie Sanders** supporters. At this writing, there has not been a mainstream media (MSM) source reporting on any of this! **Shawn Lucas'** **YouTube** account has exploded from 32,000 views to *over 400,000*, and as noted [HERE](#) his friends are *freaking out!* But as they say, nothing to see here. Move along. And this, of course, brings us to **The Crooked House of Hillary**, the complicit MSM and the goal of inciting **class warfare** throughout America.

Crooked Hillary & American Class Warfare



According to *Webster's Dictionary*, “crooked” means to be “dishonest, unscrupulous, fraudulent and illegal” and I think that fairly well describes the **Democratic Party** in general, and the **Clinton family** in particular, wouldn't you agree? Thanks to **Ben Garrison** for another great graphic! The **DNC** and Clinton campaign might be knocking off people, but the Wikileaks damage has been done. Among the revelations we learn that neocon **Ted Cruz** asked the **DNC** for *money* to defeat Trump. **Jake Tapper** of **CNN** and **Chuck Todd** of **NBC** both agreed to *go easy* on Hillary. The **DNC** is *laundering* donor money and, of course, they rigged the election against **Bernie Sanders**. The **DNC** and **MSM** immediately declared that *the Russians* hacked all of the emails!? Article 5, Section 4 of the **DNC Charter** states that their Chairperson, staff and officers shall “maintain impartiality and evenhandedness during the nominating process.” Right. Bernie is now feeling the burn. So **Wasserman-Schultz** was booted, and Communist News Network (**CNN**) shill **Donna Brazile** has taken over. And Hillary is cruising right along in the midst of all this crooked campaign criminality. Nothing to see here. Move along. What a farce. And this brings us to the question ~ *who really votes for Hillary??*

Who in Their Right Mind Would Vote for Clinton? *These People Will and They Could Decide the Election!*

thecommonsenseshow.com / By Dave Hodges / July 3rd, 2016

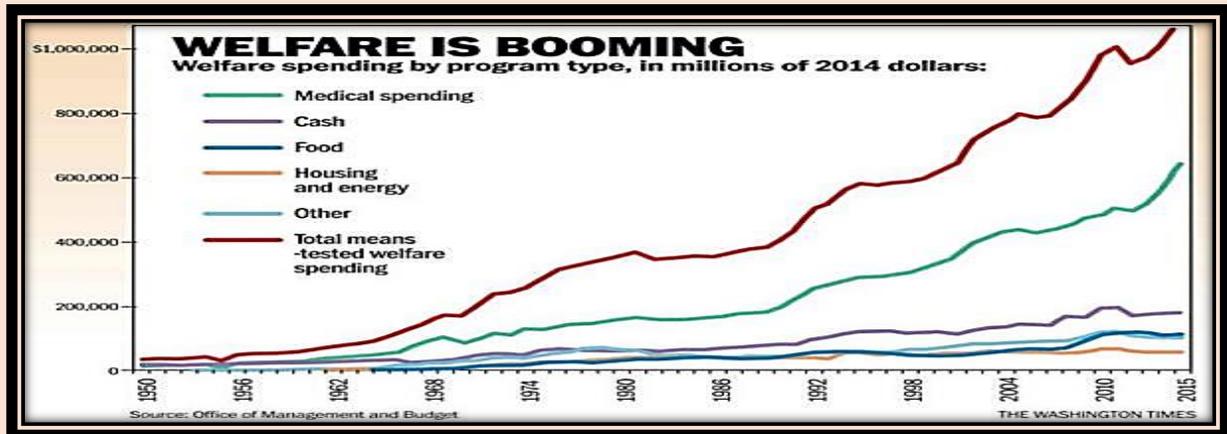


A lady parks her car far away from the grocery store entrance. A concerned gentleman approaches her and advises her that there are parking spots closer to the store and that if she moved her car, she would not have to walk so far in the summer heat. The lady intently stares at the parking lot and replies to the man “I don’t see any parking spots except those marked for handicapped parking”. **To her observation, the gentleman replied, “Exactly, I just assumed that because you have a Hillary 2016 campaign sticker on your car, that you must be handicapped”.** What makes most jokes funny is that there is a bit of ironic humor contained in the joke and this joke begs the question, **who in their right mind could vote for a sociopathic career criminal such as Hillary Clinton?** The answer to this question is surprising and could serve as the impetus to Clinton’s victory. **So, just who will be voting for Clinton this November and why?** [Click this link to see.....**READ MORE**](#)

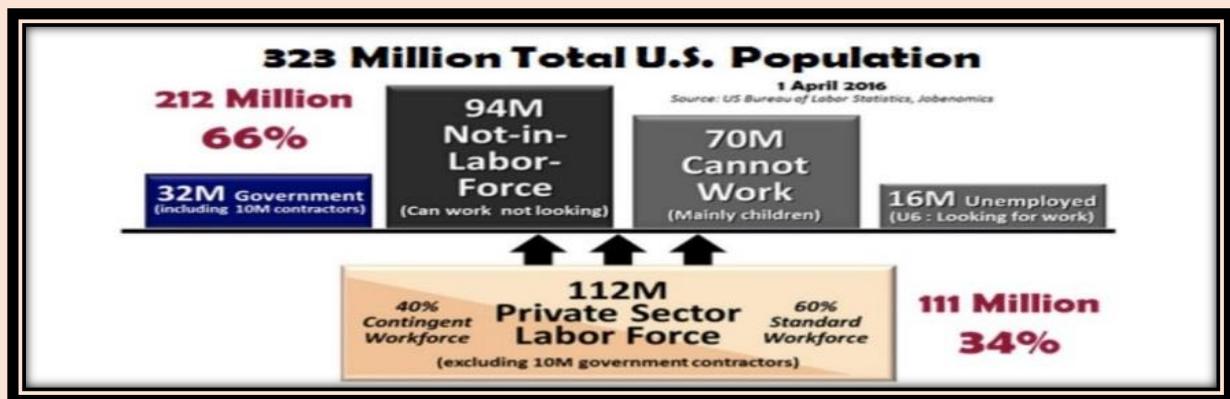
You can read more at the above link, but let me just break it down for you folks. What Hodges outlines is the “entitlement crowd” along with illegals, Muslims, feminists, corporate donors, banksters and the military-industrial-complex, etc. In other words, the institutionalized Welfare and Warfare State, and this is creating a *tipping point* in the social order. But this is happening by design as stated by the **Cloward-Piven Strategy** way back in [1966](#) to slowly overwhelm the US entitlement system, so as to *force* “hope and change” or a “fundamental transformation” of society. **Stacey Abrams** of the Georgia House recently affirmed, “**Incrementalism** has always been embedded in the zeitgeist [spirit of the age] of being a Democrat.” Get it? This is nothing more than **Fabian Socialism** of heating up the frog until the frog dies. The opening line of *The Communist Manifesto* says, “The history of all hitherto existing society is the history of class struggles.” **Karl Marx** (who never worked a day in his life) goes on to describe his Ten Planks of Communism and how to social engineer the entire human race based on his faulty secular humanist worldview. And the rest they say is history. Unfortunately, the collectivist social engineers are still busy at work in the US (and world), and they are deliberately encouraging **moral hazard** into the political system because....*these people VOTE!!*

“Government is the great fiction, through which everybody endeavors to live at the expense of everyone else.” - Frederic Bastiat

Claude-Frederic Bastiat was a brilliant French economist in the tradition of **Adam Smith** (1776), and provided the intellectual basis for Libertarianism and the Austrian School of Economics. His classic work, *The Law*, was published as a pamphlet in **1850** and articulated how the State is to protect life, liberty and property, and this law is *perverted* when the State sanctions “legal plunder” as in all collectivist ideologies. “When plunder becomes a way of life for a group of men in a society, over the course of time they create for themselves a legal system that authorizes it and a moral code that glorifies it.” As a ‘moral’ Christian worldview is *degraded* it encourages theft, coveting and plunder (Ex. 20). The growth, and failure, of the **Welfare State** can be seen in **this chart** since **1950**:



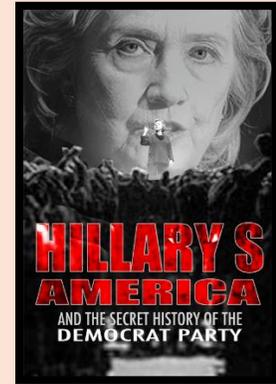
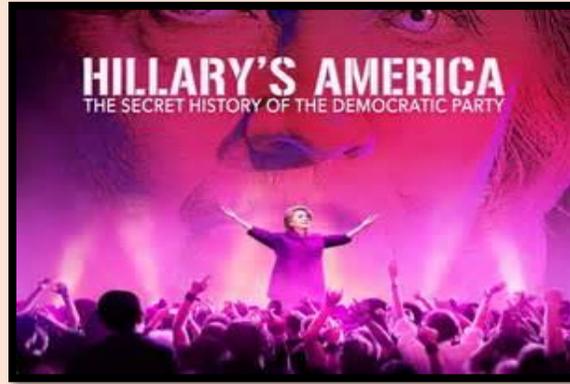
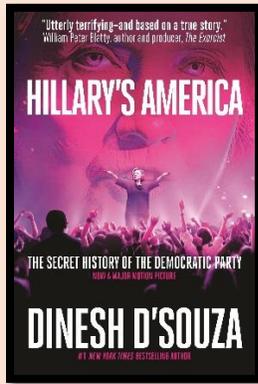
The **McKinsey Global Institute** recently concluded that **70%** of household income has dropped from 2005 to 2015 compared to only **2%** from 1993 to 2005! What is causing this? Aging demographics, deindustrialization and the new normal of stagflation and financial repression. Put simply, the US industrial revolution is **100 years old** and the world has caught up. In this post-industrial era, it is extremely doubtful that we can **Make America Great Again**, and this has caused a wave of structural unemployment illustrated in this **depressing chart** where only **34%** of the private sector is working:



Unemployment is the highest in the black community. The following **5-minute video** presents damning evidence that the gangster culture and disintegration of black families (with **73%** of babies born out of wedlock) has resulted in chronic-intergenerational-welfare, crime and drug abuse.

Bill O'Reilly: The Failure of the Black Community

A new study by the **CDC** reveals that nationwide **40%** of all babies are born out of wedlock compared with only **3.8%** in 1940, and only **10%** in 1969. This is the moral and cultural decline of America.



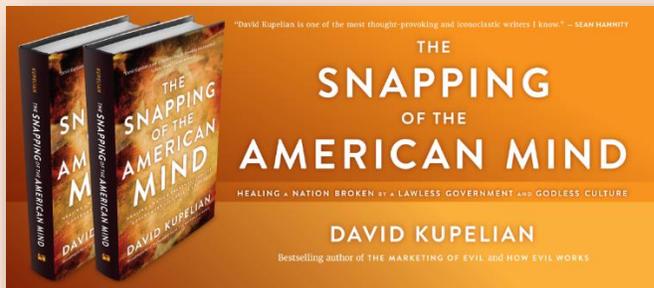
“The essence of propaganda consists in winning people over to an idea so sincerely, so vitally, that in the end they succumb to it utterly and can never escape from it.”

- Joseph Goebbels, Reich Minister of Propaganda (1933 – 1945)

Now comes the latest film by former political prisoner **Dinesh D’Souza** that completely exposes the **Democratic Party** as the party of black slavery, racism and oppression - the evidence is irrefutable:

[Hillary’s America: Official Movie Trailer](#)

This movie was released on **July 22nd** and is now showing. [HERE](#) is a review by Infowars, and a major theme in the movie is **The Big Switch** – how the DNC has supposedly *switched* to the party of **empowerment** for the black community. As Rush L. says, they are still on the liberal plantation and exploited with government largess and dependency. **Lincoln** said, “You never help a man when you do for him what he can, and should do, for himself.” The politics of greed and envy and fanning class warfare is the hallmark of the DNC (and Communist Party USA). In his new book, **David Kupelian** outlines how, “Barack Obama has dragged the entire Democratic Party so far leftward over the past seven-plus years that today’s Democratic Party has become almost indistinguishable from the **Communist Party.**” In [THIS](#) interview, he says **Hillary** “would drive America stark raving mad.”

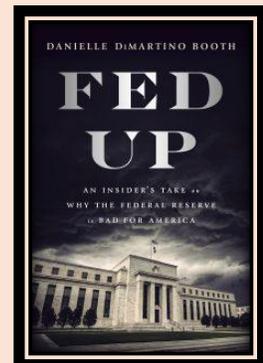
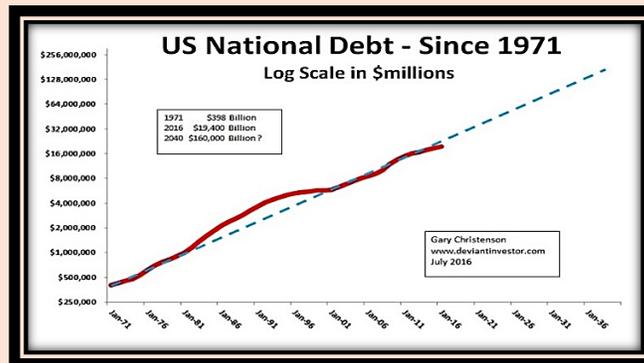
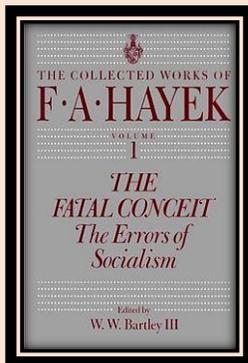


What does the author mean? He shows historically how “just as children tend to adopt many of their parents’ traits, so do Americans tend to adopt some of their president’s characteristics.” In other words, the “zeitgeist” of a Clinton administration would only encourage more wholesale corruption of our society and what values and principles remain. He further reveals that Hillary’s **92-page** senior *thesis* at **Wellesley College** offered a positive critique of **Saul Alinsky** and his work in Chicago entitled *There is Only the Fight: An Analysis of the Alinsky Model*. Remember one of her campaign slogans – Fighting for Us? She means all of her Communists allies and radicals. Alinsky’s **Rules for Radicals** (1971) is **the manifesto** for community organizers like Obama, Hillary and their ilk.

So where do we go from here? I guess we shall see in a few months. According to **Pat Buchanan**, **75%** of Americans think “the nation is heading in the wrong direction” (do ya think?), and **56%** think Hillary should be indicted/jailed, with **67%** saying “she is neither trustworthy or honest” (crooked). Pat has always labeled the MSM as “the auxiliary press of the Left” and that is what we are up against in this election. The fawning media is glorifying a Hillary presidency, but her support is being faked. At the DNC Convention they had to hire **700** people as actors to fill seats (at \$50/day). At a recent “rally” in St. Petersburg the hall held 4,000, but only **171** people showed up. What to do? They photo shopped the image to show a capacity crowd! In contrast, the Trump rallies are usually overflow. In **Virginia**, they have decided to let 200,000 “oppressed” felons vote (for Hillary), and so on.

“The people who cast the votes decide nothing. The people who count the votes decide everything.” — Joseph Stalin, dictator of the Soviet Union

Old comrade **Stalin** knew how to get things done in the old Soviet Union. As Trump has been saying, the election system is rigged in the US, and we have already seen how the Democratic/Communist Party has rigged the nomination for Hillary. **Devy Kidd**, a patriot-candidate, has been a victim of election fraud and has **WRITTEN** extensively on this subject. In **2012**, Romney did not win a single vote in **PA** precincts! How can this be? The social engineers, central planners and Establishment cronies are desperate to hang on to power and force their collectivist/socialist agenda. But can we survive as a nation? In his classic book *The Fatal Conceit: The Errors of Socialism*, **F. A. Hayek** argued that **central economic planning** (the fatal conceit) is literally impossible and always ends in catastrophic failure (see Venezuela). Or, as **Maggie Thatcher** said, “the problem with Socialism is you always run out of other people’s money.” **Below is a chart** of our national debt since **1971**.

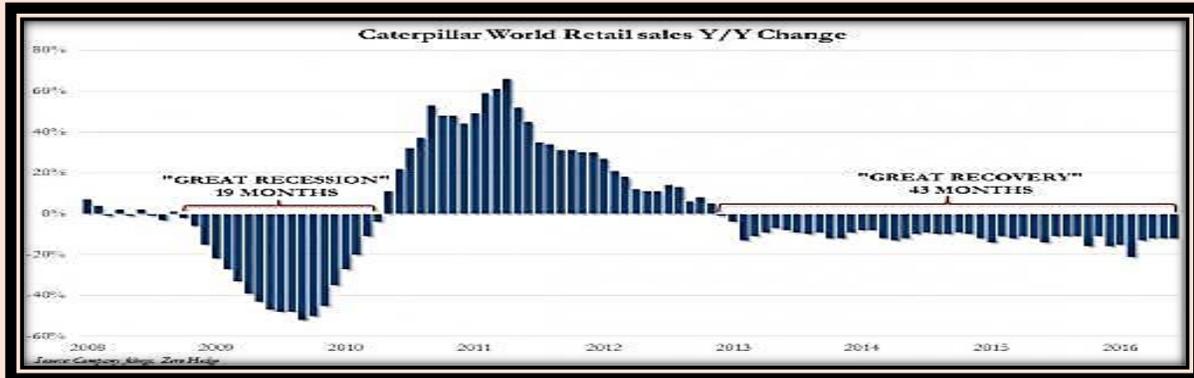


Why did our national debt and trade deficits explode starting in 1971? It is highly significant that **August 15th, 1971** (45 years ago), **Nixon decoupled** the US dollar from a nominal gold standard, and we have been in sharp decline ever since, as I cover in **my book**. All fiat currencies eventually collapse and the Fed is merely postponing our **financial reckoning day**. In her book, *Fed Up: An Insiders Take on Why the Fed is Bad for America*, the author (from the Dallas Fed), says that the Fed never learns from its many mistakes because they have **bad models**, etc. Again, this is the **fatal conceit** of central planners and banksters, right? Have you noticed that there is hardly any public debate in this election year about the economy, unsustainable debt, entitlements, pension fund failures, fiscal insanity or how everything is going to get paid for? Sure we hear about **jobs**, but that is the proper role of the private sector, *not government*. Government is not the solution, said **Reagan**.

The Gaping Hole at The GOP Convention: Jobs and Growth

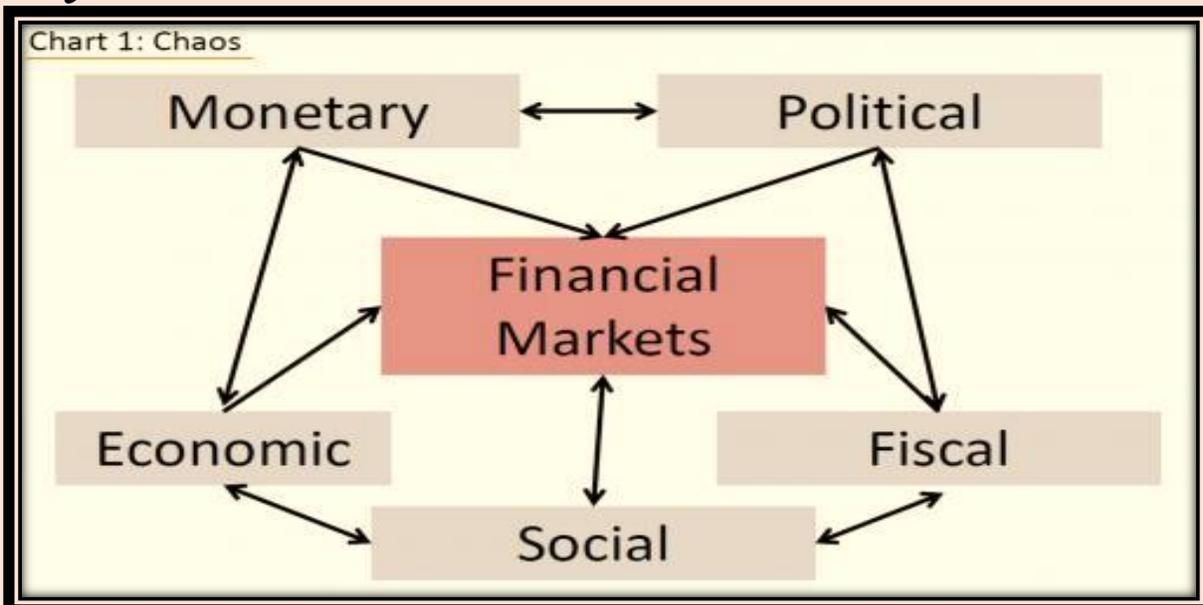
By ***Investors Business Daily*** • July 21, 2016

The above headline appeared after the GOP Convention. [David Stockman](#) also wondered why so little was said about Obama’s failures and how to actually get the economy going again. “There’s plenty of material to work with. Under President Obama, wages have flat-lined, economic optimism is still under water, the poverty rate is up, and millions have given up looking for work and have become newly dependent on federal programs.” The same was true at the Democratic Convention. The reason? There is **no solution** except for getting the government the hell out of our lives, and that is as likely as an honest election. The world is experiencing a **global depression** (not recession), and **this chart** says it all. Why? **CAT** is a global multinational with sales closely connected to economic activity, and sales are flat. **IBM** has reported falling revenues for **17** quarters and is now **25% lower** than in **2011**. Commercial shipping is also the lowest in history as well as the velocity of money.



What is causing this? As I have stated earlier, it is aging demographics, deindustrialization and the new normal of stagflation and financial repression. And according to [THIS](#) article, the next US President will preside over a **fiscal/monetary crisis** like the world has never seen. This research is based primarily on aging demographics in the industrial world; which is essentially *correct* and often over-looked by financial analysts, pundits, politicians and prognosticators. In short, there is global systemic risk in every aspect of society that is destined to **blow up the financial markets**.

Systemic Risk in Global Financial Markets



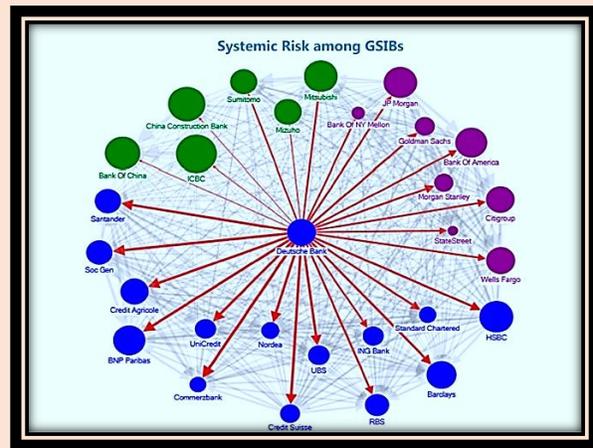
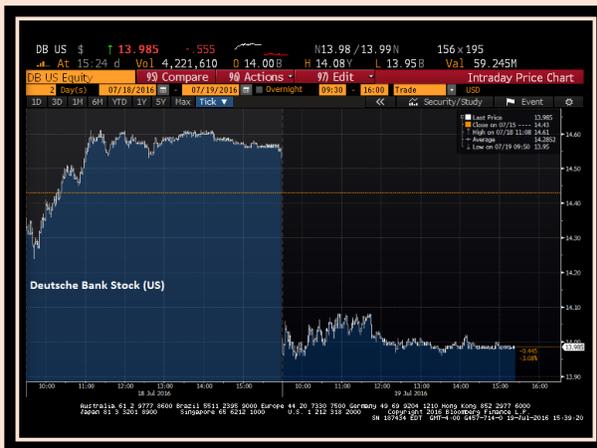
According to **Ned Davis Research**, professional economists have failed to predict **all seven** (7) of the last recessions in the US. And this is why **John Kenneth Galbraith** once chided, “There are two kinds of forecasters: those who don't know, and those who *don't know* they don't know.” **Swiss** economist **Marc Faber** accurately warned his investors before the **1987 Crash**, and he is **NOW** predicting a **50% drop** in the **S&P Index**. “Stocks are likely to endure a gut-wrenching drop that would rival the greatest crashes in stock market history,” says the editor of the *Gloom, Doom & Boom Report*. Is your financial planner concerned or even aware of this risk? It is very doubtful.

It is barely understood that **nothing** has been “fixed” since **2008**, and we are actually in much **worse** shape today. And nothing points to systemic risk like the highly leveraged banking sector, and nobody compares with Europe’s largest bank on the verge of collapse. **Here** is the story and I will comment.

Is Deutsche Bank as Dangerous to Financial Stability as Citigroup Was in 2008?

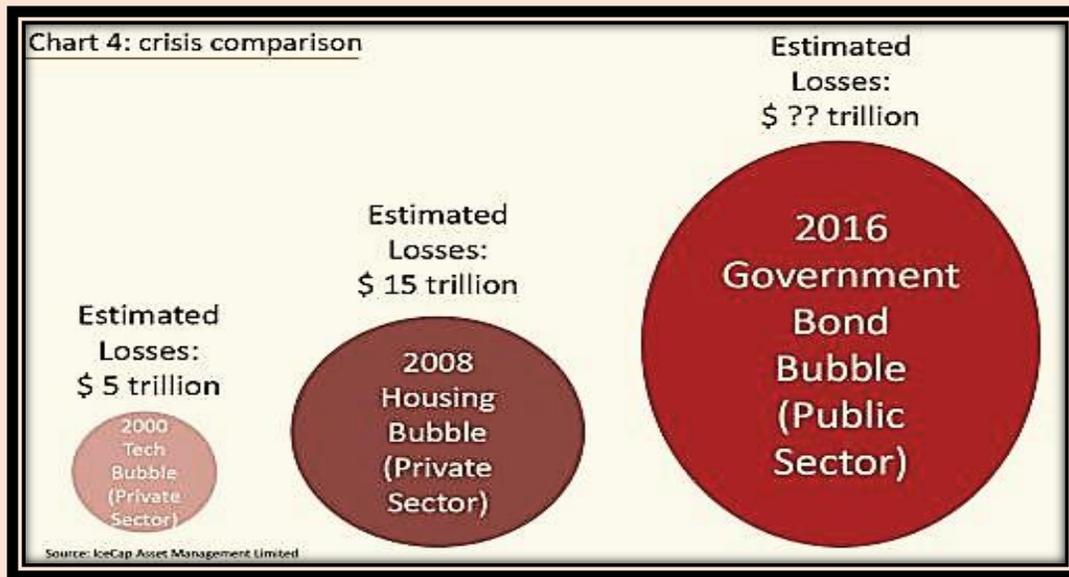
By Pam Martens and Russ Martens: August 3, 2016

Deutsche Bank is starting to resemble the financial basket case that Citigroup became in 2008, leading to Citigroup’s partial ownership by the U.S. government for a time and the bank requiring the largest taxpayer bailout in U.S. financial history. Citigroup’s teetering condition and its interconnectedness to other mega banks played a critical role in the Wall Street crash and collapse of the U.S. economy. **That Deutsche Bank (which is highly interconnected to other major Wall Street banks and locked and loaded with tens of trillions of dollars in derivatives) is now showing the same kind of stresses as Citigroup back in 2008**, raises the obvious question about just how effectively the Obama administration has reined in **systemic financial risk** after six years of reassurances that Dodd-Frank financial reform was getting the job done?.....[READ MORE](#).



Deutsche Bank share price has dropped **44%** in **2016** (left chart) and a stunning **98%** in one year! Their risk exposure is **25-times** equity. With \$68 trillion in derivatives this has increased to **100 times** capital and reserves! What is going on? **Deutsche Bank** has been fined billions for rigging the gold and silver markets, and the **Brexit** vote in June has caused a **73%** drop in earnings (after a **200%** drop in December 2015!). Even more ominous is how interconnected **this single bank** is to the global banking system (right chart). The **IMF** refers to these big banks as Globally Systemically Important Banks (**GSIB**), or Too-Big-to-Jail as I call it. To see a blow up of **this chart** you can [CLICK HERE](#), and to see **this chart** with a full explanation of how dangerous all this is I recommend [THIS LINK](#).

Germany's largest bank has been downgraded by [Standard & Poors](#) and they are closing **188** branches and laying off **10,000** employees. Their COCO Bonds have doubled and **credit default swap rates** are threatening several banks in Europe (what brought down **AIG and Lehman in 2008**). German research group **ZEW** found that Deutsche Bank had a capital shortfall of \$19 billion, which is more than their market cap. This study found that **51** major European banks are at risk with Italian banks holding €360 billion in non-performing loans, 15% of European NPLs. Recent “**stress tests**” in the US and Europe have been widely criticized. Researches have noted that the Fed's stress test is looking at only the bank holding company's “direct counterparty concentrations” for credit default swaps rather than the indirect fallout. The authors found that “indirect effects can be as much as nine times larger than the direct impact” on the bank holding company, and ignoring that reality “could understate the stress on banks.” In other words, **what about counterparty risk as noted above?**



Here is another important chart on financial bubbles and systemic risk. During the **Tech Bubble** losses were around \$5 trillion; in the **Housing Bubble** it was \$15 trillion and the looming **Sovereign Debt Bubble** is going to be the worst of all! How big is this bubble? Try **\$90 trillion** with **40%** of that represented by **US Treasury debt** held around the world. Sovereign bond debt (credit) is how the central banksters finance their fiscal budgets. But what happens when you can't *sell* that debt to anyone? As I have written about in the past, we have been in a **40-year Credit Supercycle** since **1980** when rates were almost 20%, and now they are sinking to zero (*ZIRP*) and negative (*NIRP*)! The **Bank of Japan (BOJ)** has introduced negative rates along with several European banks and now **\$13 trillion** in bonds have a negative yield. The world has never seen this kind of insane fiscal and monetary policy by central banksters! As noted [HERE](#), **Japan** is the worst offender with a debt to GDP of **250%** (highest in the world), and they have been forced to buy most of their bonds. **Japanese Monetary Meltdown** was the topic of my **May 7, 2016 newsletter** you can access at [THIS LINK](#).

Fitch Ratings is predicting losses of nearly \$4 trillion in the bond market, but I think it is closer to \$40 trillion, if not more. The **S&P and Dow Index** is a *faulty and deceptive indicator* of economic health since it is propped up by loose monetary policy by the **Fed**. **The bond market** is the true indicator of a nation's health and risk in capital markets. It is also **the fate of nations**, because once the credit market goes *no bid* the jig is up. It is a capitulation, a default, a reckoning. But according to the **Mises Institute** an “economic depression” might just be just what we all need to clear debts....

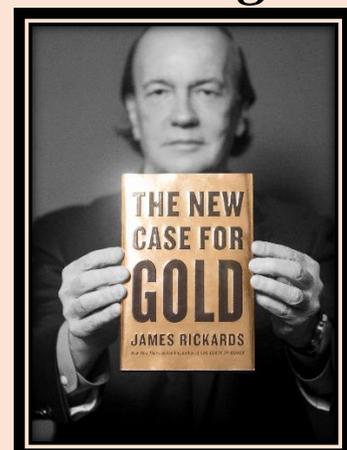
America Needs a Good, Old-Fashioned *Economic Depression!*

July 21, 2016, [Jay Zawatsky](http://www.mises.com), wwwmises.com

The boom cannot continue indefinitely. There are two alternatives. Either the banks continue the credit expansion without restriction and thus cause constantly mounting price increases and an ever-growing orgy of speculation — which, as in all other cases of unlimited inflation, ends in a “crack-up boom” and in a collapse of the money and credit system. Or the banks stop before this point is reached, voluntarily renounce further credit expansion, and thus bring about the crisis. **The depression follows in both instances.** Although it would be the wiser policy, there is no evidence that the world’s central bankers have the wisdom, either individually or collectively, to select the second alternative. More specifically, they lack “the courage to act” (as Ben Bernanke’s recent, self-congratulatory memoir was so ironically titled); they and their political, big finance and big business cronies are afraid to swallow the “d-pill,” the economic medicine named “**depression.**” A good, old-fashioned, pre-1929 depression (**like the short-lived, eleven-month depression in 1920–1921**, before the days of “modern” central banking and “enlightened” Keynesian intervention “cures”) is the only tonic that can clear out the malinvestment built up since the beginning of the fiat money era. **That era began in August of 1971. That is when Richard Nixon, informed that U.S. gold reserves were precipitously declining as a result of President Johnson’s March 1968 action to reduce the gold reserve ratio from 25 percent to zero, “temporarily” suspended the convertibility of the U.S. Dollar into gold. That “temporary” measure has been in effect for forty-five years.** Finally freed from the constraints of what they could not print (i.e., gold), central bankers and their cronies in government, finance and big business were given a license to **debase** all formerly hard currencies. **And debase they did:** they replaced real investment capital (i.e. actual savings) with cheap, invented credit; they replaced market-derived price (of money) discovery, i.e., **market-derived interest rates** not ZIRP, with central-bank-proclaimed interest rates..[READ MORE.](#)

The credit boom cannot continue indefinitely. What is being described **above** is the need for a monetary *reset*, and **James Rickards** has written extensively on this (and so have I). You will notice the connection to **Nixon and gold in 1971**. In his latest book, **Rickards** stresses that **gold** will be a necessary component in this *reset*, and it is also why **China** is buying, and why *you* should be buying.

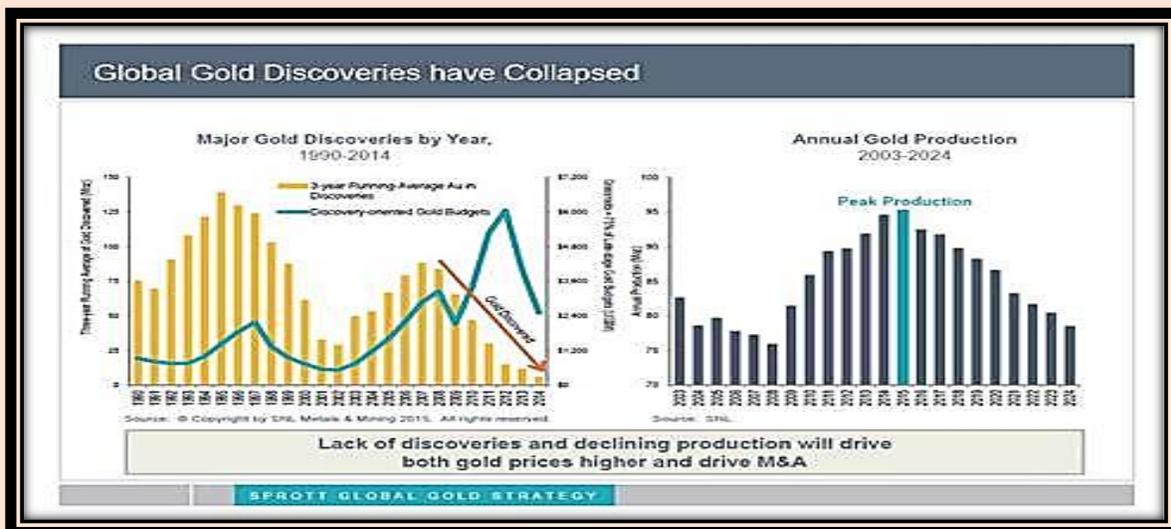
Global Demand for Gold at *All-Time High!*



Rickards is predicting gold will go to **\$10,000** in today's dollars because the global monetary system needs gold to be "repriced" to this level (or more) to rebalance sovereign debt as a percentage of debt to GDP, and so on. Until this day arrives, there is a *desperate and intense battle* going on between the evil banksters and the **physical gold and silver markets**, and you need to be aware of this as an investor in either market. If you are new to this "battle" (gold and silver market), I want to introduce you to the **Gold Anti-Trust Action Committee** (www.gata.org), founded in **1998** to litigate against the evil and criminal central banksters, and their war to *suppress gold* as an historic/sound alternative to their **Keynesian Model** of central bank intervention, as also mentioned in the **above article**. The following is a quote from a posting in **2001**, and still very indicative. Here is the [FULL LINK](#):

"What we see at present is a battle between the central banks and the collapse of the financial system fought on two fronts. On one front, the central banks preside over the creation of additional liquidity for the financial system in order to hold back the tide of debt/bond defaults that would otherwise occur. On the other, they incite investment banks and other willing parties to bet against a rise in the prices of gold, oil, base metals, soft commodities or anything else that might be deemed an indicator of inherent value. Their objective is to deprive the independent investor of any reliable benchmark against which to measure the eroding value, not only of the US dollar, but of all fiat currencies. Equally, they seek to deny the investor the opportunity to hedge against the fragility of the financial system by switching into a freely traded market for non-financial assets."

As you can see, nothing has changed. But actually a lot has changed. There is way *too much debt* in the global monetary system (thanks to the politicians), and there is far *too little gold* (and even less silver). **Consider this chart.** Gold mine discoveries have collapsed since **2007**, and gold mining has peaked as of **2015**. **Can you say capitulation, default and reckoning in the gold market?**



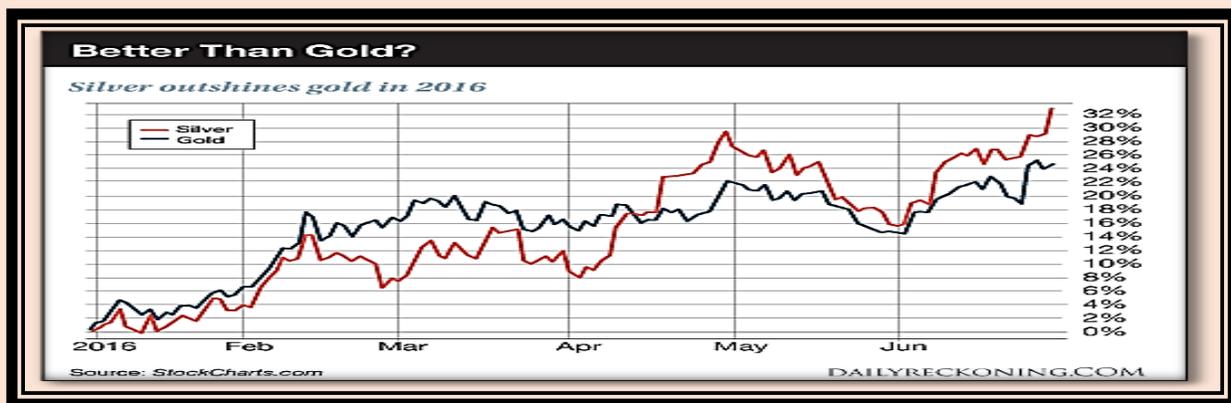
Perhaps this is why the central banksters have been net buyers of gold starting in 2010? And the stress in the **silver market** is even worse, and **Jim Rickards** has made a more recent comment and prediction on **silver** as follows, "We are looking at more spending, bigger deficits, more money printing and, eventually more inflation. The market's anticipation of this outcome, starting in mid-November, will be a powerful tailwind for silver." [This comment is to his international subscribers.] Folks, the **silver market cap** is a *mere \$25 billion*, and according to **Forbes**, **2,473** billionaires are holding a record **\$1.7 trillion** in cash (highest since 2010), and that is a lot of available cash.

What am I saying? I am saying that the silver/gold ratio at **70:1** is an extreme buy signal (for silver), and the evil banksters have deprived “**the independent investor** of any reliable benchmark against which to measure the eroding value, not only of the US dollar, but all fiat currencies,” as stated from the **GATA** article above. In other words, **silver** is *extremely undervalued* and **silver** is your best insurance policy against the coming **economic depression** as explained by **Hubert Moolman**:

Silver Price Forecast: *Silver Is Insurance Against the Worst Part of This Depression*

[Gold South Africa](#) / Silver Price Forecast 2016

The worst part of the world’s ongoing financial crisis is still on the way: A crisis that has its roots in the debt-based monetary system. The debt-based monetary system has facilitated the growth of debt, to levels that will inevitably bring total collapse. Every day we see more and more events (think Greece, **Deutsche Bank**, etc.) that suggest that the **total collapse** is very close. The number of these will increase over the coming months. The high debt levels are a huge burden that will strangle the world economy, since future production is reduced by debt obligations. That is just how it works. When you have huge debt, you will have less of your future income/production available due to the debt obligation that has to be met. These debts will have to be settled. **There will be no progress (growth in economy) until debts are settled. The settlement of these debts is that “worst part” of the financial crisis.** The majority of these settlements will occur as the **stock market collapses, and currencies/banks fail** (the collapse is the settlement). **This will be the greatest depression.** The crisis cannot be stopped, but you do not have to be caught up in its worst effects. **Silver, as I have previously explained, is virtually the opposite of debt and, therefore; great insurance against the coming debt (particularly: stock market, currency and banking system) collapse. It is for this reason that the chart below for silver prices is looking so bullish, whereas the charts for the Dow and other goods are looking really bad.....[READ MORE](#).**



As seen above, silver and gold have had significant gains since January **2016**, but **silver** is better than gold because the actual gains have been **48%** for **silver** and **28%** for **gold**, compared to **2.9%** for the Dow. **Eric Sprott** is a Canadian billionaire, and he has **80%** of his net wealth in precious metals, and **80%** of that is in **silver**. What does that tell you? **John Embry** of Sprott Asset Management (www.sprott.com), recently said, “Silver is unquestionably the cheapest hard asset on the planet. And as a (historic) monetary metal, **silver** is on the cusp of an historic **upward price explosion.**” How far could this “explosion” go? I am personally, **95%** in **silver**, and let me tell you why I think **silver** is a better investment than gold, with a few final comments before I conclude this newsletter.

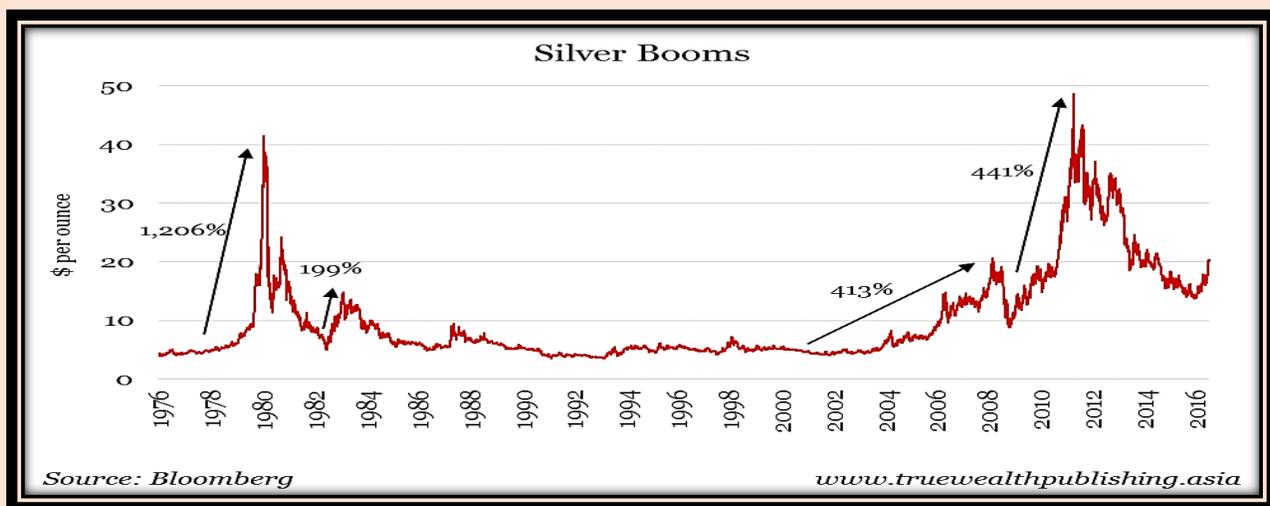
Ted Butler is a renowned and respected **silver expert** researcher and silver market analyst for the past **30** years or more (www.butlerresearch.com), and he has been reporting on **JP Morgan Chase** and their massive naked short on silver at **Comex** (Crimex) while they are *also* holding a massive physical silver hoard estimated to be around **500 million ounces** (largest in the world). **Butler** recounts the collusion of the Wall Street banksters in **2008**, when **JP Morgan Chase** was *forced* to acquire **Bear Stearns** (by the Fed) because they were controlling the naked short by **Bear Stearns** on Wall Street. **JP Morgan Chase** is positioning to make *billions*, and this is **Butler's** conclusion:

*“The best part about this amazing story, in addition to being almost universally unknown and destined to be discovered, is that it offers the investment opportunity of a lifetime. All one has to do is what **JP Morgan has done** – buy as much silver as one is capable of buying - and then wait for **JP Morgan** to help itself. No complicated trading formulas, no risky leveraged schemes – just buy real silver for full cash payment and sit and wait. After all, that’s exactly what **JP Morgan** has done and after five years, it wouldn’t appear the wait will be very much longer.”*

You can read this “amazing story” at [THIS LINK](#), and he has since written an even more urgent warning about the banksters losing control of the **silver shorts** that could blow up in weeks (around the **November** warning by **Jim Rickards?**). You can read his **latest prediction** that the eight (8) commercial banksters that have been conspiring to *suppress* silver are getting desperate, and we could be weeks away from silver “going to the moon” at [THIS LINK](#). **Butler** says that silver could hit **\$100** “just for starters” ([LINK](#)), and this interview with **Keith Neumeier** suggests a *ten-fold* increase:

[Interview: First Majestic Silver CEO Keith Neumeier](#)

You can listen to this interview at **23 minutes**, and hear his arguments (as a silver CEO) why silver could go to **\$200** an ounce, and even **\$400** an ounce. Do I have your attention? Listen up. **One final chart** for you related to **silver booms** is this one. We are setting the stage for something big.



Summary & Conclusion. This monthly newsletter has focused more on **domestic politics** than I normally cover, but geopolitics and macroeconomics are all related right down to **Main Street** and where we live. As they say, **diapers and politicians** should be changed often, but I am just not sure if we are going to get more **poop** in our collective diaper. Central planning and central banking has been firmly entrenched, and even a *noble effort* by **The Donald** to right our ship is very questionable at this late hour, but I am cautiously hopeful. Expect the **Leftist MSM** to keep attacking him as part of our **culture wars** and **class warfare** from the Progressive Left and all of their usual allies.



There are those people in our society who prefer the **Alinsky Model** to *force change* (like Obama and the Clintons, etc.), but we need to strive for a peaceful transition back to the principles of limited government, the rule of law, due process, free markets and liberty as articulated by **Dr. Ron Paul** and other Constitutionalists. “Those who make *peaceful* revolution impossible,” said **JFK**, “make *violent* revolution inevitable.” And this seems to be what the **Democratic/Communist Party** wants today, as you can see at [THIS LINK](#). How has it come to this you ask? It is all part of the *moral decline* of our nation. “Righteousness exalts a nation, but sin is a disgrace to any people” (Pro. 14:34). Trump wants to **Make America Great Again**, and I respect him for this. But French historian **Alexis de Tocqueville**, observing our country from afar, said this, “America is great because America is *good*; if America ceases from being *good*, she will cease from being *great*.” **It is as simple as that folks.**

Before he died in **2007**, **Aaron Russo**, a patriotic Libertarian, said, “We need to stop being good Democrats and good Republicans, and start being *good Americans*.” Can I get an amen? I love my *country*, but I fear my *government*...and there is a big difference. I will cover this issue in my next newsletter. A majority of Americans feel that our country is heading in the **wrong direction**, and they have good reason for feeling that way. The **US** is facing fiscal/monetary collapse based on our worthless fiat currency and bond market. This is the final **fate of nations** that pursue a policy of borrowing and spending more than they producing and saving. In this era of massively **rigged markets** (and elections), and **systemic risk** in capital markets, you are well advised to hedge your wealth in **gold and silver** as an insurance policy. Let me know if I can assist you in this area.

Finally, I was late getting this newsletter out this month. Some of you know that my beloved (older) business partner of **25 years** died last Saturday... This set me back, but let me assure you of **one thing**. I shall see him again...and perhaps soon, in glory. He was my brother in **Christ**, and I pray the promise of eternal life for all of you as well. [CLICK HERE](#) to discover this Good News.

Until Next Time, Your Messenger from Pinetop 🏠

www.idpconsultinggroup.com



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