THE MONEYCHANGER

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A MONEYCHANGER INTERVIEW:

CHRIS POWELL

OF THE GOLD ANTI-TRUST ACTION COMMITTEE

The Gold Anti-Trust Action Committee was organized in the fall of 1998 to expose, oppose, and litigate against collusion to control the price and supply of gold and related financial instruments. Founders were Bill Murphy, an Internet financial commentator (LeMetropoleCafe.com), and Chris Powell, a Connecticut newspaper editor. The committee was formally incorporated in Delaware in January 1999 with Murphy as chairman and Powell as secretary and treasurer.

GATA has been involved in several lawsuits alleging collusion in the gold market. Using the U.S. Freedom of Information Act (FOIA), throughout 2008 and 2009 GATA sought access to the Federal Reserve's gold-related records, eliciting an admission from the Fed that it has gold swap arrangements with foreign banks and insists on keeping them secret.

Dozens of documents GATA has collected and published show Western treasury and central bank efforts intervene both openly and covertly against a free market in gold. GATA has also held four international conferences.

GATA's Internet site is www.GATA.org, and as it is a 501(c)(3) organization donations to GATA are tax deductible.

Chris Powell has retired as managing editor of the Journal Inquirer, a daily newspaper in Manchester, Connecticut, where he worked since graduating from high school in 1967. He continues to write a three-times-weekly political column for the newspaper and other Connecticut newspapers and edits the GATA Dispatch, that organization's daily electronic newsletter.

Chris kindly made time for this interview on 10 May 2019. The Moneychanger also interviewed Chris in the April 2012 issue, available in the subscriber section of our website. Yes, it is worth re-visiting. —F. Sanders

Moneychanger It's been nearly exactly seven years since I last interviewed you and I have to ask if you feel vindicated today after the LIBOR manipulation scandal, the forex (foreign exchange) manipulation scandal, the silver manipulation scandal, all the others. Do you feel vindicated?

Powell Well, I feel more confident than ever that we've been generally right about things. I don't feel vindicated in the sense that we really cannot get mainstream financial news organizations to pay attention to the issue of market rigging. In fact, I don't feel vindicated insofar as we cannot get 99.5-percent of the monetary metals mining industry to pay any attention to the issue. We're certainly confident that we're right in what we're doing, but being right does not confer success, because success is conferred by persuading others that you're right. While I think most people in the monetary metals sector know privately there's some merit to what we're saying, we find little courage in the mainstream financial news media and very little courage in the monetary metals industry to pay attention here.

So, I can't claim vindication for our main objective, but we knew we were right 20 years ago. *[Laughs]*

Moneychanger When all of these enormous scandals break out in the

ALSO INSIDE

see **INTERVIEW** page 2

from **INTERVIEW** *page 1*

media where trading banks or trading concerns pay enormous fines for market rigging, how people can still look at you and say, "How do you know there's market manipulation?"

I can point to the stock market the week of May 6: it smells so fishy. If you look at the fall, Monday itself over 400 points, but the market closed down only 66.5. Tuesday it rose from the low 176 points, still closed down 473. And yesterday it rose from a low of 311 points to close down 139. That looks seriously like somebody's manipulating the market.

Powell Oh, of course. At GATA's Washington conference 11 years ago I remarked in my speech that there are no markets anymore, there are only interventions. And interventions now are constant and comprehensive. The documentation of the interventions is comprehensive, but it just can't be acknowledged in polite company, I'm afraid.

Moneychanger If that's the case, let me ask you the question that so many investors ask me. If the market is manipulated, why should I buy gold or silver?

Powell That's a very good question. I think one reason for investing in the monetary metals is that justice and fairness will prevail eventually. Dishonorable things will diminish. Another reason is that governments are essentially sustaining completely uncoverable short positions that suppress monetary metals prices. Such manipulation failed in the past; it failed with the London Gold Pool in 1968. It failed again in the early '70s when President Nixon broke the Bretton Woods arrangements. I think the manipulation is failing now insofar as it relies on imaginary gold, paper gold, to control the price. Now the manipulation can be sustained only by deceptions or viciousness. That suggests that that can't go on forever.

On the other hand, you know, Orwell's vision of the future in "*1984"* was "a boot stamping on human face -- forever." This deception could all be exposed tomorrow and investors might not profit from the exposure at all if there's another attempt to prohibit private ownership of gold, or if governments do revalue gold upward but then impose punitive taxes on monetary metals investors. There are all sorts of ways that governments could become more totalitarian, even if the gold price suppression scheme is exposed.

I'm not an investment adviser, but I'd be very grateful if somebody could find a safe planet for storing one's monetary metals, and when he finds it, calls me.

> We really cannot get mainstream financial news organizations to pay attention to market rigging.

Moneychanger [Laughs] Exactly. How did you come to start GATA, since you're one of the founders if not *the* founder?

Powell It began in late 1998. In the summer of 1998 I was looking for contrarian investment options but didn't really follow economic issues closely. I replied to a newspaper ad offering trial subscriptions to a dozen financial newsletters for ten or twenty bucks.

One of those I received was Jim Blanchard's *Gold Newsletter*. He was saying that gold, at around $270 then, was very low, and I remembered something about buying low and selling high. So, I started paying attention to the gold market through *Gold Newsletter* and the Internet.

I quickly landed on Bill Murphy's new Internet site, Le Metropole Café at www.lemetropoleCafé.com, which provided financial commentary about the gold and silver markets, so I signed up as a member there. A former futures trader, Bill was constantly complaining about collusion in the gold and silver futures markets by the same investment banks. JPMorgan Chase and Goldman Sachs, particularly, always seemed to be selling in huge quantities at strategic price points.

This happened so often that Bill was convinced that collusion was involved and he started complaining about it virtually every day at Le Metropole Café. And as a reader and subscriber, I found this interesting for two reasons. First, I was following the monetary metals markets now but as a novice. Second, at the newspaper where I had been employed for the last several centuries, we had to undertake various antitrust actions against larger papers.

Bill complained about manipulation so often that I thought I should write to him. I emailed him and said, "Look, there's a lot of circumstantial evidence to support what you're saying, but you're missing something. If it really is happening, it's against the Sherman Act and the Clayton Act and 50 state antitrust acts. Don't merely complain about it every day but get gold and silver investors to form a committee and engage an antitrust law firm to sue the manipulators on a contingency basis and seek triple damages under antitrust laws. If anybody wants to form such a committee, I'd pledge $500.00 to it."

Bill thought it was a good idea, so that's how things got started.

Before too long we got a pretty substantial contribution from a mining company that enabled us to hire an antitrust law firm to do research. Unfortunately, the law firm reported that it seemed to them that under the Gold Reserve Act of 1934 the United States Government had given itself the power to rig the gold markets, openly or secretly. So, we assumed that as a lawsuit against

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the government for rigging the gold market would probably fail, but we did bring a lawsuit soon after that through our consultant, Reginald Howe, in federal court in Boston.

We find little courage in the mainstream financial news media and very little courage in the monetary metals industry.

We did not succeed in that lawsuit. The lawsuit got dismissed on a jurisdictional technicality but produced some crucial information. I went to the one hearing in the case in Boston and heard an assistant U.S attorney moving for summary judgment dismissal of the lawsuit. He told the court that he was not admitting that the US government was rigging the market, as the lawsuit claimed, but he said the lawsuit had to be dismissed because the US government does have the power under the Gold Reserve Act to rig the gold market. So, in 2001 a US attorney told the court, without admitting that the US government was rigging the gold market, that under the Gold Reserve Act the US government has the power to rig the gold market.

So, a lawsuit complaining that the government was rigging the gold market had to be dismissed because rigging the gold market was perfectly legal for the US government.

After that we figured that the only litigation that was likely to be productive for us was freedom of information litigation, and a few years later we brought a lawsuit against the Federal Reserve for access to its gold-related documents. In the technical sense we won the lawsuit against the Fed and the Fed had to pay our court costs, but in a practical sense we lost because the court decided that with one exception all the Fed's gold documents we sought did not have to be disclosed.

Even there we won a broader victory insofar as we showed that the Fed had a lot of gold secrets. We also got an admission from a member of the Federal Reserve Board that the Fed had secret gold swap arrangements with foreign banks, agreements it refuses to disclose.

After this litigation we pretty much concluded that all we could do to oppose the market rigging was to expose it. We continued to compile documentation, which I think is now overwhelming. We have documents from central bankers and interviews they have given and their memoirs and statements from government archives, and some of this stuff is actually pretty contemporaneous.

All we could do is keep compiling documentation and publicize. I've been trying to get mainstream financial news organizations and mining companies and investors generally interested. I think we have proved our case far beyond any reasonable doubt, to the point where nobody cares to talk about it because it's so obvious.

There are no markets anymore, there are only interventions. And interventions now are constant and comprehensive.

Have we ended the rigging? Of course not; it's more comprehensive than ever. The publicity we've gotten from mainstream financial news organizations is minimal. There's been some, but we've certainly not succeeded there. And the mining industry is just too scared of the governments that regulate it and approve their mining permits, and too scared of its bankers, which are mostly the largest banks. Mining is a very capital-intensive business, so the mining industry for the most part really is too scared to get into this issue.

We've had very little success in mobilizing investors and news organizations and mining companies to do something about it.

Moneychanger Let me return to what you said about the US attorney. The Gold Reserve Act of 1934 contains a provision for the Treasury Department's Exchange Stabilization Fund (ESF) to trade in currencies and gold. The ESF accounts only to the president, and it is authorized to deal in gold and in foreign exchange to defend the dollar's exchange value -- in other words, to manipulate prices.

Powell If you visit the Treasury Department's Internet site, the Treasury Department construes the authority of the Exchange Stabilization Fund to extend to intervening secretly in any market in the world.

Moneychanger *[Laughs]*

Powell I think that is a fair construction of the power of the Treasury Department in federal law right now. I'm not sure that the rest of the world really appreciates this, but the United States has authorized its Treasury Department to intervene in anybody's market anywhere in the world secretly to rig the market. I'm sure most of the major countries know this because they're members of the International Monetary Fund and the Bank for National Settlements and those agencies are very much involved in the rigging. But ordinary investors in other countries might have reason to be a little resentful here.

Moneychanger Is there a market that's not manipulated? I learned several years ago that central banks and public pension funds and sovereign wealth funds own about half the stocks and equities in the world. With that kind of massive buying power of course they're going to be

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see **INTERVIEW** page 4

from **INTERVIEW** *page 3*

tempted to manipulate the market. They probably do. We know the United States manipulates the stock market because of the Plunge Protection Team founded in 1988 (President's Working group on Financial Markets, created by Executive Order 12631 of 18 March 1988). So, is there a market anywhere that's free?

Powell Probably no major market is free, but there are degrees of manipulation. Ordinary traders for investment firms can manipulate markets and those manipulations happen all the time. The real question is which markets are being manipulated comprehensively by governments on a daily basis or close to it. We have a lot of evidence suggesting that the US government rigs all the major futures markets in the United States comprehensively. And I could get into that documentation if you want. But there are little manipulations and there are comprehensive manipulations. We're more worried about the comprehensive manipulations right now, but our view from the evidence is that manipulation now is so comprehensive that the world no longer has anything that resembles a market economy.

> I'd be very grateful if somebody could find a safe planet for storing one's monetary metals, and when he finds it, calls me.

Moneychanger Now the question arises whether even governments with their massive buying power and central banks can manipulate a market against its primary trend permanently.

Powell I wouldn't say permanently, but I'm 69 years old, Franklin, and I think they probably can do it until I'm in the grave. I think in the end a manipulation will fail because it will create shortages, products will disappear. But that doesn't mean that totalitarianism failed. If products dry up, governments can impose rationing. Governments don't like people making money on products that have become scarce. Manipulations inevitably fail when time lines become very, very long, but even after they fail governments can execute people who have positioned themselves to profit from the failure.

I try not to make predictions about what's going to happen because we've found it hard enough to persuade people of what already is. That's really our work now, and that's going to continue, and we do it in spite of the failure of news organizations because we have hope, if not faith, that ye shall know the truth and the truth will make you free.

Moneychanger What are the motives for the manipulation? It has always seemed to me that the US government's motive for manipulating the gold price is to protect the dollar. Gold serves as a barometer of the health of the dollar. Whenever dollars start flowing into gold then the price begins to rise, it indicates that those people on the margins are fleeing the dollar for gold.

Powell That's part of it. But I would argue something even more basic than that. Gold is the former reserve currency of the world. It is potentially the future reserve currency of the world, and every day, every hour, every minute it is already a competitive currency. Any government that issues its own currency is competing with gold. Gold is competing with government currencies. Jim Rickards said on CNBC 10 years ago, "When you own gold, you're fighting every single central bank in the world." Gold is a competitive currency. If gold is up, government currencies are down. If government currencies are up, gold is down. Further, gold is historically a determinant of interest rates and government bond prices in a free market. Gold has an inverse relationship with interest rates. If real interest rates are low, gold is high. If real interest rates are high, gold is low.

That relationship has been screwed up in recent decades due to government intervention and creation of huge amounts of imaginary gold. But nevertheless, there is this historic inverse relationship between gold and interest rates. Governments want to maintain confidence in their currencies, they want to maintain confidence in their government bonds, and they want to control interest rates. That means that *either* they have to run government finances responsibly and run their economies responsibly, *or* alternatively they have to rig the gold market.

Moneychanger Right. You just used the phrase "imaginary gold" or "paper gold." Do you agree that the gold price today is not determined by the *physical* market but by the paper market, the futures?

Powell Oh, absolutely. The disparagement of gold over the last few decades has been that the price has not kept up with inflation, that other products and services have gone up with inflation, but gold has lagged inflation. Why is that? Well, either something has changed about gold's nature or a vast imaginary supply of certificate gold has been created by governments around the world.

> Under the Gold Reserve Act of 1934 the United States Government had given itself the power to rig the gold markets, openly or secretly.

In a hearing of the US Commodities Futures Trading Commission a few years ago it was estimated that the paper trading of gold exceeds the amount of real gold available by a ratio of as much as 100:1.

The Reserve Bank of India estimated a few years ago that paper gold exceeds real gold by a ratio of about 92:1.

Governments have created this paper gold supply through gold swaps and gold leases with bullion banks. I've got the documentation on that. I like to refer people to the March 1999 secret staff report of the International Monetary Fund, which acknowledged that that governments need to conceal their gold swaps and leases and not to distinguish their gold reserve totals from swapped and leased gold, because if they disclosed their gold swaps and leases, they would impair their gold and currency market interventions.

MONEYCHANGER *[Laughs]* If we tell the truth we'd have to stop stealing.

POWELL We can't let the public and the markets know how much central bank gold reserves are impaired by swaps and leases, because then the public and the markets will know about our interventions and they'll be able to estimate when we're running out of gold.

MONEYCHANGER Let me ask about another motive for the manipulation. And this refers to something you put out recently about two economists, Brodsky and Quaintance. In 2012 they said central banks were acquiring gold while suppressing the price so that world gold reserves would be redistributed to central banks, so they could exchange dollar reserves for gold, and then at some point a large upward revaluation of gold would compensate for a devaluation of the dollar reserves. Upon completion of that redistribution and the dollar's devaluation, Brodsky and Quaintance predicted, central banks would re-liquefy themselves by revaluing gold dramatically upward. http://www.gata.org/node/11373

We showed that the Fed had a lot of gold secrets. We also got an admission from a member of the Federal Reserve Board that the Fed had secret gold swap arrangements with foreign banks, agreements it refuses to disclose.

Since 2014 central banks have added immense quantities of gold to their balance sheets. Do you think this theory is a reasonable explanation? Is it reasonable to suspect that central banks know that the dollar's days are numbered, and there's a move afoot for them to acquire gold *now* in order *later* to replace their dollar reserves with gold reserves?

POWELL I always thought that the Brodsky and Quaintance hypothesis made a lot of sense. It's eight years old.

Now I don't have hard evidence that this hedging of dollar surplus positions

We've had very little success in mobilizing investors and news organizations and mining companies to do something about it.

with gold in central bank foreign exchange reserves is indeed one central banking's plan, but it does fit the facts. And there have been periodic currency and gold valuations through the years. There's a Scottish economist named Peter Millar who wrote a paper 10 or 12 years ago observing that a *fiat* money system based on debt requires periodic devaluation of currencies to prevent interest payments from consuming the real economy. So, you periodically have to devalue the debt and reduce the burden of interest payments. To accomplish that requires a revaluation of the monetary metals upward. http://www.gata.org/node/4843

Now will this happen? They're not going to tell you or me they have a plan, but that kind of thing has happened in the past. Gold has been revalued upward and currencies downward to avert a catastrophic debt deflation and it will probably happen again. I'd just argue that this kind of policy ought to be public, not secret.

MONEYCHANGER Well, but the purpose of the secrecy is to trap as many of the public as possible in a losing position – to despoil them.

POWELL Yes, it's a totalitarian system -- there's no question about it. Personally, I don't care about gold and silver as metals. They're very pretty but I don't care about them as elements or even about their intrinsic value as minerals. They have many qualities, but I care about them for what they represent -- the possibility that people can be free and choose their own money, that they can have a standard of value separate from the standards that governments impose on them.

I'm interested in gold and silver because they force accountability on government and they are the enemies of totalitarianism in the hands of free people. But it's what they facilitate, what they stand for, that interests me, not the intrinsic qualities. We're talking about the valuation of all capital, labor goods, and services in the world and we're talking about whether the government is to be limited, accountable, and democratic.

MONEYCHANGER The bottom line is that human freedom is impossible, the right to property is impossible, if government can constantly confiscate some of your property through inflation, which they now do.

POWELL That's what Greenspan wrote back in the 1960s.

MONEYCHANGER Before he went to work for the government.

The Treasury Department construes the authority of the Exchange Stabilization Fund to extend to intervening secretly in any market in the world.

The debt jubilee that Millar describes has of course happened countless times in the last 5,000 years and we find ourselves again at one of those points where the debt is becoming rapidly unsustainable. That might be a reason why the gold and silver

see **INTERVIEW** page 6

from **INTERVIEW** *page 5*

price manipulation would fail, wouldn't it -- the debt bubble exploding?

Powell I don't think the manipulation would fail so much as I think that governments would decide that they have taken it as far as it can go, that the debt is crushing, the interest payments are overwhelming, and now we need to get ahead of this and revalue gold upward to devalue the debt and interest burden and begin another half-century of gold and silver price control at a more sustainable level. I think that's likely to happen. I don't think governments and central banks can let the price-suppression scheme fail because their power will evaporate at that point. If they get in front of it, if they arrange things to make it look as if they have revalued the currency, revalued gold, and created a new regime, then they will sustain their power.

I don't think I'm ever going to see a free gold and silver market. I think we will see a repricing of the metals to more realistic levels, and not only realistic levels, but levels that allow central banks to retain their totalitarian power over the world.

Moneychanger What a cheerful thought, Chris. *[Laughter]*

Powell I'll be a much happier guy when the *Financial Times* and the *New York Times* and the *Wall Street Journal* and Reuters and Bloomberg and those guys can tell the truth. And, you know, I'll also be a much happier guy when even a dozen mining companies can face the truth. What? You want optimism from me?

Moneychanger You're a realist and I appreciate that because a lot of people who invest in gold or silver or who might

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Probably no major market is free, but there are degrees of manipulation.

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be called gold bugs are not realistic about government power and the evil intent of government to control every aspect of human existence. So, I appreciate your realism. I just hope they don't stay in power forever.

Powell We're fighting it and I will be more optimistic when we get more support.

Moneychanger Speaking of that, how can my readers join GATA?

What are the motives for the manipulation? Gold is the former reserve currency of the world. It is potentially the future reserve currency of the world, and every day, every hour, every minute it is already a competitive currency.

Powell We have an Internet site, www.GATA.org. In the right column of that homepage there's a mechanism by which people can sign up for GATA's e-mail dispatches. We usually send several every day. On the left-hand side of GATA's homepage there's a headline "How to Help," and people can click on that and contribute to GATA by credit card over the Internet or by check, even by Bitcoin.

We are a 501(c)(3) federally tax-exempt civil rights and educational organization recognized as tax-exempt by the Internal Revenue Service and contributions to the GATA are federally-tax deductible in the United States.

If people are looking for our documentation there is a headline on the left side of our home page labeled "documentation." There's also a headline section "The Basics," where we summarize the long history of gold price suppression. If people are looking for some information, they can't locate themselves on our Internet site, they can write me at CPowell@GATA.org and I'll try to help them. I can assure people that if they send us even $5, it will be $5 more than we've ever gotten from most major mining companies.

We are always grateful for anybody who wants to support us financially.

Moneychanger I have to congratulate you on the job you've done over the years because nobody has research and documentation and makes it available with the same quality as you do. You've done a great job.

Powell Well, thank you. It's been an

The gold price today is not determined by the physical market but by the paper market, the futures.

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education -- I'll say that.

[End of Interview]

Endnotes

<?> Executive Order 12631 of 18 March 1988. http://www.archives.gov/federal-register/codification/executive-order/12631.html

<?> www.omfif.org/about/

<?> www.ft.com/intl/cms/s/0/d9dfad02-f462-11e3-a143-00144feabdc0.html#axzz3FgExhnPU

<?> www.omfif.org/intelligence/reports/

<?> Available at www.omfif.org.

<?> *Global Public Investor 2019*, p. 3

<?> In 2016 the Fed turned over $97.7 billion in profits to the Treasury. https://www.latimes.com/business/la-fi-federal-reserve-profit-20160111-story.html In 2017, $80.2 bn. https://www.nytimes.com/2018/01/10/business/fed-profits-treasury-2017.html Chump change, I say, compared to knowing which way they would send interest rates, or to the *tr*illions of new money they created out of thin air.

<?> https://www.thenewamerican.com/economy/markets/item/18520-central-banks-now-dominate-stock-market-study-finds

<?> Figures are at January 2019. www.world-exchanges.org/statistics/monthly-reports

ARE FREE MARKETS DEAD?

Moneychanger IF GOVERNMENT IS SUPPRESSING PRICES ACROSS MARKETS, WHAT IS LEFT? THAT'S THE DEATH OF FREE MARKETS.

Powell ONE INTERVENTION NECESSITATES ANOTHER AND ANOTHER AND ANOTHER TO PREVENT THE RIGGING FROM FALLING APART. I DON'T THINK WE EVEN KNOW WHAT THE MARKET PRICE OF TOOTHPASTE IS.

-- CHRIS POWELL, CHAIRMAN, GOLD ANTITRUST ACTION COMMITTEE,

In March 1988 after the 1987 stock market crash Ronald Reagan created the President's Working Group on Financial Markets. It charges the Treasury secretary, Federal Reserve chairman, SEC chairman, and CFTC chairman or their designees to "enhanc[e] the integrity, efficiency, orderliness, and competitiveness of our Nation's financial markets and maintain [] investor confidence." Specifically, the Working Group had to investigate the crash, making recommendations necessary to reach these goals above, and recommend actions appropriate to carry out the recommendations. Oh, yes, the Working Group was to consult, "as appropriate, with representatives of the various exchanges, clearinghouses, self-regulatory bodies, and with major market participants to determine private sector solutions wherever possible." In other words, don't move a peg without consulting Wall Street.

The Group was quickly nicknamed the *Plunge Protection Team*, since folks suspected its real purpose was to prop up the stock market during plunges. Since the 2008 crisis, more and more observers suspect that its *only* purpose is to prop up stocks *in every downturn,* let alone in crises.

Since 2008 Fed and government propaganda have trained the population to believe that the world economic fate hangs on every stock market uptick or downtick. Thus, it became more important than ever for the PPT to curb every down move to keep the Potemkin economy looking sharp.

None of this is new, it has simply metastasized in all directions. The U.S. government has been manipulating markets, certainly currency and gold and silver, since the 1930s. It's not new, and it's universally accepted as morally fine.

HOW INTERVENTION WORKS

The PPT probably doesn't buy stocks directly. The simplest way to intervene is to buy stock market index futures contracts. For example, if the S&P500 has taken a hit, the PPT would buy S&P500 futures contracts, driving it higher. Arbitrageurs watch that futures contract because its value ought to equal the actual S&P500 index. When that S&P500 futures contract trades higher than the S&P500's value, arbitrageurs will sell the futures and buy the S&P500 stocks to lock in that small, riskless arbitrage profit. Their buying then raises the index and the PPT's buying index futures drives the stock index higher.

Why does a market plunge? Buyers flee. Without buyers, sellers take over and the market plunges, panicking the public into a self-reinforcing cycle of more sales and lower prices and more sales. The Plunge Protection team has made itself "the buyer of last resort." Since the Fed can create money out of thin air, the idea of "loss" doesn't bother the Plunge Protection Team at all.

WAIT! That does *not*, however, mean that the PPT can simply buy *forever*. At some point the downward tidal wave smashing the market overwhelms even the PPT's resources.

WHY BUY IF IT'S ALL MANIPULATED?

This *reality* answers a complaint I often hear: "If governments are manipulating markets – stock, gold, silver – then what's the point of investing? They control everything."

This statement confesses that government is god and can do all things, precisely what they manipulators want you to believe. Stated that way its true ridiculousness shines forth. Manipulators can control markets only *at the margin.* Think of the "margin" as the edge of a river along the bank. There the current is gentle, but out in midstream the current is irresistible.

The primary trend is the midstream. No amount of manipulation possible can lift a market whose primary trend is down or hold a market down a primary uptrend.

As proof I offer the US Treasury's manipulation of gold and silver since 1995. While the evidence shows the Treasury and assorted central banks have labored mightily to suppress gold and silver, those markets have still risen relentlessly, and even after a three-year correction stand at multiples of their price when the suppression began.

A MATTER OF RECORD, NOT SPECULATION

The Plunge Protection Team's existence and mandate to intervene in financial markets is a matter of legal record, not conspiracy theory. So is the Exchange Stabilization Fund (ESF) created by the 1935 Gold Reserve Act. By statutory mandate the Treasury Secretary operates ESF to influence currency exchange rates and the gold price, but he is not required to report the Fund's activities or assets to anyone, not even congress. Thus, the ESF offers a powerful secret slush fund to manipulate currencies and gold – and I reckon silver, too.

Even though the existence of these manipulating government entities is a matter of public record, they operate in secret, so we can only guess at how far they go. They are the Abominable Snowmen of markets, leavings us always trying to infer their passing by tracks in the snow. But listen: if they *have* the power, we can be sure they are *using* it.

ENTER OMFIF

Since 2009 official institutions – central banks, government pension funds, and sovereign wealth funds– have dived into equity markets with both feet and two hands. In June 2019 another report appeared from the extraordinarily ill-named OMFIF, the Official Monetary and Financial Institutions Forum in London. The name from which springeth the hideous acronym deceives. It is not itself "official," but operates *for* official institutions. Here's OMFIF's description of itself in the original Omfiffian:

> *The Official Monetary and Financial Institutions Forum (OMFIF) is an independent research and advisory group. A platform for confidential exchanges of views between official institutions and private sector counterparties.*
> *The overriding aim is to enable the private and public sector[s] to learn from each other in different ways, promoting better*

see **FREE MARKETS** page 8

from **FREE MARKETS** *page 7*

> *understanding of the world economy and higher across-the-board standards. OMFIF's main areas of focus are economic and monetary policy, asset management and financial supervision and regulation. OMFIF cooperates with central banks, sovereign funds, regulators, debt managers and other public and private sector institutions around the world.*

Are you still awake? I have no deeper proof, but long research experience leads me to jump to the conclusion that this "private" organization has a very broad and public purpose, namely to herd these institutions into the funnel of the Establishment plan by forming their ideas and framing the agenda. Think "Council on Foreign Relations."

THE CHANGED WORLD OF OMFIF'S REPORT

The June 2014 OMFIF report (reviewed by London's *Financial Times*) revealed that "a cluster of central banking investors has become major players on world equity markets."

The report showed that 157 central banks, 156 public pension funds, and 87 sovereign wealth funds own "assets equivalent to 40% of world output." The report warns the trend "could potentially contribute to overheated asset prices."

Do you really think so? Let's see: 157 institutions who can print money out of thin air (talk about deep pockets) have invaded the world's stock markets buying up shares. *Naww*, I don't see how that could overheat anything.

Five years later in June 2019 OMFIF's report *Global Public Investor 2019* offers a "worldwide survey of public sector investment institutions owning or managing assets equivalent to 43% of global GDP." In a masterpiece of understatement, the report notes, "Global Public Investors – central banks, sovereign funds and public pensions funds – are widening their radius ever further. The policies of 750 institutions with worldwide investable assets of $37.8tn have a profound effect on global markets."

The *Report* continues, "Our research covers 750 institutions that collectively hold assets worth $37.8tn, equivalent to 43% of the world economy. [*think about that: GPIs, government entities, control assets equaling nearly one-half of world GDP. – FS*] These institutions represent 183 countries across five continents, comprising 491 public pension funds, 173 central banks and 86 sovereign funds. Assets are concentrated heavily in Asia Pacific, which holds $14.3tn or 37.9% of the total. It is host to 116 GPI institutions, including some of the world's biggest asset owners, such as the People's Bank of China and Japan's Government Pension Investment Fund. Europe and North America are also important hubs for GPIs, jointly hosting 467 institutions and 45.3% of total assets. Of the remaining assets, 10.9% are held by Middle Eastern institutions, 3.8% by Latin American ones, and 2.1% in Africa."

CENTRAL BANKS INVADE MARKETS

Traditionally central banks have justified their rotten, parasitic existence by posing as guardians of the national currency and keepers of reserves. As first chartered, the Federal Reserve could only buy bankers' acceptances and US government securities, and not directly from the government but "on the open market." (This provision keeps the Fed from directly "monetizing" government debt.) The sales pitch promised the Fed would provide an "elastic currency" by granting loans for planting season which would be repaid at harvest.

As institutions performing a public service, making a profit was not really a part of central banks' announced life-purpose – even if they were *privately* owned. The US Federal Reserve by its charter must return its profits to the US Treasury every year. (This is a ridiculous sop thrown to enemies of the central bank plan in 1913. The Fed's profits are *chump change*, less than *peanuts*, compared to the value of its government-created privilege, *i.e.*, to set the nation's interest rates and to create money out of thin air.) In many countries central banks have been nationalized by their respective governments, even though they still operate independently of those governments.

Since 2009 central banks have shifted from their traditional activities of investing in bonds and financial market instruments to investing in equities, forgetting their traditional purpose. This shift has been spawned by their hunt for yield, like everyone else. It ties your mind in a knot: central banks around the world have enforced a Zero Interest Rate Policy (ZIRP), but now claim their own policy forces them to chase yield by investing in equities. Remember the man who murdered his parents and then threw himself on the mercy of the court because he was an orphan?

Whatever the excuse, the central bank invasion of equity markets is a fact. In 2014 they owned upwards of $30 trillion, probably $37 trillion by now (my guess). As of January 2019, the world's 83 stock markets were capitalized at $81.1 trillion. In other words, these central bank and government institutions already own 45.6% of stocks on those exchanges. Right at *half*.

- China's State Administration of Foreign Exchange has become the world's largest public sector equities holder, says the OMFIF report. (This I can understand. Where could they better recycle all those reserve dollars than by buying western productive capacity?)
- The Swiss National Bank has an equity quota of about 15%. The *Swiss*!
- The Danish central bank holds equities worth about $500 million at end-2013.
- Without specifying who is buying what, OMFIF says that "global public investors" have increased stock investments "by at least $1 trillion in recent years."

WHERE'S THE ECONOMY

Stop right there. If these official institutions own half of all equities, where is the *real* economy? Who is in charge?

Where is the economy where individuals or even corporations assess risk and risk their own money? What happened to free enterprise?

What happened to individual ownership if state institutions own nearly half the world's equities? What prevents those state institutions manipulating markets? Could politics ever dictate buying or selling equities to favor someone?

Do stock prices in any way reflect economic reality, or only the Federal Reserve's Potemkin politics?

Is there any market left, besides masked government mules and the ticks who ride their hides?

WHERE'S THE FREE MARKET?

Free markets depend on the rule of law, transparency, and a level playing field. They depend on someone taking risks, and bearing the responsibility, win or lose. How can anyone know whether secret central bank slush fund or Plunge Protection Team buying is driving a stock up, or genuine economic prospects? Or buying up dogs from its cronies? When central banks are in a position to predict its own policies and know what industries might profit from them, why wouldn't they buy that stock? Or whisper their names to friends? Who will guard the guards themselves? What has become of capitalism's *level playing field? Transparency?* What happens to the interactions of buyers and sellers in the price discovery mechanism when half the buyers are, essentially, one big Pillsbury Dough Boy?

DEPRESSING?

Longer you think about this, more depressing it gets. Government seems to control everything, blocking every road. You can't even make an investment without their shadow darkening it. Politics has supplanted freedom.

Yet Governments have been taking control of national economies since the late 1800s. Antitrust laws and regulation must "save" the people from predatory railroads and oil companies. Municipal socialism (cities running gas, water, sewage, and transportation) must save the poor from predatory pricing of necessities. The Progressive Era advanced regulation across a broad front: food industry, drugs, narcotics, working hours, providers of medical services. The Do-Good campaign battled for censorship, prohibition, and eugenics (state control of who could reproduce to eliminate the unfit and "subhumans").

O, what irony! The crowning achievements of this supposedly "democratic" Progressivism were the income tax and the Federal Reserve, tools of Elite economic control. Then Progressivism took us into World War I.

The Great Depression, caused by the Progressivist Federal Reserve, offered manifold rationalization for centralizing *more* economic control in government hands. The New Deal cartelized occupations as lowly as beauticians, took over agriculture, and regulated banking & finance. FDR's government had a "plan" to get out of the Depression, but in the end fell back on the same old expedient, war, justification for yet more controls.

But for a hundred years, after the crisis passes, control and regulation always abide.

A RAY OF HOPE

Let me offer a ray of hope. There are long term cycles in human affairs; a centralization cycle began about 1600 – 1650. Power flowed from individuals and localities to centers, especially the state. The nation state was converted from the rule of an individual sovereign to a legal fiction, an undying corporate state.

CENTRALIZATION

This centralization cycle began reversing to de-centralization about 1990, *but trends don't turn on a dime*. After World War II the French, English, Dutch, Italian, Spanish, and Portuguese empires disappeared under "de-colonialization." The only two empires left standing were the United States and the Soviet Union. In 1991 the Soviet Union broke up, leaving only one empire with world hegemony: The United States.

The US today operates between 700 and 800 military bases worldwide. In a 2010 report, Base Structure Report, Fiscal 2010 Baseline" the Pentagon admitted to 662 overseas bases in 38 foreign countries with over 300,000 personnel. Since 1990 the US has virtually constantly waged war, and even without hot conflicts continues to prosecute the War on Terrorism and the War on Drugs. The one world empire is overstretched.

PEAKING

But consider: the emergence of a single worldwide empire shows centralizing *peaking*, not continuing. For the next several centuries a new *de-centralizing* social trend will send power flowing back to individuals, nationalities, and localities and away from centers. Nation states will break up into their constituent "nationalities." We just saw that with the Scottish referendum for independence from the UK. Thirty years ago, the very *idea* of Scottish independence was unthinkable, even treasonous. This year, that referendum became a reality. Catalan, the Basque country, Normandy, Tuscany, northern Italy and the rest of the world were all watching.

What's my point? *The massive incursion of central banks and government institutions into equity markets is the sign of their power peaking.* It testifies that the trend is ending, not continuing. *They are choking on their own power; the control system is failing.*

The Federal Reserve's actions since the 2008 crisis have been historically unprecedented, and have all involved seizing newer, wider power. ZIRP alone virtually took over the economy, since interest rates – the price of money – are the heart of an economy and economic decisions.

Planned economies don't work. Government control always fails, and more control makes it fail faster. Sure, the Plunge Protection Team can slow the inevitable bear market in stocks, but that won't help the economy or markets. The ability of prices to move freely is the heartbeat of a free economy. Stifling and delaying stocks' price readjustment will only make the eventual re-pricing more savage. Every government price support or suppression scheme *always* begets an enormous price snapback in the *opposite* direction. Think of silver & gold, 1960 – 1980. Think of the two real estate bubbles, the Savings and Loan crisis of the late 1980s and the Greenspan Bubble that began bursting in 2006 and eventually became the Great Panic of 2008. All were spawned by government suppression or support.

WHAT ABOUT GOLD & SILVER INVESTORS?

The African proverb says, "When elephants fight, it is the grass that suffers." We're just the grass down here. We need to get out of the elephants' way. I've searched heart, mind, and history, and can't find anything better than gold and silver.

Clearly the creators of Federal Reserve currency want to discourage their competition, so they must suppress silver and gold. And they have mounted the tiger of their own making, promoting stock markets as the sole gauge of economic health. How will they get off that tiger?

The snapback will be terrible, and it will reach everyone. One day the tiger will throw the Fed off. They're liable to get mauled, and the US economy with them. Payday always comes some day.

INSURANCE

Silver & gold are insurance against the worst economic turmoil. Because through the ages they have always kept value, we trust and expect they will continue to keep value, and their value moves opposite to stocks, bonds, government promises, and central bank *fiat* money.

OUTSIDE THE SYSTEM

But lately, as I've pondered the financial police state and government's increasing economic control, another aspect of silver and gold appeals to me: *it is a value outside their financial system.* Metals need no counterparty performance to make them good. If you own gold and silver in your own hands, no financial tyrant can flip a switch and cancel its value, as they can with your credit cards and bank accounts. What they can't find, they can't steal.

Is "financial police state" an overstatement? I don't think so. Since 1970 the US government has created a surveillance system that scrutinizes and records every penny you spend, every purchase you charge, every check you write.

In other words, the only value you can stash outside their system and all the turmoil it is prey to, is gold and silver.

Against a backdrop of markets crashing, an outlook for more of the same, and a sick economy that refuses to recover, a little stash outside their system looks pretty good.

-- F. Sanders

CURRENT MARKET PROJECTIONS

WAITING FOR THE FUSE TO REACH THE CHARGE

Stocks, metals, and the dollar are all like charges placed, primed, and lit, but it takes a while for that fuse to burn down to the charge. The explosion will blow markets out of their existing trends, launching the next bear market in stocks and the dollar and the next bull market in metals.

DOW IN GOLD

The Dow in Gold peaked on 1 October 2018 at 22.36 oz. and has fallen ever since. That peak corrected about 42% of the preceding fall (August 1999 to August 2011, about 37 oz (87%) from 42.36 oz to 5.71 oz). From that October peak the Dow in Gold avalanched until end-December, when Fed Head-Criminal Jerome Powell promised to boost stocks. That rally peaked in April 2019 at 20.937. That peak hits the dotted fan line on the chart.

That marked the extent of the upward correction. Stocks have since fallen back below their 200-day moving average and all other moving averages in a series of lower highs and lower low. In plain English, the trend is firmly down, and has been down for nine months. Looking at this chart, I can't doubt that stocks have put in their correction high and have turned down again.

In this next leg down lasting several years, they will lose another roughly 90%, falling until they hit two ounces or less. It behooves readers to swap stocks for gold now.

STOCKS

Like those Russian nesting dolls, *Matryoshka,* the Dow Industrials have formed nesting Broadening Tops, Megaphones, or what I like to call Gator Jaws formations. From 1998 to the present there is a giant Gator Jaws. From 2018's beginning to now another Gator Jaws shows itself, and another smaller Gator Jaws began emerging in May. That's a triple witness that always ends in a breakdown. It appears that the small and large formations will hit 27,000 - 27,500 right at the same time, about the end of July. That will be the death of the bull market that began in March 2009.

GOLD

Since the 2011 gold peak we've been waiting for the end of the correction and the next wave up in gold. Now gold stands on the threshold of that rally, and only needs to penetrate six-year resistance about $1,350-1,365 to launch into the stratosphere.

From the August low Gold climbed in its first leg up to $1,350, then corrected back to a low at $1,269 for the bottom of wave-2. It broke upwards out of a falling wedge and is now challenging $1,350 again.

From here two outcomes are

possible. Gold can correct back to $1,328 (38.2%) or $1,318 (50%) before it recovers and takes off again, this time breaking through $1,350 - $1,365 and heading to its ultimate near destination at $1,600. The other outcome is that gold in the next few days closes *above* $1,350 - $1,365 and takes off immediately without the correction I expect. Either way, gold is strong as a garlic milkshake, rising today in the teeth of rising stocks, and all week in the teeth of a rallying US dollar.

Gold is also rising in nearly all currencies. It has broken out of a six-year triangle in Euros, a three-year triangle in Australian dollars, a two-year pattern in pounds sterling, and is on the verge of leaving behind a six-year triangle in Japanese yen.

The rising gold price has pulled out long-suffering retail investors – *exhausted bulls* -- who can think of nothing but selling. This has gutted premiums on gold coins to the lowest level I have ever seen. Wholesale buy price for Krugerrands *and* American

Eagles is 99.5% of spot gold (One-half percent *below* spot).

When Krugerrands and American Eagles trade at par, why would I buy anything but American Eagles? Austrian 100 coronas are even cheaper at 99% of melt, as are Mexican 50 pesos at 99.05%. (Remember, these are *buy* prices, the low side of the spread. *Sell* price is $10 higher.) In fractional coins the Swiss and French 20 francs and Mexican pesos series offer the lowest cost per ounce.

If ever there was a time to buy gold, it is now.

SILVER

Five-year resistance for silver comes in about $18.00, so you can't see it on this short-term chart. Rallying off the November low, silver completed its first leg up with a double top in January and February. Then it corrected in wave-2 down to that May low at $14.27. Now it has burst the bonds of that falling wedge and begun to rise, but O! How lethargically, and how difficult silver has found it to pierce $15.00. Yet silver is unrolling a powerful Wave-three up.

Fear not, that victory is coming. Silver will make up for its lethargy by puling on its seven League boots. My target for this move up is $26 - $27.

At wholesale we can buy US 90% silver coin at a nickel under spot to a dime over spot, and the next cheapest thing is 100 oz silver bars at 37.5¢ over spot. Silver rounds at wholesale cost about 35¢ over spot. All things considered, -- divisibility, recognizeabiity, potential for developing a high premium – I prefer the US 90% silver coin. Hands down.

Gold/Silver ratio is at 90, near the all-time high, so that implies we should buy more silver than gold right now.

GOLD/SILVER RATIO

Over the last 20 years and more the peaks in the gold/silver ratio have fairly closely marked the price bottoms in silver and gold. Not so this time around, since the ratio has continued to post new highs even as gold and silver prices are rising.

Look at the chart. A rising wedge has formed in the last year and a half, and recently the ratio has "thrown over" the upper boundary line, usually a sign of a peak. Notice also the RSI above has peaked and turned down, as has the MACD below. That's three witnesses in court arguing that the ration has topped

What difference does it make?

When god and silver rally, the ratio generally falls, because when both are climbing, silver climbs faster than gold. It ought to fall soon, and fast.

PLATINUM

In *The Speculative Investor* Steven Saville mentioned recently that platinum had reached its lowest price in 50 years – priced in gold. I don't have data back 50 years, but here's a 30-year chart of Platinum divided by gold. Note that in gold terms, platinum is cheaper than it was at the 1982 low.

So, what? So that means it is a good time to swap some gold (or even silver) for platinum. Don't go too wild, but 10% or 15% of your gold isn't a bad idea, if you can stand platinum's

volatility.

US DOLLAR INDEX

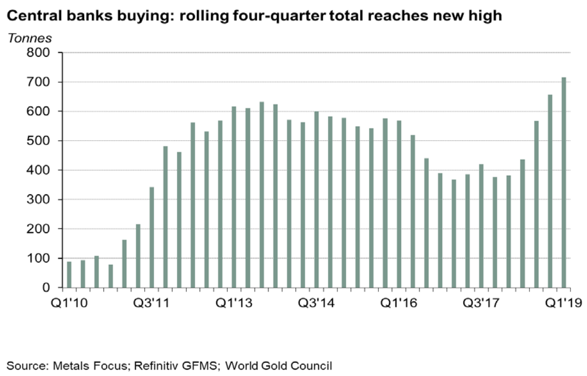
Lately gold has been rising even as the US dollar index has been rising. That can't go on long and will most like resolve through a big dollar drop. FOMC failed to raise rates today, and the cash dollar index dropped a generous 57.7 basis points to 97.117. On the chart you can see that makes one more failed rally, turned back by the 50-day moving average. Dollar index should drop out of its rising wedge soon, aiming toward 93.

-- F. Sanders

PUZZLE PIECES
THAT MAKE THINGS FIT TOGETHER

ON CENTRAL BANK GOLD BUYING

Here's a chart showing the rolling four-quarter total for central bank gold buying. No doubt it has been increasing, as Luke Gromen pointed out in our April 2019 interview. Why are central banks buying gold? What do they know that you don't?



ON DE-DOLLARIZATION

PUTIN CRITICIZES DOLLAR WEAPONIZATION

On June 7 Russia's Vladimir Putin called for the US Dollar's role in global trade to be "revisited" and accused Washington of trying to dominate the world. He also said, "Changes in the global economy 'call for the adaptation of international financial organizations, rethinking the role of the dollar, which … has turned into an instrument of pressure by the country of issue on the rest of the world.'"

CHINA TO OPEN UP ACCESS TO YUAN-DENOMINATED COMMODITY FUTURES CONTRACTS AS TRADE WAR ESCALATES

China's largest commodity exchange plans to launch rubber and non-ferrous metals contracts that will be open for trade by foreigners

Futures contracts tied to crude oil on the Shanghai International Energy Exchange saw turnover of 17.1 trillion yuan (US$2.48 trillion) in 12-months since launch in March 2018

Beijing plans to further internationalize its domestic commodity futures market by inviting foreign investors to trade upcoming yuan-denominated contracts of rubber and non-ferrous metals, a move designed to enhance its global pricing power as the US-China trade war escalates.

Jiang Yan, chairman of the Shanghai Futures Exchange, said the bourse would reach a new level of openness as regulators gave overseas investors widened access to yuan-denominated contracts.

The exchange started trading yuan-denominated crude oil futures on the Shanghai International Energy Exchange in March last year. The futures contract was the first of its kind open for trade by foreigners in China.

The TSR 20 rubber contract will become the second commodity futures contract open to trade by foreigners. https://www.scmp.com/business/china-business/article/3012161/china-open-access-yuan-denominated-commodity-futures, 28 May 2019,

RUSSIA, CHINA PREPARE TO DUMP DOLLAR, AGREE TO BILATERAL TRADE IN NATIONAL CURRENCIES

Just one month after conducting joint military exercises, Russia and China are set to sign an agreement which would boost the use of their national currencies in bilateral and international trade in an attempt to move away from the current dollar-denominated financial system, according to Russian state-owned news outlet TASS.

"It is planned that Russia and China will be developing bilateral payments in national currencies, encourage and expand the use of national currencies, particularly through promotion of their use when signing international trade contracts. According to the draft agreement, the sides will also assume required measures to lift barriers for payments in national currencies." (TASS) 5 June 2019, https://www.zerohedge.com/news/2019-06-05/russia-china-enter-national-currency-agreement-putin-touts-uprecedented

ON MARKET MANIPULATION

FOREIGN EXCHANGE RIGGING

On May 16, 2019 The European Union fined Barclays, Citigroup, JP Morgan, MUFG, and Royal Bank of Scotland a combined 1.07 billion euros ($1.2 billion) for rigging the multi-trillion-dollar foreign exchange market.

Banks have been hit with billions of dollars in fines worldwide over the last decade for the rigging of benchmarks used in many day-to-day financial transactions, further damaging the industry's fragile reputation after the financial crisis. https://www.reuters.com/article/us-eu-antitrust-banks/eu-fines-barclays-citi-jp-morgan-mufg-and-rbs-1-2-billion-for-fx-rigging-idUSKCN1SM0XS

On 6 June 2019 Switzerland's competition regulator fined Citigroup and Barclays and other global banks fined a total of 90 million Swiss francs ($91 million) for their roles in colluding on foreign-exchange rates.

Barclays was fined 27 million francs, Citigroup 28.5 million francs, and JPMorgan Chase & Co. was hit with a 9.5 million-franc penalty, Switzerland's Competition Commission said. UBS avoided a fine because it helped reveal the cartel.

The Swiss sanctions come after years of investigation by regulators on both sides of the Atlantic into how traders used chatrooms to fix leading currency exchange rates. Five of the banks agreed last month to pay 1.07 billion euros ($1.2 billion) to resolve a European Union probe into forex collusion. https://www.bloomberg.com/news/articles/2019-06-06/swiss-regulator-fines-banks-about-91-million-over-fx-cartel

GOLD, SILVER, PLATINUM, & PALLADIUM RIGGING

"On October 9 of last year, the DOJ used its criminal powers and charged John Edmonds, a former long-time employee of JPMorgan Chase, with one count of commodities fraud and one count of conspiracy to commit wire fraud, commodities fraud, commodities price manipulation and spoofing.

"The charges covered the period in which the CFTC had found no "viable basis to bring an enforcement action" for silver market manipulation.

"Edmonds has pleaded guilty to the charges and admitted that "from approximately 2009 through 2015, he conspired with other precious metals traders at the Bank to manipulate the markets for gold, silver, platinum and palladium futures contracts traded on the New York Mercantile Exchange Inc. (NYMEX) and Commodity Exchange Inc. (COMEX)…."

"The CFTC's fruitless 5-year investigation is all the more embarrassing because Edmonds was not some lone, rogue trader inside an otherwise pristine Wall Street bank. JPMorgan's reputation is so soiled for rigging everything from electric markets to foreign exchange to wearing a self-imposed blindfold while Bernie Madoff carried out his decades-long Ponzi scheme that two trail attorneys have written a book comparing the bank to the Gambino crime family." http://wallstreetonparade.com/2019/06/could-jpmorgan-chase-be-hit-with-a-fourth-felony-count-for-rigging-precious-metals-markets/

ANOTHER BANK THAT NEVER BOUGHT THE METAL

Reuters reported on 12 June that "NEW YORK, June 12 (Reuters) - Morgan Stanley will pay $4.4 million to settle a class-action lawsuit with brokerage clients who bought precious metals and paid storage fees, according to a court filing.

The proposed settlement, which must be approved by the federal court in Manhattan, includes a cash component of $1.5 million and economic and remedial benefits valued at about $2.9 million, according to a court filing on Monday.

The suit, filed in August 2005, alleged that Morgan Stanley told clients it was selling them precious metals that they would own in full and that the company would store.

But Morgan Stanley either made no investment specifically on behalf of those clients, or it made entirely different investments of lesser value and security, according to the complaint.

"While we deny the allegations, we settled the case to avoid the cost and distraction of continued litigation," Morgan Stanley said in a statement. https://www.reuters.com/article/idUSN1228014520070612

A Megabank cheat people? Unthinkable. – FS.

WHY NEITHER PARTY CAN STOP ILLEGAL IMMIGRATION

America's fertility rate and the number of births nationwide are continuing to decline.

The number of births for the United States last year dropped to its lowest in about three decades, according to provisional data in a new report from the National Center for Health Statistics at the US Centers for Disease Control and Prevention.

"Even though the number of births we've seen in 2018 is the lowest that we've seen in 32 years, the total fertility rate is at a record low," said Brady Hamilton, a natality expert at the center and first author of the report.

The report, published Wednesday, showed that birth rates declined for nearly all age groups of women younger than 35 but rose for women in their late 30s and early 40s. . . . Overall, the provisional number of births in 2018 for the United States was about 3.79 million, down 2% from the total in 2017, according to the report. The finding marks the fourth year that the number of births has declined, after an increase in 2014.

A FALLING FERTILITY RATE

The new report was based on birth certificate data from 2018, processed by the National Center for Health Statistics. US fertility rate is below level needed to replace population, study says

The provisional data . . . showed that the total fertility rate for the United States last year was 1,728 births per 1,000 women, a decrease of 2% from 2017 and a record low for the nation.

While birth rate compares the average number of births during a year per 1,000 people in a population, total fertility rate is defined as the expected number of births that a group of 1,000 women would have in their lifetimes, according to what birth rates were by age for that year.

The total fertility rate in 2018 was below what is considered the level needed for a population to replace itself: 2,100 births per 1,000 women, according to the report.

"The rate has generally been below replacement since 1971 and consistently below replacement for the last decade," the authors wrote in the new report.

The total fertility rate for the United States in 2017 was 1,765.5 per 1,000 women. https://www.cnn.com/2019/05/15/health/us-birth-rate-record-low-cdc-study/index.html

PRESCRIPTION FOR VIOLENCE

The Corresponding Rise of Antidepressants, SSRIs & Mass Shootings

Violence, especially random violence, is a complex manifestation of various thoughts, feelings, and external factors. When a multivariate analysis of these factors is conducted, it becomes apparent that it's not just mental health issues that are leading to such an increase. There may be an underlying substance which plays a role in a high percentage of these violent acts – the use of prescription antidepressants, specifically selective serotonin reuptake inhibitors, or SSRIs [antidepressants like Celexa, Prozac, Paxil, Zoloft].

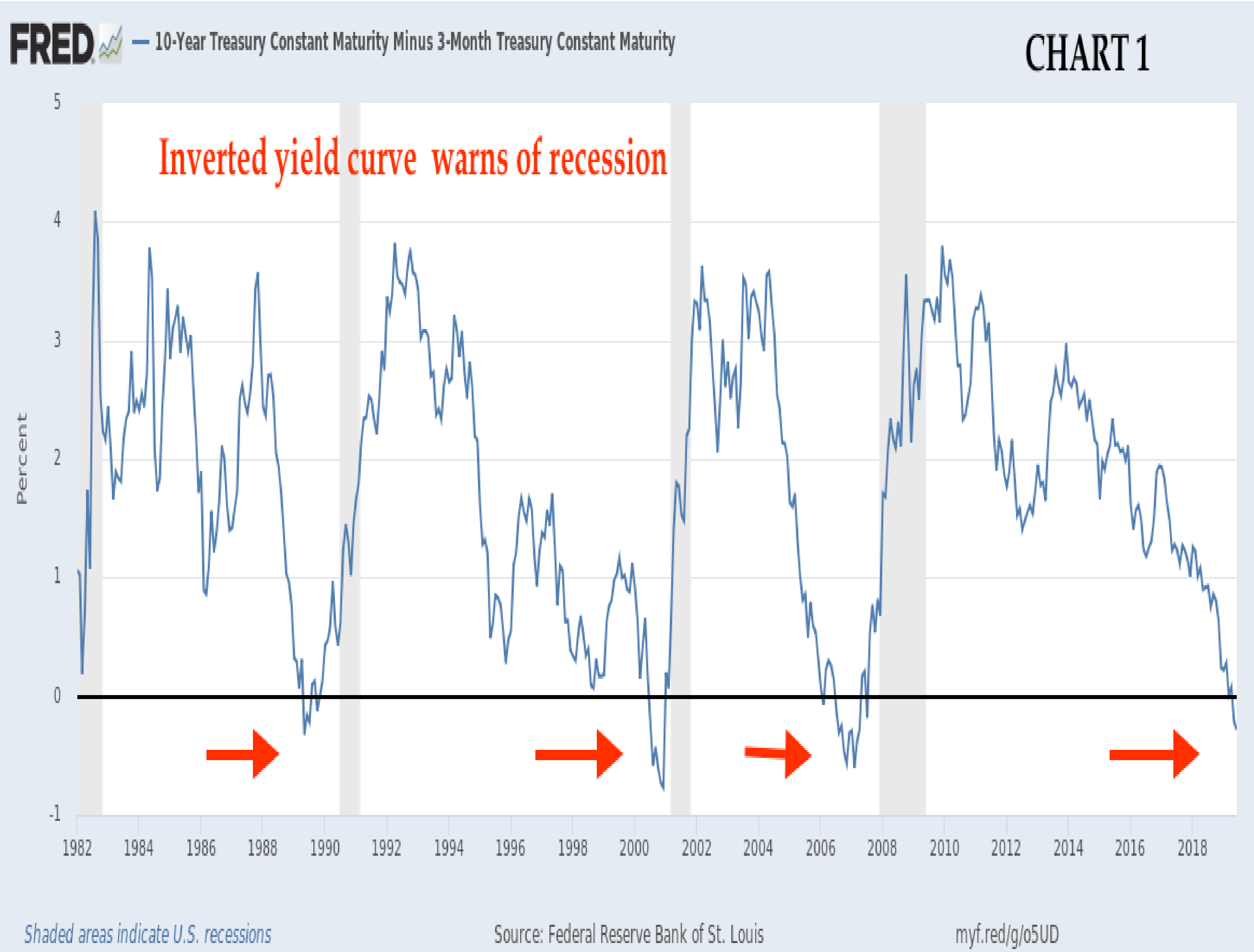
At first glance, it makes sense that those involved in mass shootings may be taking antidepressants, as they're clearly suffering from some sort of mental health issue. But the issue with SSRIs runs much deeper than just a random mental health break. These drugs are a prescription for violent crimes, and that's a story the anti-gun media and politicians don't want to talk about. https://ammo.com/articles/ssri-antidepressants-mass-shootings-violent-side-effects

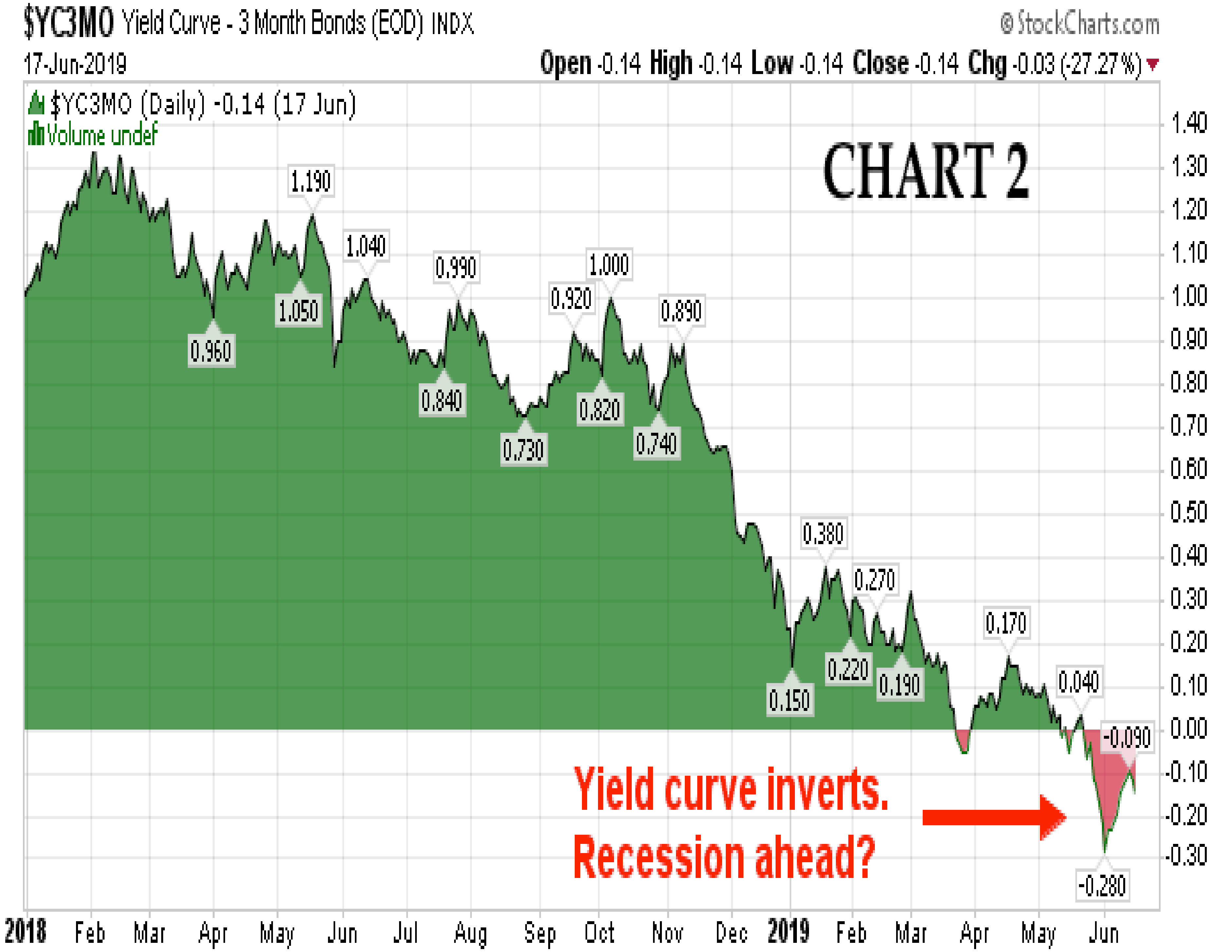
Usually it is not mentioned or only comes out much later that mass shooters are on some SSRI or antidepressant. They raise the risk of violence and suicide. US CDC in 2013 reported 35.3% of suicides tested positive for antidepressants at the time of their death. -- FS

WHAT'S AN INVERTED YIELD CURVE AND WHO CARES?

Normally, when you buy more of anything, you have to pay more. Thus, the interest rate on a thirty-year bond is normally *greater* than the rate on a two-year bond, because with the 30-year bond the borrower is buying more time. So *usually* bonds with a longer duration have yields higher than bonds with longer duration. *An inverted yield curve means that yields on the shorter duration bonds are higher than yields on longer duration bonds.*

But what does that abnormal situation mean? Usually investors demand less interest when they lend for shorter periods, and more interest for longer periods. Why does the yield curve invert? Because investors are nervous and fearful about the near-term economy. Because they are nervous, they demand higher interest for short term loans, and begin to see the near-term as riskier than long-





term. They expect the economy to grow worse in the near term, but to recover in the long term.

When we talk about the inverted yield curve, we are talking about yields on US Treasury securities. When the yield on the three-month Treasury bill rises above the yield on the Ten-year Treasury note, the yield curve inverts. Investors are scared about the immediate future, so they shift to longer-term securities.

Remember, bond prices move opposite to bond yields. As investors buy more long-term bonds, their yield drops and their price rises. Fewer investors want short-term bills, so their price falls and yields rise.

What's the point? An inverted yield curve often – usually – signals a coming recession. Look at Chart 1, "Inverted yield curve warns of recession." This graphs the 10-year T-note yield less the three-month T-bill yield. Whenever the three-month T-bill is higher than the 10-year T-note, the graph goes negative and the yield curve is inverted. Chart 2, "Yield curve inverts. Recession Ahead?" offers a shorter-term view.

The shaded bars on the chart indicate US recessions. Since 1982 the inverted yield curve has been batting 1000 when it comes to predicting recessions -- And it is inverted *now*. It is signaling a recession dead ahead. – F. Sanders

LISTEN TO THE FAT LADY SING

	4-Jan-00	19-Jun-19	% chg frm 1/00	*All-Time High*	All-time High Date	% change From High	*LAST LOW DATE*	LAST LOW close	LAST LOW DATE	LAST HIGH close	LAST HI DATE
DJIA	10,997.93	**26,504.00**	140.99%	*26,828.39*	3-Oct-18	-1.21%	*24-Aug-15*	*23,344.52*	1-Apr-18	26,828.39	3-Oct-18
DUA	278.51	**817.68**	193.59%	*817.68*	19-Jun-19	0.00%	*11-Dec-15*	*647.81*	**9-Feb-18**	**817.68**	19-Jun-19
DTA	2,862.17	**10,341.63**	261.32%	*11,570.84*	14-Sep-18	-10.62%	*20-Jan-16*	*10,159.60*	**11-Oct-18**	11,570.84	14-Sep-18
S&P500	1,471.21	**2,926.46**	98.92%	*2,945.83*	3-Oct-18	-0.66%	*20-Jan-16*	*2,553.80*	**8-Feb-18**	2,945.83	30-Apr-19
NasdaqComp	5,457.44	**7,987.32**	46.36%	*8,161.35*	29-Aug-18	-2.13%	*25-Aug-16*	*6805.96*	**8-Feb-18**	8,161.85	29-Apr-19
Nasdaq100	3,755.74	**7,667.74**	104.16%	*7,839.04*	1-Oct-18	-2.19%	*25-Aug-16*	*6322.6*	**8-Feb-18**	7,839.04	29-Apr-19
US$ Index	100.41	**97.12**	-3.28%	*121.02*	2-Jul-01	-19.75%	*24-Aug-16*	*88.16*	**16-Feb-18**	103.29	26-Jan-18
DiSoz	2,061.47	**1,773.44**	-13.97%	*2,566.04*	7-Jun-01	-30.89%	*14-Oct-15*	*248.16*	**8/22/11**	1,564.00	12-Dec-17
Dow/GoldOz	38.903	**19.711**	-49.33%	*44.77*	25-Aug-99	-55.97%	*25-Aug-16*	*5.71*	**8/22/11**	22.36	1-Oct-18
Gold	282.70	**1,344.60**	375.63%	*1,888.70*	22-Aug-11	-28.81%	*2-Dec-15*	*1,054.20*	**20-Sep-18**	1,863.47	22-Aug-11
Silver	5.340	**14.945**	179.87%	*48.584*	29-Apr-11	-69.24%	*14-Dec-15*	*13.666*	**14-Dec-15**	48.584	29-Apr-11
Gold/Silver	52.94	**89.970**	69.95%	*84.330*	17-Oct-08	6.69%	*10-Aug-15*	*65.017*	**4-Apr-18**	**90.702**	10-Jun-19
Platinum	413.70	**805.10**	94.61%	*2,167.80*	21-Feb-08	-62.86%	*21-Jan-16*	*784.50*	**16-Aug-18**	**912.90**	8-Apr-19
Palladium	441.90	**1,484.10**	235.85%	*1,560.40*	20-Mar-19	-4.89%	*12-Jan-16*	*837.20*	**15-Aug-18**	1,560.40	20-Mar-19

Bold face *items in "Latest Low" and "Latest High" are new from last month.*
"Latest" high or low means "last significant," not the very last in time.
"Dow/GoldOz" is the DJIA exprest in **gold** ounces. DiSoz is the DJIA valued in silver oz.

Last major low in Gold/Silver ratio occurred 30 April 2011 at 32.000.
Last major high in Gold/Silver ratio occurred 27 Nov 2018 at 86.15.

AftMkt	Wednesday		19-Jun-19		DiG$
Gold:	1,350.60	DJIA	26,504.00	38.45	$405.66
Silver:	15.035	S&P	2,926.46	8.71	
Ratio:	89.83		DJIA/GOLD:	19.62	oz.

	FINE METAL CONTENT	WHOLE-SALE BUY	WHOLE-SALE SELL	PREMIUM OVER CONTENT
Plat 905.10				
Palldm 1,484.10				
DJIA/Ag: 1,763				
AUSTRIA 100 cor.	0.9802	1,310.50	1,320.50	-0.2%
20 corona	0.1958	263.15	266.15	0.6%
4 ducat	0.4438	596.40	602.90	0.6%
1 ducat	0.1106	148.65	151.55	1.4%
BRITAIN sov'rn	0.2354	317.95	317.95	0.0%
CANADA Mpl Leaf	1	1,350.50	1,360.50	0.7%
1/10 ML	0.1	143.15	147.20	9.0%
FRANCE 20 francs	0.1867	250.65	254.65	1.0%
SWITZ 20 francs	0.1867	250.65	254.65	1.0%
MEXICO 50 peso	1.2057	1,612.75	1,624.75	-0.2%
20 peso	0.4823	644.25	654.40	0.5%
10 peso	0.2411	322.05	328.65	0.9%
5 peso	0.1206	161.10	167.60	2.9%
2.5 peso	0.0603	81.15	83.90	3.0%
2 peso	0.0482	65.80	67.55	3.8%
S.AFRICA K'rand	1	1,343.75	1,353.75	0.2%
1/2 Krugerrand	0.5	688.80	695.55	3.0%
1/4 Krugerrand	0.25	337.65	347.80	3.0%
1/10 Krugerrand	0.1	140.45	141.80	5.0%
Two Rand	0.2354	314.75	321.95	1.3%
USA $20 gold pieces, pre-1935:				
St. Gaudens MS62	0.9675	1,320.00	1,365.00	4.5%
Liberty MS62	0.9675	1,320.00	1,365.00	4.5%
St. Gaudens MS61	0.9675	1,315.00	1,360.00	4.1%
Liberty MS61	0.9675	1,315.00	1,360.00	4.1%
rawSt. G. MS60	0.9675	1,313.00	1,352.00	3.5%
rawLib. MS60	0.9675	1,313.00	1,352.00	3.5%
St.G XF	0.9675	1,300.00	1,336.00	2.2%
Liberty XF	0.9675	1,300.00	1,336.00	2.2%
USA Buffalo	1	1,364	1,374	1.7%
USA American Eagle, post-1985:				
Amer. Eagle	1	1,343.75	1,353.75	0.2%
1/2 Amer. Eagle	0.5	684.90	697.25	3.3%
1/4 Amer. Eagle	0.25	344.15	356.25	5.5%
1/10 Amer. Eagle	0.1	144.40	146.90	8.7%
GOLD BULLION	1	1,355.35	1,362.60	0.9%

	FINE METAL CONTENT	WHOLE-SALE BUY	WHOLE-SALE SELL	PREMIUM OVER CONTENT
PLATINUM Englhard	1	905	935	3.3%
Noble	1	920	950	5.0%
Koala	1	905	945	4.4%
Maple Leaf	1	930	962	6.3%
Amer. Eagle	1	965	1,015	12.2%
**				
SILVER, US COIN:				
90% coin,$1000bag	715	10,428	10,714	-0.3%
40% 1/2s,$1000bag	295	4,199	4,373	-1.4%
Dollars,$1000 bag	765	26,500	28,500	147.8%
Silver Am.Eg.	1	16.74	17.09	13.6%
SILVER BARS & COINS, .999 FINE:				
Engelhard/plastic	100	1,519	1,539	2.3%
Miscellaneous	100	1,489	1,524	1.3%
Eng. or JM	10	148.85	153.85	2.3%
Misc. rounds	1	14.99	15.46	2.8%
Can. Maple Leaf	1	15.99	16.44	9.3%
**				

PLEASE READ THIS FIRST!

1. **All prices are wholesale. Add 3.5%-2.5% commission plus shipping when applicable.**
2. **Not all the gold coins listed are always available, e.g., Austrians, fractional Krugerrands, Mexicans.**
3. **Fractional gold Maple Leaves are available & priced as American Eagle fractionals.**
4. **Small quantities subject to surcharge.**
5. **US$20s MS-61or better are PCGSorNGC (our choice) certified ("slabbed"); MS-60 & below are not slabbed.**

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