

Global Financial Flaws and those Crazy “Gold Bugs” “Conspiracy Theorists”

By [Bill Holter](#)

Global Research, June 02, 2015

Theme: [Global Economy](#)

Rather than write about the economy, the markets or geopolitics, today let's look at something a little different. It's important every once in a while to step back and take in the big picture because we are all guilty of getting too close or "finite" if you will. We fight the daily battles while losing sight of what the war is really about. Gold advocates otherwise known as "gold bugs" have been worn down by the daily battles, some have even forgotten what the real war is. Gold bugs, these are the "crazies" out there who are described as nuts or "conspiracy theorists". We know now they were not "theorists" at all. JP Morgan's \$32 billion paid in fines along with many other fined and censured firms is proof of conspiracy FACT!

The term itself "gold bugs" is disparaging as if gold advocates are like some sort of cockroaches running around and dirtying up the place. It is true that some "advocates" go off half cocked and see everything as a conspiracy, I have even come across some who are so fervent they believe in gold as some sort of "religion". It is not. "Gold" as JP Morgan once said "is money, nothing else". Gold is in fact money, it is real money that has value on its own and not "legislated" or as it is in today's world, "mandated upon" the public.

Most Americans who are reading this may have a difficult time understanding it even though true, many foreigners are nodding their heads with a slight smile! It should be pointed out, everything these crazy gold bugs have been saying about the world from a "fiscal" standpoint has and is in fact coming to fruition. It has not happened "when" nor as soon as they believed it would (me included), because the current insanity of balance sheets could never have been imagined even 10 years ago ...however, "timing" does not change "the ending"!



Stepping back and looking at the forest rather than the trees, collectively a very large part of the world is in a state of bankruptcy even though not declared, recognized or admitted. No matter how you look at it or on what level (state, corporate or individual), the standard of living is broadly in decline globally. (Yes I know, that top 1% or even .1% is living well and improving with each drop of sucked blood they receive from the system.) While choosing this topic to write about, I had no idea how fortuitous the timing was. Within 15 minutes of beginning this piece, a link to an interview of none other than Alan Greenspan (right), Richard Fisher, and Lawrence Lindsey hit my inbox!

<https://www.youtube.com/watch?v=pfpEHwARhvc>

I could only chuckle after watching the interview because my entire writing can now consist of “yeah, what they said!”. Rather than write an entire article on this, I believe it might be better to let you watch what I was going to write, and we can move on to the “motives” of these three telling “mostly” the truth. If you watch this interview, please keep in mind this one question “...and the alternative is”?

Why exactly would these former Federal Reservists hint that, mathematically, logically, intuitively and in real life, IT'S OVER! They did back peddle a little bit as the interview went on but “why” or better yet why now? I believe they know what the crazy gold bugs have been saying all along is true and the day of reckoning is very close at hand. They must be trying to get “out in front” of what is coming so they're on the record for historical and “legacy” purposes. Nothing else makes any sense. Are they “trying” to torpedo the system or to break confidence? I highly doubt it but after watching the interview, would any kid with a paper route invest their money into the current system? Are they trying to bad mouth the Fed now they are no longer employed there? No, in fact, they each one pointed the blame at Congress. It's Congress' fault we are in this mess! “They” (Congress) spent the money and made the promises which cannot be honored and will ultimately be broken.



There is a punch line of course, one these three men don't want you to hear! Actually, the joke AND the punch line are both one in the same, “the money itself is bad and is the core to ALL economic and financial problems!”. You see, Congress could never have authorized all of the spending if the Treasury did not have the “money” in its coffers. Yes Treasury could have borrowed money but would have been restrained if “money” was gold or something “real”. The only way that Congress has been able to get away with bankrupting the country was with the aid of ... yes, the FEDERAL RESERVE these guys used to work for! The Fed has in fact underwritten the scheme, if there was no Fed ...the leverage could never have been built into the system. Greenspan, Fisher and Lindsey of course know this but they can never

admit it. Were they to admit it, it would be an admission that they knew all along they were driving the bus over a cliff ...with a roadmap wide open!

All three spoke about the current state of interest rates and the unsustainability of the situation. They ask “why”, for what good reason are interest rates at levels only justified by a crisis? The answer of course is; we are still in a crisis, we never exited and if rates HAD been increased ...their greatest fears would have already been realized! Mathematically, rates cannot go higher because of the inability to service interest payments (not to mention blowing up the leveraged interest rate derivatives) would come front and center. They are trying to say the inability to pay is guaranteed to come ...but is a future event. If rates were to rise now, it becomes a current event. It's really this simple!

Lawrence Lindsey even said at the 45 minute mark, “this is how they all end ...including Zimbabwe”! All “what” Larry? Fiat currencies? Or central banks who issue them? This brings me to another article which has come out and ties in perfectly. Actually, it ties in so well we can bring this entire article full circle and back to one of the gold bugs most central theses. Zerohedge posted an article regarding <http://www.zerohedge.com/news/-2015-05-27/billionaire-hedge-fund-manager-paul-singer-reveals-bigger-short> a systemic bet being made by billionaire hedge fund manager Paul Singer. Mr. Singer's strategy is simple, he calls it the “bigger short”. He believes interest rates have only one way to go, up. He also believes we will see far more staggering defaults than we did in 2008-09. He believes shorting the debt of the world is a no brainer trade and one where you can win ALL the marbles.

Zerohedge of course picked up on the “minor flaw” in this strategy. The very same flaw I might add that Harry Dent, Martin Armstrong and others are missing. You see, when you “win”, you must be “paid”, but paid in “what” is the question. Assuming Mr. Singer is correct and the system does collapse on itself and he “wins”. His win of course will be HUGE ...but, he will be paid in dollars or euros or whatever fiat currency his trade is done in. What will his winnings be worth if the currency itself is worth nothing? It reminds me of Mikhail Barishnikoff in the movie “White Nights”, he had a stack full of worthless rubles and threw them handful after handful up in the air while saying “rubles, rubles, lots and lots of rubles”. He had money ...but it wasn't worth anything.

You see, the currencies themselves are supported by the very debt Mr. Singer is selling short and expects to collapse! Which now brings us back full circle to the crazy gold bugs. This is exactly what they have been saying all along, a debt default will also mean a collapse in confidence of the currencies themselves and direct “fear capital” back into real money. This will create huge demand, force supply into hiding and additionally revalue gold higher because the currencies themselves are losing value and confidence.

Gold bugs are not so different from those who see the dangers in the system from overheated markets and overleveraged debtors. The only difference is that these nut jobs want what hasn't been for nearly 50 years, they want TRUE and REAL “SETTLEMENT”! They actually want to get paid in something real! How crazy is that?

[Comment on Global Research Articles on our Facebook page](#)

[Become a Member of Global Research](#)

Articles by: [Bill Holter](#)

About the author:

Bill Holter writes and is partnered with Jim Sinclair at the newly formed Holter/Sinclair collaboration. Prior, he wrote for Miles Franklin from 2012-15. Bill worked as a retail stockbroker for 23 years, including 12 as a branch manager at A.G. Edwards. He left Wall Street in late 2006 to avoid potential liabilities related to management of paper assets. In retirement he and his family moved to Costa Rica where he lived until 2011 when he moved back to the United States. Bill was a well-known contributor to the Gold Anti-Trust Action Committee (GATA) commentaries from 2007-present.

Disclaimer: The contents of this article are of sole responsibility of the author(s). The Centre for Research on Globalization will not be responsible for any inaccurate or incorrect statement in this article. The Centre of Research on Globalization grants permission to cross-post Global Research articles on community internet sites as long the source and copyright are acknowledged together with a hyperlink to the original Global Research article. For publication of Global Research articles in print or other forms including commercial internet sites, contact: publications@globalresearch.ca

www.globalresearch.ca contains copyrighted material the use of which has not always been specifically authorized by the copyright owner. We are making such material available to our readers under the provisions of "fair use" in an effort to advance a better understanding of political, economic and social issues. The material on this site is distributed without profit to those who have expressed a prior interest in receiving it for research and educational purposes. If you wish to use copyrighted material for purposes other than "fair use" you must request permission from the copyright owner.

For media inquiries: publications@globalresearch.ca