

Collapse of Global Trade? The Economic and Financial Lies are Getting Bigger. A Spade can never be Called a Spade!

By [Bill Holter](#)

Theme: [Global Economy](#)

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Yesterday we looked at the situations in both Ukraine and Greece, and how they are both out of money which makes them potential “flash points” for reality to set in. What I’d like to talk about today are the various “slights of hand” and why a spade can never be called a spade.

Currently in the U.S., some (but certainly not all) of the recent economic numbers are showing an absolutely booming economy. All you need to do is look at Friday’s unemployment numbers, they were clearly bogus. The biggest driver of employment over the last five years has been the boom in the oil patch ...which is now busted with 1,000’s of pink slips being handed out. BLS revised the November and December numbers to show the fastest growth of employment for any three month period ...so far this century! Really? Do you believe this in any fashion at all?

The economic and financial lies are getting bigger and bigger while the economy is shrinking and the financial position is more perilous. The gap between the reality and the true conditions have never before in history been this wide. Stocks are not allowed to drop, institutions are not allowed to fail, heck, financial institutions have been “told” not to mark to market as this would expose failures. Inflation is understated, employment is overstated, gold is not allowed to rise and the game continues. Everything you now see and hear has one goal behind it, hide the reality at any and all costs.

The situation with Greece is very sticky for the West for several reasons. Each and every one of them is because a Greek failure will expose the very ugly reality that the West is one big and interconnected series of Ponzi schemes constructed in pyramid fashion. Greece cannot be allowed to fail because of what, how much, and who they owe. In order for the reality to stay hidden, Greece absolutely must be forced to borrow more money so they have the ability to pay past debts. Already this morning, a six month “trial balloon” extension has been floated. If Greece is allowed to fail, other central banks (including and particularly the ECB) and many commercial banks will take some very real losses. This CANNOT be allowed to happen because of the leverage factor and the fact that no more collateral exists within the system that’s not already encumbered.

You see, many assets have been hypothecated (lent/borrowed against) many times over, including Greek debt. In case you don’t see the problem here, I will spell it out. When something is “lent” out or “borrowed” more than one time, it is theft pure and simple. This truth cannot in any fashion come to the surface because it will create a “call”. The original owners will flood in and ask for their security, their asset, (think gold) back. What do you think the world will look like when 100 or so “owners” of the same asset decide they will not

be one of the suckers who are left with nothing? This will be a bank run on a system-wide basis and include nearly any asset type you can think of.

The following analogy sums it up pretty well I believe. This game works well ...for a “while”. It works “while” everyone is confident and no one asks any questions. It works while no one at the poker table decides to cash in and leave with their chips. It works well for as long as no one believes anyone else is cheating. Actually, it even works when everyone knows that everyone else is cheating ...as long as everyone is winning. The problems begin when people start asking questions. Questions begin when people start to lose money. The answers are brutally ugly when discovered so it is imperative that no questions are allowed to be asked... and this is where we are today. This is exactly what “official policy” is today.

The Chinese, the Russians, The BRICS nations and 135 other nations tagging along ALL know what the “answers” are. They fully understand the casino is 100% rigged. They understand that everything of value has already been borrowed against and in many instances, several times over. This is why there have been so many trade and currency deals signed over the last year and a half ...without U.S. involvement, approval or even “dollars”.

My personal opinion is this, a spade will very soon be exposed as the spade it is and all the theft, corruption and intentional fraud will be uncovered. The relevant event could be anything. It could be Greece failing to pay, leaving the EU or even being kicked out. It could be a local currency blowing up which bankrupts someone in derivatives. It could be the failure of a debt auction somewhere in the world. It could be something already well known or not. It could be a war. It could come from the West or the East, and it could be an accident or even an intentional event. It doesn't matter “why”, the event is coming. The event is coming because everyone knows that everyone knows the system is fraudulent.

Please don't reply to me saying “no, not everyone knows, the sheeple are as asleep as always”. I am talking about “countries”. I am talking about the players that count. The East et al absolutely knows they are dealing and trading in a lopsided and unfair system. They know the West is massively leveraged and has been dealing unfairly for many years. Even Western countries know this to be true, for example, why are countries repatriating their gold? Because they hope there is enough still in the vault to cover what they originally deposited. Like I said, everyone knows that everyone knows.

As mentioned yesterday, it is my opinion the East would prefer to allow the West's failure to occur “naturally” and not force the issue. Time alone will do this. The U.S. has been pushing for war at every turn. A war will be pointed at as “the reason” everything failed. A war will also be used to cover the tracks of the fraud. This is not new thought and only the way it has always been. Distract, pretend, and extend!

If you believe the meme of “recovery” or “growth”, all you need to do is look at this. The Baltic dry index has just dropped to ALL-TIME lows! This index is very basic and when broken down reflects the state of global trade. Global trade has collapsed since the 2008 crisis began, unlike ever before.



courtesy Zerohedge

This, after huge global deficit spending and monetization. "Magic Policy" which we were assured would cure all ills has failed miserably and no amount of bogus economic reports can mask this fact.

Expect out of control markets, unimaginable financial failures and ultimately a breakdown of distribution and society itself. The truth is, we have lived in financial fantasyland since 2007. 2008 came along, markets collapsed and the reset which should have occurred was aborted ...only to become a much bigger and far more painful "inevitable" event now. More debt, more money supply and of course less gold in Western vaults. We in the West have spent, frittered, and given away 100's of years worth of labor and savings of our forefathers. This in an effort to resist living within our means and calling a spade a spade. Spades are almost all that is left, all the other suits have been spent, lent and borrowed 100+ times over!

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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.

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