

Dollar Weakness: Gold and Silver are the only Real Currencies

By [Bob Chapman](#)

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Dollar weakness that has continued will continue. That is to make US goods cheaper and more saleable as exports, but the flip side is that imported goods are more expensive and that creates inflation. Such a policy is foolhardy versus foreign nations that have export advantages. Besides the US does not have the predominance of mass to compete on this level. If tariffs on goods and services were implemented that would be another story. That accompanied by a change in tax laws for transnational corporations, that would force them to return the \$2 trillion they have offshore and pay normal taxation which would be very beneficial to solve tax, production and employment problems. Remember, we have lost about 9 million jobs over the past 11 years, as well as 440,000 businesses due to free trade, globalization, offshoring and outsourcing. Tariffs would level the playing field and leave no advantage to cheapening one's currency, because it would be accounted for in their tariff structure. Having lost our export markets we have a jobless recovery that can never improve, nor can our balance of payments deficit and our increasing debt cause not only falling revenues, but falling job creation. This is just another artifice to try to stave off the inevitable. Lowering the dollar is not the answer. Having a level playing field is the answer.

Price fixing is an exercise in futility and so is a course of mandatory wage increases pursued to play catch up with runaway inflation. Even though higher numbers show sales growth they are misleading and only a reflection of higher pressing inflation. This is not economic growth; it is price inflation. Such an exercise is geared to keep people and business solvent, but in the long term it accelerates inflation and leads to worse problems down the road. The economy is exhibiting deterioration at the edges and that is to be expected for an economy that has been so badly misused. What is left of manufacturing is in decline and until the system is purged such deterioration will continue. It is not only the US, but also the UK and Europe that have followed the Keynesian course and then display suppression when inflationism overrides their systems. These governments are shortsighted and do not possess the strength to cut expenses and raise taxes. They will come slowly when it is too late. They do not seem to understand balance and sacrifice. Price regulation and wage controls are artificial answers and only expose economic decay and in time fail to work. This value distortion leads eventually to a barter type system, which is inefficient. Then again this would not be necessary if the currency system had not been abused as it had been. This is what happens to nations that wallow in debt in excess of 100% of GDP. The excuses are multifold but the results are always the same, and that is default. Those who created the system in which we are now enmeshed know exactly what they are doing. This game of controls and more money and credit only buys time to pick the right spot to pull the plug and begin another war. We can never understand how bankers can believe the system will collapse, but they remain immune. These same bankers have been in part responsible for current and future inflation and the proliferation of derivatives, which create a faux system

within a system. Once these derivatives unravel they will create an explosion at the heart of the banking system. That will take out the top five banks in the US.

There has been no reform and there will not be any. Tariffs will come when it is too late, as will regulatory reform. The proliferation of fiscal debt will continue, as will the exorbitant creation of money and credit. They cannot stop. If they do the system will collapse. That will happen, but only when those driving and controlling the system allow it to do so. We have just witnessed the disinformation calculated to deceive the public into believing that there is a recovery afoot. Nothing could be further from the truth. What little upside that was seen was a lift via price inflation. When figures are released there is never an addendum explaining that if inflation were removed, what the statistics would really be. That is why we have a 5 to 10 year bull market in gold and silver ahead of us, whose presence is so powerful that no governments or central banks can regulate, suppress or overwhelm it.

We have learned from studying the history of currencies for the last 6,000 years, that gold and silver are the only real currencies. Recently we have seen a 40-year hiatus, but, of course, in the history that is the blink of an eye. Being mortal is disturbing because you can see history, but not the future. But we say you can approximate the future by learning about the past. His-story, the history of man. Bankers wed to the fractional banking system really despise gold as a backing for currencies, because it does not allow them to create infinite amounts of money and credit. This leads in time to monetary debasement and the kind of conditions we are witnessing today. As we said previously, we have seen an almost entirely unnoticed titanic struggle between the US dollar and gold over the past 2-1/2 years, and gold has been the winner hands down. Now we are seeing the inflation factor come into play. The Fed at the same time continues to support the bond market to keep interest rates low, even going to the extent of manipulating the Treasury Inflation Protection Securities to create an illusion that inflation is a minor factor. The manipulation of bond prices in the US Treasury market has all but driven all investors, both foreign and domestic, away from these markets. Finally investors, particularly professionals, see the situation for what it is – plain and simple fraud. In addition, they are tired of observing the scams totally lacking in prosecution to say nothing of the selective corporate welfare, which has been doled out to fellow Illuminists. All they can see is unbridled monetization and inflation and lower dollars as far as the eye can see.

In recent developments the US, England and France have declared a so-called NATO war against Libya. They have frozen \$32 billion held in trust by the US in the US. That is the largest amount ever held by the US concerning a foreign country's asset. The three countries want Libya's oil, four water aquifers, central banks and their 484.5 tons of gold, plus the Libyan funds held by other countries. These three want to steal it all and leave the country destitute. The EU has in addition frozen \$67 billion. It is thought that because the US is desperate for funds that they will now put into the economy those funds to help keep the economy from collapsing.

The US Treasury and the Fed have created a giant bond fraud and the world's professionals and governments are well aware of it. If they have to take the US dollars in trade they have to take the inflation that comes with them.

They not only have to tend to inflation in their own economies, but fight off dollar inflation as well. That is why nations are dumping US dollar as soon as they receive them by buying raw materials, investing in land, real estate, plant and equipment and gold and silver.

The bankers and the western governments now expect us to believe that Osama bin Laden is dead. He died years ago. This is just more propaganda for a distraction to more important matters, such as the deterioration and collapse of the western financial system. Anything to keep the game going, anything to deceive. We see no comment in any media that the US and European countries had frozen some \$32 billion in US banks and \$67 billion in European banks of Libyan sovereign wealth funds. As you have seen desperate people do desperate things. These funds do not belong to Mr. Gaddafi, they belong to the Libyan people. It is simple the west is broke and needed the funds. When you see Chatham House all over the European news you know the black nobility executed this.

As such events occur we have Fed Chairman Mr. Bernanke totally lacking integrity telling us there is little inflation and that the Fed just needs more time to complete recovery. What recovery, it must be hiding because we do not see it? What the Fed is doing is no monetary experiment. It has been tried over and over again through the centuries and it is well known among professionals that what Mr. Bernanke is doing does not work. When you hear from Mr. Bernanke that commodity price effects will likely prove transitory, when there has been a bull market in commodities since 1999, and that bull market is getting stronger, you have to question Mr. Bernanke's integrity. He reminded us of the dollar's previous comeback proved the safe-haven status of the dollar. How laughable. The rally created by banks was market rigging and we exposed what they were up to early. They are now running the euro up to make even more profits. This week or next the euro should reverse its rally as meetings resume in Greece. To these people currencies, gold and silver, commodities and markets are like footballs to be kicked around. It is not surprising that long-term confidence in the dollar is falling as uncertainty and instability, along with climbing inflation are becoming noticeable. There is no question the Fed has spent many years off course serving its owners and controllers in banking and on Wall Street. This time it is different. This time they are taking the whole system down deliberately to force the peoples of the US, UK and Europe to accept world government. This is not abrogation of responsibility or incompetence; this is willful greed and destruction. In QE1 and QE2, the banks and Wall Street were saved and then the Treasury. Little was done to address what was going on in the real economy. All credit, monetary and fiscal policy, was used to extend the health of the financial community and select transnational conglomerates.

Speculation has been the result of credit expansion almost all of which was pointed at Wall Street, banking and AAA rated transnational conglomerates. We find it interesting that all commentary and reports are based on Fed assumptions. Their policies and end game are rarely questioned, especially when other professionals know what they are up too and they know it does not work. Is it because they are Keynesians? In part yes, but the key is they are afraid to speak out, because if they do they lose their jobs, or in some cases are suicided. These people play hardball and they are unmerciful killers. If you don't believe that just look at all the wars they have created and financed on both sides. You cannot approach what the money powers are up to with logic and reason. You are dealing with a predatory animal that will out of hand kill its own for power and survival.

How can anyone believe the Fed Chairman when he tells us that there are well-anchored inflation expectations, when real inflation is about 10% and even the uneducated public understands that? This is a monstrous lie, all and sundry know that, yet the media and the powers behind government perpetuate that lie cloaked in propaganda.

As a results of such prevarication gold and silver hit new highs. That has of course brought a barrage of sell recommendations from the regular suspects on CNBC, CNN and Bloomberg,

along with the comments of silver mania, bubble, etc. What is worse though are the 96% of newsletter writers who have been consistently wrong for the past five years. It is sell, sell and switch to gold. The coin dealers go right along with the program for profit of course. What a woeful gaggle of dunces and opportunists.

The public doesn't believe the Fed inflationary lie nor do professionals believe a weak dollar is good for the economy. For Bernanke to even allude to higher official interest rates is laughable. These same "expert" observers go right along with the perpetuation of what the Fed has done for a century and that is rob the public blind. Very few want to return monetary policy to the Treasury and perhaps honest transparent policies, that put the American people first, not Fed shareholders.

As we said three years ago, the Fed will expand money and credit until it cannot any more and then they'll have a new world war to eliminate population and distract the public's attention away from social, financial and economic chaos.

Right now the big push is to sell silver to buy gold based on the gold-silver ratio. We have been in the markets for 52 years and that ratio has never worked. All the traders who listen to this foolishness will end up last in line. Jackrabbit trading is for losers, we know we were traders for 25 years.

What does not seem to be self-evident among investors and others in that the same group controls Treasury and the Fed. They do what they feel like doing and the media, which they own and control, does exactly as they are told. Writers and commentators say we need more rules to control the Fed. What we need is an end to the Fed, but these weak willed characters refuse to say that because they do not want the wrath of the elitists down on them. What a scurrilous group. There are not going to heavy new rules, because the people who control the Fed have purchased 95% of congress and the judiciary. There has to be violent and radical change and unfortunately there is only one way that can come about.

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