



ArmstrongEconomics@HotMail.COM

Now What's Going On

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THE REAL REASON GOLD WILL RALLY – THE END OF CAPITALISM?

While the fiat currency crowd still pound their chest yelling “it’s fiat”, that same nonsense existed for 19 years when gold fell from 1980 into 1999. Why did it not matter then? Because it still doesn’t matter now. Gold is the **PERFECT** hedge against political instability. That is why it has rallied. It’s the DEBT CRISIS not what money is! Gresham’s Law is that bad money (debased) drives out good money (not debased). People hoarded the old coinage because Henry VIII debased the precious metal content aggressively. He was broke even after confiscating all the property of the Church and melting down every altar piece he could find made of silver or gold.

Gold is a hedge **NOT** against money, but against political instability. Just when you thought you were living in a free society, the freedoms we once had in the West are crumbling to dust and things could not

be taking any worse direction than the latest Monetary Dictatorial Powers as they are unfolding. I began getting wind of something being wrong when a conference attendee from London tried to wire money for his seat. The money went into LIMBO at HSBC and they initially told him they wanted my personal details before they would release the money either to me or return it to the sender. Something was strange for if I had an account in the USA to which funds were to be sent, then the receiving bank was responsible for the “know your client” bullshit. It made no sense that HSBC needed my personal details. Eventually they returned the money to the sender only after a month or so. Then it happened again also from the UK. Then it happened from Hong Kong. Something changed. Why should there be a problem with money coming in from any country. The receiving bank has your details. Since this was the sending bank, they did not legally require my details. It began to smell like a rat.

It turns out the USA is now tracking ALL wires coming into the country tracing them back to see if the receiver has an offshore account. Good luck on getting a federal judge to uphold your illegal search and seizure rights. They are so desperate for money; they will do anything anymore. Even if you have a brokerage account overseas and you wire \$1 to the USA, it will be traced. Thank you Obama! Go get those bastards – and while you’re at it, add an additional 10 miles to the Mexican Wall. After all, you don’t want to be smaller than the Berlin Wall. America always builds shit bigger and better. While you’re at it, stop all air traffic with anyone going south. Let’s shut down all shipping as well. Someone might hide a \$10 bill in the hull. And what about those Canadians? You certainly can’t trust them. They use to sell cigarettes to Al Capone. During the Prohibition Days, they snuck booze across the border. Who knows what they might be doing now? Surely they might be up to something and they should be walled off as well! To really secure everything, perhaps the East and West coasts should be mined to prevent someone from hiring a submarine to sneak their money out. Since you can’t secure Alaska and Hawaii, then what the hell; Russia would buy Alaska back and the Japanese still like to get married in Hawaii. Sell ‘em and use the cash to pay more interest to the bankers.

And if you thought this is bad in the USA, Europe is adopting Hitler tactics when it comes to money. They are now demanding that ALL accounts of Greek citizens be effectively confiscated. They want that money to be taxed so they can pay the bankers, and keep the borrowing game going.



So you see, this is the nasty side of the **Sovereign Debt Crisis**. The sheer hatred of citizens is amazing. The images of pepper spraying students just sitting on the

ground shows the attitude that the police have that the people have become the enemy. The state always comes first and they will undoubtedly open fire on citizens as they do in Syria, Egypt or any other place where people rise up. We are the problem, never them. It is our fault they can't pay their bills. For you see, the average life expectancy was only 60 when FDR did Social Security. It was a scam from the start. They would collect money and presumed the majority of people would never see the first dime. Now the life expectancy is 75 and they can be counted on to raise the age to 70 soon.

WHAT ABOUT GOLD?

This is the real reason why everyone should have gold. Not because money is fiat; but because you honestly cannot trust the banks. Just look at **MF Global!** People who simply cash in their accounts and no positions still can't get their money. The exchange was supposed to audit and guarantee all accounts by standing between the parties. They clearly stand with the banks, not the people. The SEC and CFTC claim this is not their fault. It never is because they really do nothing before the fact anyhow. Those even thinking about a class action suit should go after the exchange, SEC, and CFTC and do so in Chicago. **BY NO MEANS FILE ANY SUIT IN NEW YORK** – it will just be dismissed as Judge Polack did to those who filed against Merrill Lynch. New York is hopeless. **Nobody should have a dime in that city period!**

Gold will still decline. It elected a Daily Bearish Reversal today, albeit minor. The major support is still the 1607 level on a daily closing basis and a weekly closing **BELOW** 1605 and 1599 should signal that real correct will follow. Nevertheless, this is just not looking very good. You can't trust New York and the exchanges are now questionable while the SEC and CFTC are useless.

Gold remains the **PERFECT** hedge against the **SYSTEM**. That is what is turning very nasty and it becomes questionable if funds in a bank will be safe only because government is so desperate, they will do anything to retain power and it looks like the attitude of the police will support the government, not the people. So forget the fiat stuff. This is the system we are now talking about. That is far more serious than anything else one wants to argue about but cannot explain why with those same fundamentals, gold declined for 19 years.