Date: February 20, 2022

Subject: **Global Banking Crisis**

This report begins with a startling and bold statement which will be proved to you in this report and how it will affect YOU the reader personally. Here is the statement: **The Following Central banks are now insolvent:**

1 **US FEDERAL RESERVE BANK**
2 **BANK OF ENGLAND**
3 **ECB (EUROPEAN CENTRAL BANK)**
4 **BANK OF JAPAN**

With the banks listed above and the countries connected to those banks let us now look a some of the **assumptions** people make about central banks which are in fact false:

1 Assumption 1: There is a widespread assumption that commercial banks bear risk while central banks bear none. Folding notes (paper money) are superior to bank deposits for this reason. It is commercial banks which fail, and central banks that rescue the ones worth rescuing. They are the lenders of last resort. As such, their financial integrity goes unquestioned.
2 Assumption 2: Of course, we do not usually include central banks in emerging nations in this statement, but any risk is always perceived to be in the currency of any country rather than the institution of the central bank of the country. It is generally assumed that in any nation a central bank that can issue its currency in unlimited quantities can never go bust, and that is why it is the currency that fails, and not the institution.
   2.1 Important Note: We know that the Reserve Bank of Zimbabwe does run some unconventional monetary policies, but you won't hear the RBZ's survival being questioned. The only thing the public knows is that the **currency gets crazy or bad in Zimbabwe** but no one challenges the central bank.
3 Assumption 3: Consequently, commercial banks come and go, central banks just keep rolling along. At least, that appears to be the experience. **But until recent decades, history has not seen major central banks routinely investing large amounts in their national bond markets, because any respectable central bank has always shied away from overtly inflationary financing of its government's deficits. (In short Propping up the economy in a covert way which people will not see or realize until it is to late)**

Enter Quantitative Easing and its inflationary consequences. I can hear you say what the heck is Quantitative Easing ? QE is when the central bank buys long term debt (longer than 5 years for the most part), and this direct debt purchasing "kicks the inflation can down the road". This has been done in bulk by the central banks since 2000. The short term results were better than what the central bankers expected in the short term. So what did they do ? They QE'd themselves into the current corner they are in:

1 Federal Reserve situation, the balance sheet before the first QE efforts: From $900bn just before Lehman failed, QE took the balance sheet to $4.5 trillion in December 2014. At this point there was an effort to taper doen the balance sheet, but when attempts to taper began, this led to the repo crisis in September 2019. And following covid lockdowns with nearly two years of zero Fed funds rates, the balance sheet now stands at **$8.878 trillion, nearly ten times the pre-Lehman level**. On the liabilities side, this has seen an expansion of commercial bank deposits

to $3.859 trillion, and on the assets side, Treasury and agency bonds totalling $8.267 trillion. Treasury and Agency bonds are included in the balance sheet at face value, which saves the Fed from the embarrassment of declaring losses on these holdings. But if they were marked to market, then the Fed's equity at just under $65bn would be wiped out many times over. BOTTOM LINE ? THE FED IS NOW INSOLVENT BECAUSE THE ON BALANCE SHEET DEBT COMPARED TO THE OFF BALANCE SHEET DEBT IS TINY. **THE OFF BALANCE SHEET DEBT HELD OTHER COUNTRIES WHICH THE FED IS LIABLE FOR IS A TOTAL OF 180 TRILION DOLLARS AND THERE IS NO WAY TO REPAY THOSE DEMANDS EXCEPT AS THE USA GIVING UP LAND AND PEOPLE AND ALL HOLDINGS AS THE SPOILS OF WAR.**

1.1 **The feed-through of monetary inflation into rising prices has barely started.** Because the private sector is also **LOADED DOWN** with large quantities of unproductive debt, as interest rates increase to reflect the falling purchasing power of the dollar there will be many bankruptcies. A combination of malinvestment liquidation and falling financial asset values it will be virtually impossible for the Fed to ameliorate through monetary policy, let alone at a time when its own financial credibility might be in a state of collapse.

1.2 From the end-September balance sheet date, the yield on the 5-year US T-TBILLS rose from 0.997% to 1.925% earlier this week, wiping out balance sheet equity more than five times over. And if bond yields rise again, the situation will deteriorate. Clearly, the practice of including these bonds in the Fed's balance sheet at face value, on the assumption that they will be held to maturity, is conveniently face-saving. And one can understand the vested interest in believing that interest rates and bond yields are not going to rise, being followed by a high degree of panic when they do.

1.3 **REMEMBER PEOPLE THAT KEY FOOD PRODUCT PRICING IS GOING UP AT THE RATE OF 10 TO 20 PERCENT PER MONTH BASED ON THE FOOD ITEM.**

1.4 **If QE** was so good, then why did inflation keep zooming forward **?** the answer is we found the cans we kicked down the road at the side of the ditch **DEMANDING TO BE PAID WITH INTEREST** and the **GDP (THE REAL VALUE OF WORK THE PEOPLE OF THE COUNTRY DID)** is now about 50% of what it was a year ago**. THIS MEANS THERE IS NOT ENOUGH MONEY TO PAY THE FORWARD DEBT WHICH IS OWED, WHICH MEANS THERE ARE 2 BASIC OPTIONS:**

1.4.1 Let inflation run away and watch the riots begin because what they thought they could buy the no longer can buy or must buy less.

1.4.2 **CALL A FORCE MAJEURE AGAINST ALL US DOLLAR ASSETS, BANK ACCOUNTS, PAPER MONEY, STOCKS, BONDS, T-BILLS ETC. THIS WOULD FORCE A HARD RESET OF THE US DOLLAR WORLD WIDE.** Doing this would drive the other major and minor currencies to fold to zero as well. TO all of you personally it would exactly mean you were wiped out completely except for your house and car if they are all paid off. At the time of a force Majeure Event, a new national ID/ Banking/ Health card will be issued and prices would still be high and wages low thus no longer the easy life.

2 The Bank of Japan Situation: The Bank of Japan has been buying government bonds since 2000 and has built up a substantial portfolio. It currently owns ¥528 trillion ($4.6 trillion) of government bonds, split 27% into two and five-year maturities, with the rest being of ten-years and longer.This means the BANK OF JAPAN is highly exposed to all bond pricing volatility. For example, a 100-basis point rise in gross redemption yield on a 10-year bond leads to a fall in price of over 11% from current levels, and it is even greater for the 20-to-40-year maturities that make up 29% of the Bank's JGB portfolio.

2.1 In addition to the items in the JGB portfolio on the balance sheet, there are ¥11.5 trillion of corporate bonds and commercial paper, and ¥37.3 trillion in exchange traded funds and REITs.

2.2 It is no surprise that the Bank Of Japan has publicly stated it would buy an unlimited amount of 10-year JGBs at 0.25% to ease the bond sell-off. A higher yield would be more than embarrassing for the bank, which is already requiring a recapitalisation, presumably with its heavily indebted government stumping up the money.

2.3 As we have seen, global monetary debasement has been unprecedented leading to higher prices everywhere. Prices for food, transport, energy, education, and healthcare are heavily subsidised by the government in Japan and that is the principal reason why consumer price inflation appears to be so low. In other words, **if price inflation is to continue to be suppressed by subsidies it will be at the expense of further monetary inflation, which is what is causing pressure for bond yields to rise in the first place.**

2.4 With a government debt level of 266% of GDP and a budget deficit of about 8.5% expected in the current year, the Japanese economy is less than one quarter the size of that of the US. If the US Government had this level of debt, it would amount to $130 trillion, which gives us an indication of the severity of the **debt trap** faced by the Japanese government and it's central bank.

2.5

3 The ECB (European Central Bank) and the euro system. The ECB and its network of national central banks in the different countrues of the EU, differs from the other central banks because the ECB is not responsible to any national government, and the national central banks have dual mandates, first to the ECB itself and to their national governments secondly.

3.1 This means that the ECB cannot turn to a government to make up a shortfall in its accounts. Its shareholders are the national central banks in the euro area which own their ECB shares in varying quantities, totalling €8.2bn. The situation has arisen whereby rising bond yields have fully undermined the ECB's finances and those of its shareholders at the same time, requiring the ECB and national central banks to all be refinanced.

3.2 Examples of some of the problems and issues in the EU zone: The financial structure of the Eurozone, the sharply different economic and political interests of the member states, together with the legacy of bad debt coverups over a string of financial crises and compromises since its inception all point to a lack of any desire to resolve the ECB's insolvency. Only by individual governments standing behind their own national central banks can they be recapitalised, **conditional on the ending of the euro system**. No longer can Germany subsidise Italy, Spain and France. A recapitalised Bundesbank will have to walk away from its ECB capital key, as must all the other national central banks. And the Bundesbank will have its hands full stabilising its own commercial banking network.

4 The Bank of England Sutuation: In a recent articles it has been pointed out that rising interest rates and bond prices will “dramatically increase the losses likely to be sustained on the Bank of England’s $895bn stockpile of government debt, built up over more than 10 years of so-called quantitative easing” Quoting recent correspondence between the Governor and the Chancellor, it is precisely clear to point out that the dividend payments from its portfolio of UK bonds had been sent to the UK Treasury, and that reverse payments (from the UK treasury to the Bank of England)were likely to be needed in the future.

4.1 How the UK Treasury deals with it is an interesting question. It is unlikely that the Treasury will cut its spending to cover the Bank’s losses. Instead, they will be added to the national deficit to be paid for by further UK bond issues, increasing the funding requirement. And with the Bank running maturing UK Bonds off its balance sheet at the same time as interest rates are forced higher by rising price inflation, while the borrowing requirement still must be satisfied, we have a recipe for a potential funding crisis.

5 Now we look at China and it's serious problems:

5.1 China has 1/3 of the population of the world.

5.2 China only has 5% of the fresh water in the world

5.3 China in recent years has totally failed what MAO achieved during his time in power. **For the first time in Chinese history during the reign of MAO every Chinese person got at least 1 bowl of rice per day. Currently Xi only has enough food for 500 million people which is a small fraction of the population.**

5.4 **China has a housing and Mortgage debt problem which is 1000 times bigger than the housing debt the USA struggled with.**

5.5 **Since the beginning of 2022 more than 125,000 companies in China have declared bankruptcy leaving investors with more than 50 Trillion dollars worth of loss.**

5.6 **To save face internally and globally China needs to fight and win a big war.**

5.7 **The currency situation is so dire that recently China printed 900 Trillion Yuan in paper money of various denominations for use internally. There is only hot air backing that money.**

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7 Now we will compare this to RUSSIA:

7.1 RUSSIA IS IN FACT THE ONLY LARGE COUNTRY WHICH IS FULLY SELF SUFFICIENT EVEN IF THEY BUY SOME ITEMS FROM OTHER COUNTRIES.

7.2 RUSSIA IS THE ONLY BIG COUNTRY IN THE WORLD WHICH IS FOOD AND WATER SELF SUFFICIENT. IN FACT EVEN IN THE RECENT TIME OF BAD HARVEST GLOBALLY THEY STILL HAVE FOOD TO EXPORT WITHOUT TAKING FROM THE MOUTHS OF RUSSIANS.

7.3 RUSSIA HAS 25 PERCENT OF ALL THE FRESH WATER IN THE WORLD.

7.4 RUSSIA HAS MORE THAN 20 TRILLION DOLLARS OF PRECIOUS METALS.

7.5 RUSSIA HAS ITS OWN SUPPLY OF RARE EARTH METALS.

7.6 RUSSIA HAS LEAP FROGGED THE REST OF THE WORLD IN WEAPONS DEVELOPMENT AND THEY ARE TOTALY READY TO WAGE WAR IF THEY NEED TO SO THAT THEY CAN PROTECT THEIR OWN PEOPLE.

7.7 THE RUSSIAN CENTRAL BANK IS IN A POSITIVE CASH FLOW STATE.

7.8 RUSSIA HAS TRILLIONS OF CUBIC FEET OF NATURAL GAS AND TRILLIONS OF BARRELS OF OIL. THEY ALSO HAVE GREAT IN GROUND RESERVES WHICH HAVE NOT YET BEEN TAPPED.

What does all this mean in simple clear English? It means that all the major central banks of countries are BROKE (INSOLVENT) AND A TRUE REAL HARD CORE GLOBAL FINANCIAL CRASH IS COMING SOONER RATHER THAN LATER. SO NOW WE ANSWER THE QUESTION: How do I protect myself from the coming global crash ?

1 **BEFORE YOU DO ANYTHING ELSE GET ON YOUR KNEES TODAY AND ASK GOD'S FORGIVENESS OF ALL YOUR SINS AND ASK JESUS TO WALK WITH YOU IN THESE DAYS ANDE TO THE END OF ETERNITY.**

2 **BUY gold and silver and platinum. This does not mean a gold backed 401K or other paper gold or silver. I am telling you precisely to buy the metal and have it delivered to your home safe where you store it. (NOTE: WHEN THE COLLAPSE COMES PAPER GOLD CONTRACTS BECOME WOTHLESS. IN A GLOBAL MONEY CRASH PRECIOUS METALS CAN BE USED AS BARTER)**

3 **HAVE SOME LAND YOU CAN FARM ON BECAUSE FOOD AND CLEAN DRINKING WATER WILL BE THE HIGHEST DAILY PRORITIES.**

4 **MAKE SURE YOU HAVE A LONG TERM STABLE SUPPLY OF DRINKING WATER.**

5. **WORK WITH A GROUP OF PEOPLE YOU CAN TRUST YOUR LIFE WITH BECAUSE ALL OF THE PEOPLE IN YOUR GROUP MUST HAVE THAT SAME LEVEL OF TRUST OR THE GROUP WILL FALL APART.**