

Two Competitors Are Vying For the Global Currency Throne

Retrieved Wednesday 13th of September 2017 07:22:42 PM

The US "ceiling on debt" will no longer exist. The preferred "safe haven" of institutional investors disappears.

A pact was reached on 7 September 2017 between Trump and the Democrats; the next Senate debate in December should be a mere formality.

On September 8, the US federal government's debt reached \$ 20,000 trillion.

Bill Bonner unveils the [below policies](#) of this case.

I suggest you take a look at the financial back kitchen.

For institutional investors, the *cash* does not exist. When the dollar is said to be "safe haven", bankers and fund managers do not stack banknotes in trunks.

They buy US Treasury bills.

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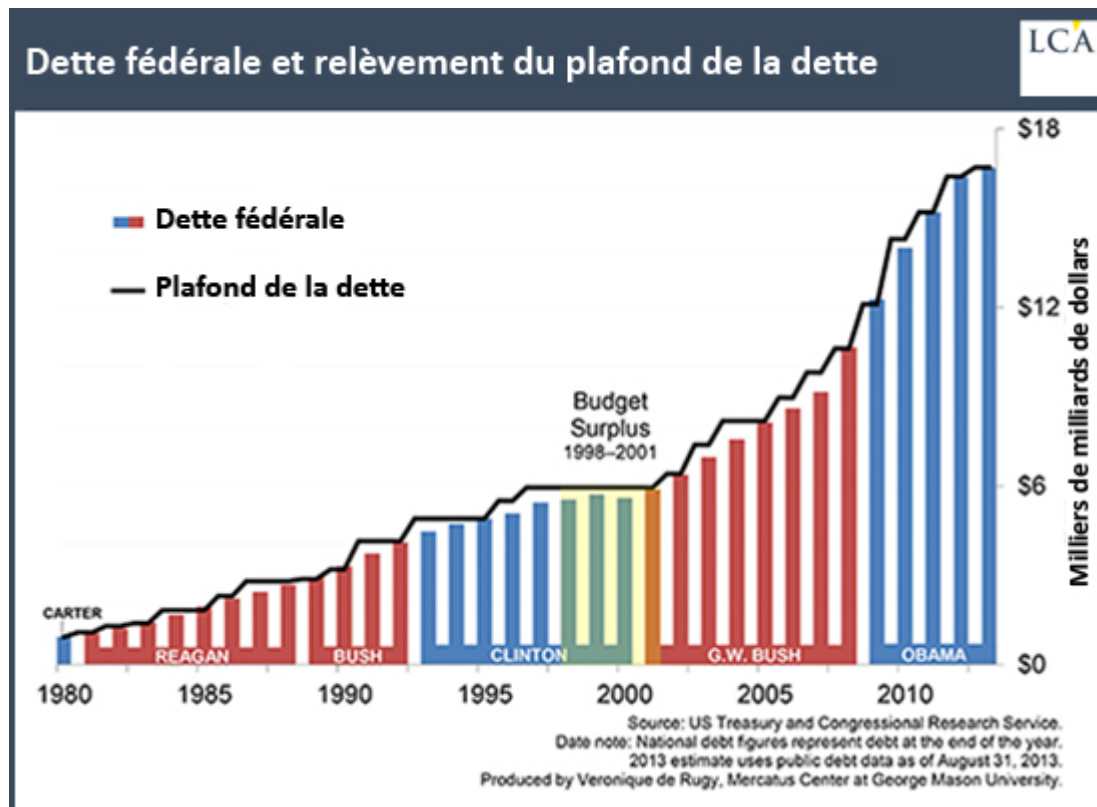


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In our world of fiduciary money, without anchoring in reality, private debt is in principle unlimited. With 1 € or 1 \$ of equity, a commercial bank can create 20 or 30 of it in the form of credit. If the creditors pay, profits will add to the equity and allow the bank to lend even more.

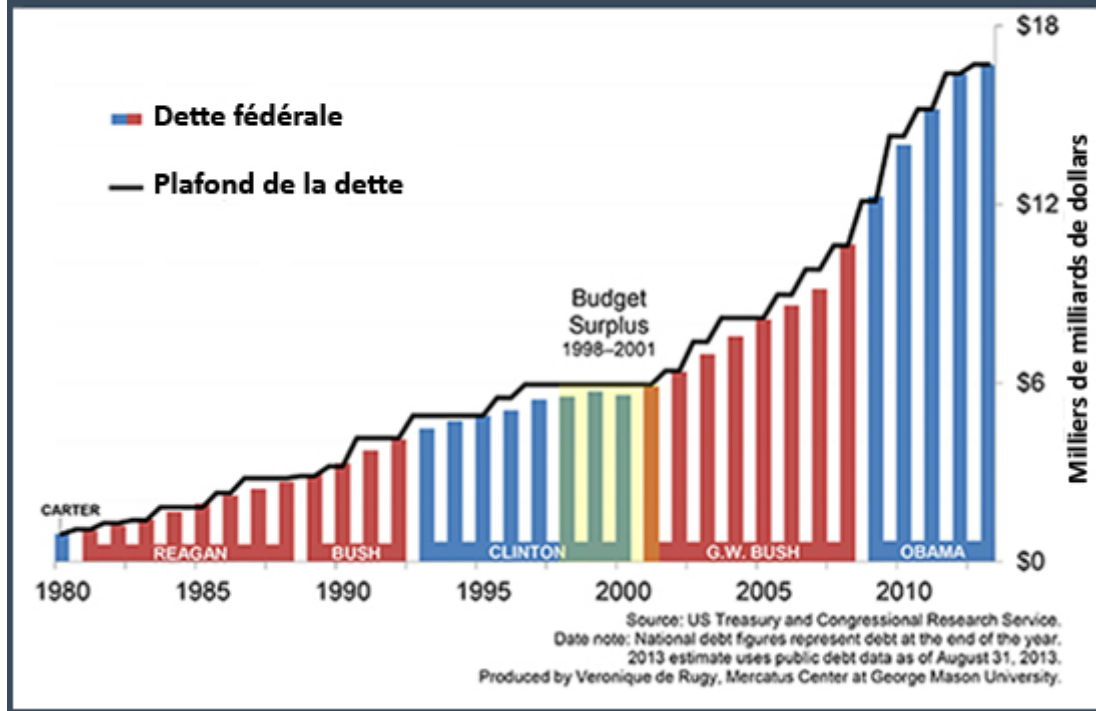
However, US public debt was limited by the debt ceiling.

Those who liked "safe haven" knew, for example, that the ceiling was \$ 15,000 trillion.



Dette fédérale et relèvement du plafond de la dette

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Of course, for the comfort of *Deep State*, this ceiling was always raised. But our investors read in the newspapers that this was the case and the new limit set. In short, their "safe haven" increased in quantity but in a manner known in advance.

This will not be the case. The preferred "safe haven" may be issued in unlimited quantities without warning. 20 000 bn \$ but why not 40 000 bn \$? The struggles against poverty, climate change, terrorism are costly combats ... What is the price of universal happiness, dear reader, do you have any idea?

What is the value of something that can multiply to infinity?

Nowadays, central bank-controlled fiduciary currencies have two competitors: gold and the family of cryptomonas, with bitcoin in mind. These are two assets that can not be infinitely multiplied. How did they react? [Editor's note: Do you know [this strategy](#) to take advantage of the rise of cryptomonies? If you act before September 30th, it could allow you to transform a € 20 ticket into ... € 2.18m. [As strong as the Lotto!](#)]

On the day that Trump reached its political agreement on the debt ceiling, on September 7, gold experienced a strong surge. In New York, it went from \$ 1,338 per ounce to \$ 1,349 per ounce. This is 0.8% in a few hours ...





And as you can see, for the "barbaric relic" according to Keynes, it is a hectic day. When Asia awoke, gold was over \$ 1,350 an ounce. In fact, just after this political event, gold climbed 1.3%.



Thereafter, the effervescence has somewhat receded, of course, and the gold has returned to its previous level.

What happened on the day of the cryptomony? Nothing - or rather, they fell because at the same time China was putting new limits to speculation.

The capitalization of some 1,100 cryptomonias has grown from \$ 165 billion to less than \$ 150 billion.

Aristotle 1 - Plato

I hear and read a lot of reflections on money from so-called "intellectuals", "economists" generally.

The ignorance of the monetary history of these brilliant mediated minds is simply confusing.

In the past, "intellectuals" had turned their attention to money. To misunderstand the reflections of Aristotle, Plato, Copernicus (to mention only a few illustrious deaths and do not offend anyone) on this subject is quite surprising. Would you dare to present your theories about physics by not knowing anything about Newton, or about electricity ignoring everything from Volta to Edison?

But as Audiard said:*the cons, it dares everything. That's why we even recognize them "*

After studying the finances of the Greek cities and some bankruptcies, after codifying the principal functions of money, Aristotle had come to a conclusion which contradicted Plato, his master.

For Aristotle, money had to have a real anchorage to be a reservoir of value, a very important function. Money had to be backed up to a commodity, for in order to an agreement to be fair, something must be exchanged for something else rather than wind.

For Plato, money could only be a simple "social convention."

Six centuries before Christ, about three centuries before Aristotle turned his attention to the monetary question, gold and silver were progressively imposed by custom. These shells, shellfish or glass beads.

1 500 years later, Aristotle's conclusion is validated by the facts. Of the 775 fiduciary currencies that existed or still exists, 599 died of hyperinflation, war, collapse of empires ...

1,500 years later, gold is still sleeping in the coffers of central banks while dangerous alchemists rage at the of the central banks.

According to the work of Stanford's professor of genetics, Gerald Crabtree, human intelligence would have culminated in the Greek epoch. What if he was right?