

Honest Money Gold & Silver Report

Vampires *Of The New World Order*



Ancient Alchemical Double
Dragon Seal of the Societas Draconis
The House of Vere

Abstract

Fabled creatures of the night, they rise from the grave and roam the earth, searching for innocent victims to feed upon: draining the lifeblood from their unwary host. The fiends of the underworld whose stories we read about in the folklore of old.

Did they, or do they really exist? Count Vlad Dracul and his family were historical figures of some importance in and around Romania and Transylvania. More than a few of the European Houses are descended from the House of Draconis.

The House of Lorraine and the House of Guise both contained the blood of the House d'Anjou; as the limbs of a tree or Plant – ard, branch off into other limbs, yet share the same common roots and sap.

Nevertheless, we are more concerned with the 21st century vampire – The New World Order Angels of Death: those who have honed and perfected their craft to levels of the most devious sophistication and efficacy.

No longer are they content to seek out individual victims, now they prey upon entire nations in a global feeding frenzy that knows no bounds. How can one escape these denizens of the lower regions?

By the use of **Honest Money** – **Gold** that knows no tarnish, depletion, or change. It remains steadfast – irresolute in the face of all danger: the sovereign of sovereigns that knows not defeat.

New Breed

There is a new breed of creatures roving the land today; they no longer drain all of the lifeblood from their victims. They leave just enough for the host to remain alive and capable of producing more, until he eventually succumbs.

The new breed does not seek out the blood that sustains physical life; instead, they desire the monetary and financial life of their victims – the insatiable lust for power, the excessive greed that wealth begets. They worship at the altar of Lucre – and he at the altar of another.

The creatures drain away the life of their victims by extracting from them all of their private property, wealth, and well being – by taking the money power from them and using it against them.

The money power resides with an elite group of collectivists who manage and control our monetary system, as well as the police power of the State that enforces its will.

This unholy system transfers wealth from the people to those in control of the system: the elite moneychangers. See: [The Federal Reserve: Fractional Reserve Lending](#).

The US Dollar bill is nothing more than a tax coupon voucher – a debt instrument that forces the victim to use a monetary system that chains him to a life of perpetual debt servitude. See: [Gold's Hidden Secret: The Moral Hazard of Fiat Money](#).

Slowly but surely, year after year, more and more of the host's life force is drained away attempting to pay off debts that cannot be paid off; debts never meant to be paid off by those who created them – the elite moneychangers. See any of the Honest Money Series: [Honest Money: What It Is and What It Isn't - Part 1 Money](#).

Death by Paper Fiat

Present day Federal Reserve Notes are paper fiat debt-money. They are essentially the same as credit and hence debt. Since the founding of the Fed in 1913, our currency has lost 95% of its purchasing power. See: [Honest Money: What It Is and What It Isn't - Part 4 Store of Wealth](#).

The continual loss of purchasing power is the death by a 1000 cuts that the Fed allows to occur to We The People's money, and hence to our wealth and health. By using a fractional reserve system of debt-money, they loan out that which does not even exist, and they then have the gall to charge interest on the loan.

Such a monetary system is nothing more than a scam – a transfer of wealth from the people to those who control the money power. See: [The Greatest Scam On Earth PF](#). Day after day, week after week, month after month, and year after year – we are continually subjected to the loss of our wealth by the loss of the purchasing power of our money.

In other words, we are slowly bled dry. We are victims of the monetary and financial vampires that now haunt the Temple and the inner sanctum of the supposed courts of law and justice.

This slow death by monetary torture is the reason that the US is now the largest debtor nation in the world, when in the recent past it was the largest creditor nation in the world. This is the reason why both parents need to work to provide a living for their family – when it used to take but one.

Attack on Different Fronts

Today's creatures are not satisfied with feeding at that public trough of debt-money. They want to gorge themselves on any and all means of sustenance. Hence, they invent new

vehicles such as mortgage-backed securities and other derivative forms of debt that slowly drain away the life force of all unwary victims.

In paper fiat land where money is credit and credit is debt, the lifeblood of such a system is LIQUIDITY. The New World Order has been a witness to the creation of structured finance – unknown in the days of old.

Sir Alan turned his head and conscience the other way as the new age weapons of financial destruction were paraded out for all to see – and use: GSE's, MBS's, ABS's – different forms of CREDIT & DEBT ISSUANCE.

Easy Money

Easy money they call it. Greenspan put up a for sale sign on the United States by virtually guaranteeing that interest rates were going to fall for a very long time, and that all who would loan their money to the State, by buying ungodly amounts of Treasury debt, would be handsomely rewarded, and so it came to pass. The Greenspan put they nicknamed the easiest monetary policy known to the modern world.

As with all things there is an opposite and equal reaction to the initial action, and so too is this true in money and finance. Now interest rates are beginning to rise, not just here in the U.S. but in Europe and even Japan – the land of zero bound interest rates.

The easy money of the various carry trades is at the beginning of its ending. It is no longer so easy to borrow short and to lend long. Short-term rates are on the rise. Not only does this put a crimp into new carry trades, it also affects carry trades that already exist; as the short side of the trade is now going against them. Greenspan is gone just in time to miss the disastrous repercussions of his folly.

The Unwinding

Recently the markets have seen a big increase in volatility, the result of the unwinding of the carry trades. Today's 9000 hedge funds and other large institutional investors have mega positions in the billions of dollars in derivatives, which are highly leveraged financial instruments.

When these babies unwind, you best get out of the way. They act like a vortex sucking down anything that gets too close or in the way. Welcome to the brave new world and the new age creatures it has wrought forth.

All of this liquidity must find a place to go – where it can rest for a while before moving on, as easy money begets hot money: a rolling stone knows no home. This is also known as asset inflation, where the cost or price of assets surges upward from the rising tide of liquidity lifting all boats: stocks, bonds, commodities, and real estate.

Un-Real Estate

The bubble of all bubbles is the dollar bubble, especially the credit component – what Mises called fiduciary money or money substitutes. Our financial system is credit based more than money based. This is a step beyond paper fiat debt-money and the inherent problems it brings with it.

Now, all forms of fiduciary money and money substitutes are all just different forms of debt; where debt, credit, and money all morph into one entity with three faces. The result is a complete and total debasement of our monetary system. Our money is debt. Our debt is our money. It is a pitiful and disgraceful shame.

Excess credit creation via mortgage borrowing has caused a boom in the real estate market, with ever rising house prices. This in turn allows for even greater credit issuance based on the rising market value of real estate used as collateral.

It is a self-reinforcing process until it reaches the over saturation point – the bifurcation point of the bubble is beached and suddenly chaos theory takes over. The market is no longer self-reinforcing – it is now self-destructive: it feeds upon itself, as it has no other choice.

Current Account Deficit

The United States has a huge and expanding current account deficit to the tune of \$900 billion dollars and growing. The U.S. has been on a perpetual orgy of over-consumption, fed by excessive credit and debt issuance.

We have been exporting our current account deficit to our foreign trade partners, primarily China and Japan; however, we have shared with whomever will bite. America buys all the goods it can from various Asian manufacturers, who then turn right around and recycle the credit back into U.S. Treasury Debt (bonds). The shadow money oft times never leaves New York.

Slowly, the result of this excessive credit creation has not only fueled an orgy of mass consumer consumption, but wildly expanding foreign central bank reserves of U.S. Dollars as well.

With interest rates on the rise around the world, foreign central banks are starting to question the credit worthiness of the U.S. dollar; and have begun to cut back on their reserve holdings of what is becoming more and more of a risk to them.

The Real Conundrum

Mr. Bernanke is about to find out what the real conundrum in all this really is, although we have a sneaking suspicion that easy Al explained it to him before departing. Poor Ben is slowly painting himself into a corner – caught between a rock and hard place.

We do not envy his position, and we wish him all the best – he is going to need it, and then some; and so are we. Ultimately we the consumers and producers pay whatever costs occur. Collectively, we make up the market – we are the market.

Ben is damned if he does and damned if he doesn't – raise interests that is. If he raises interest rates to quell any signs of inflation or to strengthen the dollar against foreign currencies, he risks putting the economy into a recession.

Rising interest rates will destroy the bond market, and with the bond market the real estate market will follow. Real estate has been the backbone of the economy. If it goes the economy will go with it.

Damnation

If Ben lowers interest rates, he runs the risk of inflationary pressures getting too far out of hand, causing the dollar to weaken even further, which then may cause the recent foreign bank diversification out of dollars to pick of speed.

It is amazing that the Fed has been able to hold things together for as long as they have. They truly are magicians of a sort. Nevertheless, all magicians rely on illusion – and soon they start believing in their own illusions, or what they incorrectly perceive to be power, which quickly turns into delusion and a hard lesson, is driven home. Whom the gods wish to destroy – they first make mad.

The Ultimate Victim

Real estate has been the ultimate victim of the vampires of structured finance. Every drop of liquidity has been bled from the host – no more remains. You cannot get blood from a stone; no matter how hard you try.

There is no longer a readily available supply of victims to feed all the creatures thus created – the vampires of the New World Order. Housing provided a large host for quite some time, a feeding bank if you will, but its days are numbered and falling by the wayside.

Whereto will the creatures turn – for the sustenance, they need to survive? They have already gorged on all possible victims – nothing remains alive with the needed lifeblood within. Structured finance has built an economy of paper houses built upon paper promises – promises that cannot and will not be kept.

It has provided a false degree of confidence and misplaced optimism in a speculative boom in the credit and debt markets that have inflated asset prices to absurd levels. As interest rates rise – debt becomes harder and harder to service. Suddenly assets must be liquidated at much lower prices than their recent high-water marks.

The Petrol Dollar

The energy markets have had a huge run up, until just recently, providing mega profits for the large transnational corporations involved. Some in Congress wanted to pass windfall taxes on the oil companies the profits were so big. Profits of the top ten oil producers are expected to be larger than last years \$600 BILLION.

These profits are referred to as petrol dollars – money paid to the petroleum producers of the world. It is a huge amount of liquidity in a world already flooded with liquidity.

There has been much discussion concerning the higher prices of energy – oil in particular. Various reasons have been put forth to explain not only why prices are high, but also why they should remain and **NEED to be high**. Excuse me – am I missing something here.

In paper fiat land the only reason why the price of anything increases is as a response to the fact that the reserve currency of the world – the U.S. Dollar, is losing more and more of its purchasing power.

It is the debasement of the US currency that causes more and more units of the currency to be required to make up for the loss of purchasing power that makes prices (amount of units) of oil or any other commodity increase.

The price of oil or any other commodity is never going to significantly decrease as long as it is priced in units of a depreciating currency, i.e. the US Dollar. See the following or any of the Honest Money Series for a more detailed explanation: [Honest Money: What It Is and What It Isn't - Part 7 Problems With Debt Money](#).

None of the economic, financial, or monetary problems of the world can be fixed or solved until Honest Money is the reserve currency of the world. A monetary system of debt-money cannot function properly.

Paper fiat money has an inherent self-destructive defect: it experiences ever-increasing loss of purchasing power, which in turn requires an ever-increasing supply of money.

It is a self-reinforcing defect that revolves in a circle of self-destruction – no different from a drug addict's addiction: the need for ever-larger doses of dope to get him high.

Therefore, we have all this new, hot petrol money looking for a place to call home. Petrol dollars are not as readily committed to purchasing US debt as was the trade exchange money between the US and China and Japan.

It remains to be seen if the status quo remains the same, and if the petrol dollars recycle back to the US, the way the trade dollars did. We have a feeling it will not – as the denizens of the lower regions do not want to change their diet, nor menu. We strongly suggest carrying a large gold cross for protection in the Brave New World Order.



© 2006 Douglas V. Gnazzo – All Rights Reserved

[Comment on Article](#)

[Letter to Congress](#)

[Back to Homepage](#)

[Disclaimer](#) | [About Us](#) | [Contact Us](#)

Honest Money Gold & Silver Report