



BE YOUR OWN BANK

On August 10, 2012, Reuters reported, “US regulators directed five big banks to develop plans for staving off collapse if they faced serious problems, emphasizing the banks could not count on government help. According to documents obtained by Reuters, the Federal Reserve and the US Office of the Comptroller of the Currency first directed five banks - which also include Citigroup Inc, Morgan Stanley and JPMorgan Chase & Co – to come up with these "recovery plans" in May 2010.”¹



Does our own government expect a financial collapse? For years, many financial analysts have predicted an economic collapse if things didn't change. Things have changed – but not for the better.

While we, as Christians, trust God in times of need, the writer of Proverbs stated, “A prudent person foresees danger and takes precautions.” (Proverbs 22:3 NLT)

First, we need to understand why this imminent economic collapse lurks on the horizon. A couple of critical things drive this issue.

Collapse of the Petrodollar System

What exactly are a petrodollar and the system behind it? The 1944 Bretton Woods Conference established the US Dollar as the global reserve currency. The Bretton Woods system created an international gold standard with the ultimate beneficiary being the US dollar. The gold standard created by Bretton Woods system could not survive the financial excesses and pursuits of the American economy. So, to the shock of the world, in 1971 Nixon abandoned the gold standard and the US became a purely fiat currency which is not backed by any type of commodity. After

¹ (Rothacker 2012)

that time, the US dollar could be printed without having enough gold reserves to back up the production of new currency. The US Federal Reserve – which is neither federal nor has a reserve – suddenly became free of the constraint of a gold standard.

Historically, all fiat currencies have failed. There is no discrimination as to the size of the nation's economy. Manipulative abuse of the currency results in currency collapse.

After the Bretton Woods system collapsed, the petrodollar system originated when US Secretary of State, Henry Kissinger, and the Saudi royal family secretly met. The early 1970s meeting resulted in a powerful agreement. In exchange for Saudi Arabia's willingness to denominate their oil sales exclusively in US dollars and invest their surplus oil proceeds into US Treasury bills, the United States offered weapons and protection of their oil fields from neighboring nations, including Israel.



The petrodollar system positioned the dollar as the primary medium of exchange for all oil transactions. This brilliant political and economic move increased the demand for the US dollar and for US debt securities.

“By 1975, all of the OPEC nations had agreed to price their own oil supplies exclusively in US dollars in exchange for weapons and military protection.”²

While the Federal Reserve continued printing money repeatedly with nothing backing its value, the artificial demand for the US dollar diminished and the dollar has devalued to the likes of Monopoly money.

When countries, including China, Turkey and others, agreed to purchase Iranian oil with gold instead of US Dollars, the system collapse began. President Obama launched sanctions against Iran to take them out of the SWISH system (where all trade must be settled.) A mere forerunner of personal sanctions, this action cannot stave off the ultimate ending of the oil for dollars agreements. Even the United Nations economic sanctions against Iran are ineffective as more and more countries trade without utilizing the US dollar.

Friedrich A. Hayek, a Nobel prizewinner and economist stated, “With the exception only of the period of the gold standard, practically all governments of history have used their exclusive power to issue money to defraud and plunder the people.”

² (Robinson 2012)

But the end of the petrodollar isn't the only thing causing economic woes.





Derivative Issue



With all of the bank failures and bailouts, at some point the people want to know why? After all, we put our money in the bank and expect it to be safe, waiting for us when we need it. But we now have a derivative issue, which may be the driving factor for the government's secret warning to the banks.

What is a derivative and why should we care?

In short, a derivative includes a contract on the anticipated future value of something – a bet of sorts. The problem with banks participating in derivatives is that they use your money to make risky investments – to place bets on future values of items such as stock, mortgages and other debt, including money owed by other countries.

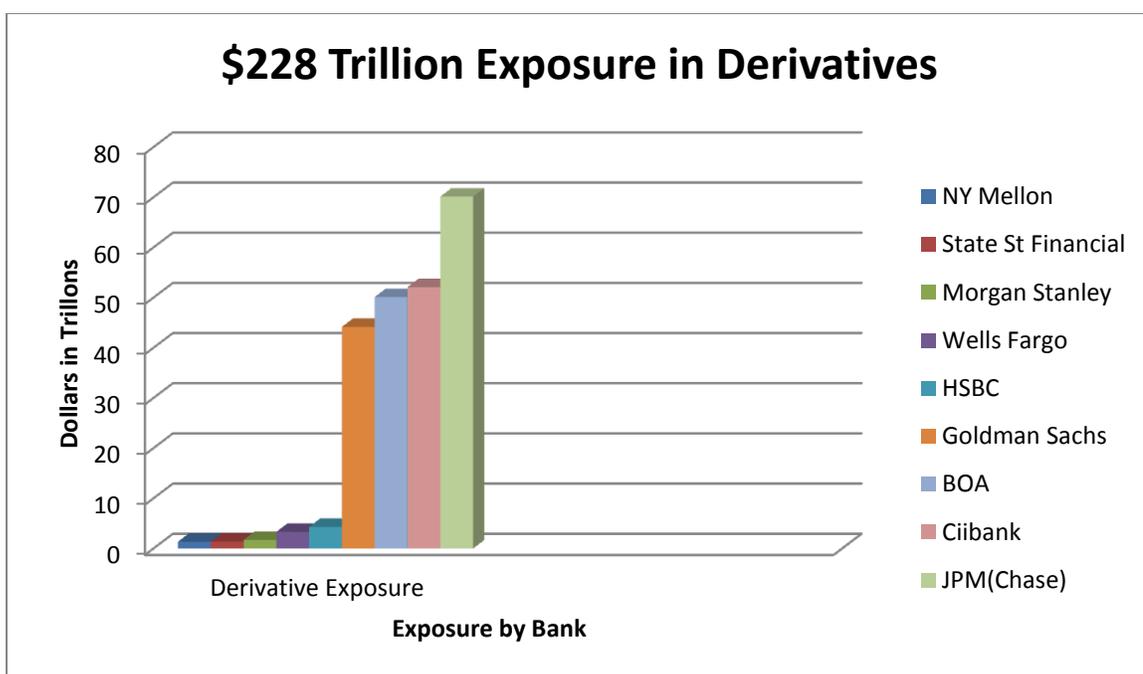
The nine largest banks have a derivative risk exposure of more than \$228 trillion. No country has enough wealth to cover so much money. What does that risk look like? Click [here](#) for a visual depiction of this exposure and information on which banks carry the highest risk.



Trillions of dollars gambled away on derivatives – dollars belonging to people. Because of all the bailouts, the FDIC cannot possibly cover all the deposits, which the largest banks sunk into risky investments. When they fail, where will your money be?

In Proverbs 22:7 the writer states, “The rich rules over the poor, and the borrower is the slave of the lender.”

We have become slaves to debt through the fiat currencies and the derivatives, which were globally orchestrated to collapse America and the world economies.



³ (See [Business Weekly Article](#), and [Fox News - Economic Collapse Story](#).)

In spite of what seems like bad news, there is hope. We need not fear the future. We can trust God to provide for our needs. Yet, He also gives us wisdom and understanding to prepare for a changing future. Becoming your own bank is one of the best ways to achieve this goal. But how can you be your own bank?

³ (Demon-Ocracy.Info 2012)

Steps to Prepare for the Pending Economic Collapse

- Reduce your bank holdings to one month of living expenses. A cash reserve ranges from three to six months of basic living expenses.
- Maintain the balance of your cash reserves in your personal possession in one or more fireproof lockboxes. Bear in mind that dollars are necessary, although devaluing.
 - Small bills in your possession move you to the front of the line when sellers can't make change.
- Build your gold and silver coins and bullion portfolio.
 - Purchase the right types of gold and silver coins and bullion.
 - Keep precious metals in your possession, not in a storage facility or bank vault.
 - Seek guidance from a trustworthy source over dealers who want high profits instead of helping others prepare for the future.
 - Visit [Eagle European Capital website](#) for more resources and call us at 1-888-623-1239 for a free consultation.
- Prepare in other ways – download *Strategies to Prepare*. This free document from Eagle European Capital is available under the Resources tab of our website.
- Above all, pray for our nation, our leaders, Israel and our world. Pray for true repentance. God is sovereign so be of good cheer. We know the ending.



In a recent article, World History Institute quoted Congressman John Boehner. *“Just as the trillion dollar bailout was being passed, he glanced at the words emblazed in granite over the Speaker’s chair. He wisely said, “When this bill passes, remember those words ‘In God we Trust,’ because we are going to need His help.”*⁴

Be prudent. Prepare for a safe future and make wise decisions as a good steward of all the blessings God has bestowed on you.

⁴ (Foster 2011)

Gold and Silver as Money

Because dollars are not backed by any type of commodity, they simply represent debt. Our currency can be printed at will. This fiat currency, backed by nothing, can be manipulated and therefore is an unjust weight by definition. Proverbs 11:1 says, “A false balance is an abomination to the Lord, but a just weight is his delight.”

Financial analysts have recommended investments of gold and silver for many years, but primarily in paper options like stocks and mutual funds. Now more than ever, analysts are proponents of owning physical precious metals as a hedge against the declining dollar.

The wisdom of this advice became apparent when Utah led the way in creating legislation allowing sellers to accept US minted gold and silver coins for payment of goods and services. Under the Utah Legal Tender Act, the state of Utah recognizes gold and silver coins issued by the federal government as legal tender. In short, this makes gold and silver coins issued by the US Mint a currency rather than an asset. While the state leaders have not yet figured out all the details, at least a dozen other states have followed Utah’s example. Gold and silver are becoming money once again.

These state leaders worry about the future of the Federal Reserve and US currency. Making moves to limit or avoid the impact in their states, they took a proactive approach. North Carolina Republican Representative, Glen Bradley, when introducing the bill said, "In the event of hyperinflation, depression, or other economic calamity related to the breakdown of the Federal Reserve System ... the State's governmental finances and private economy will be thrown into chaos."⁵



If state governments admit concern over the economic situation and move forward in preparation, shouldn't we as individuals also take precautions?

⁵ (Ellis 2012)

When the economy collapses, the fancy, rare coins costing thousands of dollars won't spend better than common coins. At that point, the value becomes dependent only on the amount of precious metal within that coin.

While gold is beautiful and more expensive per coin, silver becomes much more easily traded for less expensive items such as immediate needs like food and clothing. Similar to paying with small currency denominations, smaller valued coins will also move consumers to the front of lines when the time comes to trade with the timeless resource of gold and silver coins.

Convinced? What are the next steps?

The key in purchasing metals is determining which kind and where to go for integrity in this industry. Make sure to use a reputable company who cares about you preparing your family for the future. Look for someone who sincerely watches out for your best and gives you information beyond the purchase of precious metals.

Look to Eagle European Capital to keep you updated. We provide advice and trusted service for your financial needs – and for your future. We're preparing. Are you?



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