

## **“King Dollar’s” Response to Chuck Coppes**

**August 2008**

[www.talentseekscapital.com](http://www.talentseekscapital.com)

[www.chuckcoppes.com](http://www.chuckcoppes.com)

*Greetings Chuck:*

I have received your rejoinder to “*King Dollar*”, and invitation to *Reply*.

Before I respond, let me say this.

I am *Democrat* who got his start working with *Jimmy Carter* – and I have supported every *Democrat* since. You could call me a “*Liberal*”. It is my view that *George Bush* is *President* solely because of his Father, and will go down in history on par with *Warren Harding*.

*To me, this isn’t about party or ideology – but about America.*

I’ve read thousands of books and hundreds of thousands of pages in my Life – among the handful of “keepers” on my shelf in my office are “*Human Action*” and the “*Bible*”.

This doesn’t quite fit with your portrayal of me as a naïve “*Neocon*” hack.

As to being a “*Patriot*” – I proudly confess. *America* has given me, you – and millions of others every reason to be. And for every soldier whose life was laid down in payment for the lifetime of freedom I have enjoyed cost free – *I owe at least that*.

You are obviously a man with a razor sharp mind, and I tip my hat to your intellectual prowess.

However, your “assumptions” about me are as flawed as are the conclusions you reach based on your read of “*real politick*”.

It is helpful to engage the mind before engaging the mouth.

First and foremost you state that the “*Dollar Crown*” is going to be placed on the “*collective heads*” of *Europe* – which presumably you refer to the “*Euro*” itself [ you didn’t say ].

Parenthetically I note that the “*Silence is Deafening*” from all of the *Dollar Bears* – what is actually going to replace the Dollar if they are indeed correct ?

You fail to address the most crucial point in “*King Dollar*” in that regard – *Europe* doesn’t have the political and economic cohesion that would be necessary and essential to the *Euro* both receiving and keeping *World Reserve Currency* status.

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You also fail to address the fact that *World Reserve Currency* status carries a huge economic burden as part and parcel of that leadership role – a crucial factor to be considered in any “*thorough analysis of the subject*”, as you say.

Contemporaneous events in *Europe* make clear that *Europeans* aren’t about to reach a consensus on accepting such a burden – a factual inevitability of *World Reserve Currency* status.

And this is not even to address *Britain* – they are going to ally against the *United States* to support the *Euro* ? To suggest that *Britain* is about to break its economic and security ties to the US, isn’t even worthy of discussion. They won’t even abandon their own currency.

The logical progressions of your conclusions are as follows:

1. *Europe* as a whole would have to agree to accept the massive economic burden that comes with *World Reserve Currency*;
2. *Europe* as a whole would have to have a political and economic cohesion never before reached in the annals of history – and certainly absent in contemporaneous history;
3. *Britain* have to effect a complete 180 on their public opinion against abandoning their own currency and joining such a Union – not even mentioning public sentiment in *France* !
4. If *Europe* made this move against the *US Dollar* – and then the *Euro* failed, the geopolitical consequences could be disastrous for *Europe* – a massive Risk that would likewise require a solid *European* consensus before being taken.
5. The *Europeans* are going to be more responsible with *World Reserve Currency* status as a myriad collective as opposed to a singular Government in the US ?
6. *Britain* breaks it’s economic and security ties to the *United States* or this all powerful *European Union* you envision doesn’t include *Britain* ?

*Europe* quite simply doesn’t have what would be necessary to hold *World Reserve Currency* status in the *Euro*. The simpleton on the street of *Britain* and *France* understands that, even if as with your postulations, they can’t articulate why.

The failure to definitively address these obvious issues ( *even to the most politically naïve* ) serves as a glaring intellectual hole in your entire thesis.

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You state that in “*economic warfare*” by *China* against the *United States*, the *EU* would support *China* ”resounding[ly]”.

Aside from abandoning some 60 plus years of rock solid geopolitical ties – that is an issue of such magnitude as to *require unanimity*. Assuming *arguendo* such unanimity could be achieved, doing so would still be to embrace *Communism* – and put themselves at risk without consideration to US interests.

The logical progression of them doing so would be to set the stage for the rise and eventual domination by *China*. There’s no glossing over that inexorable reality. You would have us believe that *European Leaders* are itching to embrace that road – and would do so with alacrity ?

Such a proposition strains credulity, to say the least.

You yourself hasten to add that *China* is not peacefully rising – do you suggest that the *European* leaders don’t recognize and understand this as well ?

They are not about to set the stage for *Chinese Dominance* – they already tasted an overbearing and powerful *Communist* nation in the 20<sup>th</sup> *Century* – like all of your contentions, you fail to address these logical ramifications of such a course by *Europe*. As with the other issues above, it leaves a gaping hole in your postulations.

The question of *Communist Leadership* was asked and answered in the 20<sup>th</sup> *Century*.

You also state that the World could repatriate the “70% “ of our Dollars which would result in “*Weimar*” *America*. In such event, what would stop the *United States* from simply issuing a new dollar ?

Absolutely nothing.

And then what ?

Our *Military* might is gone ? Our *Food Production* stops ? We lose our *Homes, Cars, etc.,* ?

Who would really suffer the consequences in the final analysis ?

Not the *United States* – but the holders of that “70%”.

When the so-called “foreigners” who ultimately cannot hurt our Nation in any material or long term way hold “70%” of debt – hell, I call that brilliant policy - and execution.

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You summarily dismiss as a “delusion” *America’s ingenuity and innovation*, as through it is has no present or *future value* – when in fact, past performance demonstrates that it has an immeasurable *future value*.

Your much vaunted citations to history don’t offer a scintilla of support for your lack of confidence – not by a long shot. So don’t look to history to mask the brand of inexorable *Defeatism* you and others herald.

There are those such as myself who have complete confidence that the next major *Energy Technology* will be born and raised in *America*.

That alone would derail the geopolitical and fiscal doomsday that you and others so ardently foresee. In that innovation lay a treasure chest of *Tens of Trillions of Dollars*. *America’s ingenuity and innovation* are going to unlock that chest, and *Time* will make that abundantly clear.

You advocate the “*precious metals complex*” as with the many “*Gold Bugs*”.

These “*Golden Dreams*” likewise fail under the slightest pedestrian scrutiny. By your estimate ( using your own site ) all of the Gold ever mined has a value of \$ *1.7 Trillion*. The *World Economy* is approximately \$ *US 60 Trillion*. With a growth rate of 3 %, more *Gold* would have to be found and mined every year has been mined in all of human history.

Or do you argue that the citizens of the World are going to embrace a *Massive Deflation* ( some 97% ) of everything they own to embrace *Gold* – and as a result eliminate any growth because not enough *Gold* can be mined even to keep up with a 1 % growth rate *EVEN AFTER* such a *Deflation* ?

While you malign ignorance – it is precisely that which allows you and others to find a receptive audience to advocate the “*precious metals complex*” in the face of these *insurmountable realities*. And these render any “discussion” of *Bretton Woods* or *Nixon’s* move on *Gold* wholly irrelevant to a *substantive dialogue*.

*Quite simply, not enough Gold even exists to monetize the World Economy.*

It is this fact alone – disregarding all others ( *such as illegalization just to name a key one* ) - that *Gold* cannot ever replace currencies. *Gold* can’t even rise in *Zimbabwe* – to believe it will do so in the *United States* is utter folly.

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The *World* has outgrown *Gold* as a *Viable Principal Form* of currency. There are too many people in the *World* today as opposed to the early days of *Gold*.

Your credentials trumpet your securities expertise. Then you most certainly have the *Market* savvy to know that stocks *ALWAYS* are the first and foremost leading indicators – they move long before the reasons become evident.

That being the case, why are all the *Gold* stocks not reflecting the coming state of affairs you – and I might add the legions of “*Gold Bugs*” - posit ? The silence is deafening here as well.

We hear the tired refrain that all currencies have failed – and that there are infinite years of history to prove this. Indeed. *Yet we still have currency*. And we always will.

You make a number of other rhetorical references, such as comparing our *Cultural Diversity* to that of the *Romans*. Yet you fail to comprehend the critical distinction – *Rome’s* Cultural Diversity came through violence – assimilation or annihilation.

*America’s* has come by the willing embrace of those from which that diversity hails.

To brush over that pivotal distinction without the slightest acknowledgment is intellectually disingenuous – once again, flashy rhetoric over substance.

You speak of the *Federal Reserve* and the *EU* as though they are opposing forces. Your history of the *Federal Reserve* is a little rusty. Are you aware of who created and owns the *Federal Reserve* – and where many of these principals hailed from ? *The Houses of Europe*.

I invite you to read my piece on my site *Housing, Deflation and the Central Banks*. This is the oldest game in the world – and nothing has changed – or will change.

You cite ignorance as a basis for the downfall of *America*. Apparently you are not well traveled. Ignorance is a human condition prevalent throughout the *World* – *America* has no hegemony there.

Among the biblical quotes you also offer in support of your thesis of *America’s* demise, you quote *Jesus* that a house divided “*CANNOT*” stand. But in case you haven’t noticed that biblical admonition is equally applicable to *Europe, Russia and China*. Do I take that to mean you predict the impending demise of those Nations as well – and thus imminent *Armageddon* ?

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Perhaps a more apropos biblical reference can be found in *Proverbs 12:7*:

*“The wicked are overthrown, and are not; but the house of the righteous shall stand.”*

No Nation in the annals of history has had more power than *America* and handled it so benevolently. You acknowledge this benevolence – but then as quickly cast it aside to impugn *America’s* “hidden agenda”.

Adherence to the principal of “*Peace through Strength*” – even if by the “hidden agenda” of *Security* and *Stability* is nothing for *America* to be ashamed of – and it has been highly successful. Certainly you would agree that the “*ignorant masses*” as you call them, can’t be heard to complain ?

*America* is far from perfect, but it is the most righteous Nation to come along yet – and nothing on *Earth* today compares to it.

*America* is a great Nation. It should not be any surprise that with that greatness comes great problems as well.

You speak of “contagion” *vis-à-vis* currencies, and cursorily dismiss our *Ideology of Liberty* as sentimentality. But what you fail to grasp is that ultimate and absolute contagion in Humanity is *Liberty*.

That contagion is going to sweep down the *Chinese Government* in its present form – just as it did in *Russia*. It is just a matter of time. *China* as a *Communist Country* is doomed – practically and as you wish to cite, biblically. We know it, the *Europeans* know it – and the *Chinese Government* itself knows it.

*Communism* is an abomination to the *Human Spirit* – and neither polemics nor rhetoric can ever change that – and most certainly not a currency !!

“*Follow the Power*” you say. Indeed – the *Chinese Government* has every self-interest ( their very preservation ) in maintaining the *status quo* with the *United States*. They cannot survive a reordering of the World.

You tender the implication that you are an expert in “*real politick*”. Like all of the others, your analysis and dissertations embody what I call the “*Magnifying Glass Mentality*”. You use all of your intellectual firepower looking at a thousand facts with the magnifying glass – sure, you connect the dots clearly and unmistakably on the road – but you miss the intellectual truck that hits you head on.

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Similarly, like the rest of the *Dollar Bears* and *America Doomsayers*, these postulations and facts seem compelling on the surface – but when you dig a little deeper they begin to fall apart like whip cream on a sundae.

That’s why these issues are not addressed by you others of the same mind – because you can’t address them convincingly. You’re quite adept at marshalling a vast array of facts to flesh out your rhetoric – and use that skill to make the quantum leap from that thin reed to prophesying the downfall of *America*.

The conclusions you postulate don’t practically or logically follow from those premises – the most crucial ones are all *non sequiturs*. Like the wonderful *Richard Russell*, you may have gotten many things right – only to end up being dead wrong at the critical juncture – as you are now.

*Best Regards,*

*Charlie*