# DGC Magazine

## Gold's Evolution as money



August 2009

WebMoney Keeper Mobile - Stay Paid. Be Mobile.

http://www.wmtransfer.com
http://www.webmoney.ru

telepat
www.telepat.com

Featured Contributor
Omar Javaid - *Critic* Magazine - Pakistan
**Page 41**

**The Invisible Hand of Devil**
Written By Omar Javaid, Sr. Editor, *Critic* Magazine

---

**'Cashtration':** A person who is cash poor, possession rich, but not wanting to sell those possessions until their value returns in the market place.

**ON THE COVER**
**GOLD HAS BEEN USED AS MONEY FOR OVER 5000 YEARS. TODAY'S DIGITAL GOLD CURRENCY CAN EASILY BE ACCEPTED AS EVERYDAY MONEY AROUND THE GLOBE.**

Editor, Mark Herpel
editor@dgcmagazine.com
Skype IM 'digitalcurrency'
http://twitter.com/dgcmagazine
DGC Magazine is published online 12 times a year.
Subscriptions are free. Industry ads are free.

© 2008 DGC Magazine All Rights Reserved

Legal Notice/Disclaimer: Articles and advertisements in this magazine are not and should not be construed as an offer to sell or the solicitation of an offer to sell any investment. All material in this issue is based on information obtained from sources believed to be reliable but which have not been independently verified; DGCmagazine, the editor and contributors make no guarantee, representation or warranty and accept no responsibility or liability as to its accuracy or completeness. Expressions of opinion are those of contributors only & individual views are subject to change without notice. DGCmagazine and contributors assume no warranty, liability or guarantee for the current relevance, correctness or completeness of any information provided within this publication and will not be held liable for the consequence of reliance upon any opinion or statement contained herein. Furthermore, DGCmagazine assumes no liability for any direct or indirect loss or damage or, in particular, for lost profit, which you may incur as a result of the use and existence of the information, provided within this publication. As for any product or service advertised, promoted or which appears in this publication, readers are advised to "Use At Your Own Risk".

# DGC Magazine Salutes

**God Bless the President of the United States and God Bless America.**

**Digital gold currency is sound money.**

**Money 100% backed by precious metal is the honest way to do business.**
**Please join us in building a better world with transparent financial systems, no debt and currency backed by gold or silver.**

**Support DGC Magazine**

## Two New Webmoney Agents: UK & Canada

### In London: wmbroker.co.uk

Yes! Add funds to WebMoney in London. Individual account holders now can add funds to their E-Purses by a bank wire!

An Individual must hold a WM Passport, not lower than Personal and his own personal bank account in EURO, USD, GBP or RUR.

Accepted:
1. **Cash in the Great Britain - 5 min. to add funds**
2. **The Agents bank is located in SEPA (Single Euro Payments Area). If Buyers bank is located in SEPA as well it gives a chance to reduce bank charges.**
3. **Western Union and Moneygram**
4. **Visa/Mastercard**

http://wmbroker.co.uk

### In Canada: WMZMoney.ca

Add and withdraw funds:
1. **Cash**
2. **Bank deposit (CIBC, TD BANK, RBC, BMO, BUDUCHNIST CREDIT UNION)**
3. **Bank Wire transfer**
4. **Credit card  VISA / Master card**
5. **WM card ( webmoney prepay card - PAYMER check)**
6. **Western Union, Money Gram**

http://www.wmzmoney.ca/

# GROUP DYNAMICS & SECTARIANISM

BY PAUL ROSENBERG

In the past several decade there have been many noble, even brilliant, movements toward liberty. Many good people have pursued good projects. Most of them, and many of the best of them, have gone down in flames. The vast majority of these failures can be blamed on the same thing: Fractional battles, often over non-critical details.

This being the case, the issue deserves our attention and even our vigilance. The fact that we've seen fairly little of this in the past few years (at least I have), makes this a good time to shine a light on it.

**THE ROOTS**

"My team versus your team" is a function of insecurity and a strange type of belief in magic. I will explain:

The insecurity issue is fairly simple: A huge number of people get their self-esteem from their political opinions. This is obviously an error, since self-esteem must come from "self," not from others, but a huge number of people do it. Once people do this for a while, they become hardened in it.

In such a state, opposing (or even differing) opinions become not just foreign, but threats. Serious threats. After all, if you've spent decades tying your most basic opinions of yourself to political causes and doctrines, changing them becomes something akin to tearing off a piece of your soul.

The belief in magic I refer to goes back to Plato, and involves the belief that if everyone would hold to your pristine ideals, the world would magically heal itself. The most overt examples of this come in odd episodes such as the "Kite Fly For Peace," or the "Harmonic Convergence," but this occurs in many unexamined ways every day. However, this is a subject deserving of more coverage than I can give to it here.

**PROFESSIONAL USE**

It is worth noting that professionals have long used faction to ruin their opponents. The old communist movements trained people in such strategies and a wide variety of power-seeking groups do it still.

While you don't want to accuse every disagreeable person of being a professional agitator, such people do exist and will certainly be employed among us, if and when a sufficient number of people come to our side. Don't go overboard with this idea, but do retain it in memory.

**WHAT IS THE GOAL?**

What is the goal of your "work for liberty"? We all say, "liberty, of course," but there may be other things mixed in. This is a common human issue, and we should pay some attention to it.

We all have multiple goals. For one, almost all of us enjoy other people thinking well of us. For another, all of us (especially at a certain age) wish to attract a good mate. The older of us have special concerns for children and grandchildren. These things never entirely leave our minds, nor should they, but they do complicate matters.

There is nothing unusual or horrifying about having multiple, even somewhat conflicting purposes; this is simply the common state of humanity. It is when we close our eyes to it that problems arise.

The general goal of this magazine and the people who support it, obviously, is the use of digital gold currencies. You can have whatever additional purposes you like, but you should keep them secondary to what you do with this group of people. I hope you find a great mate here, that all speak well of you, and that your life is contributed to in many ways, but the superior goal is gold currency.

If you are for liberty, then work for liberty, and don't let secondary differences get mixed up in the work. If another person sees the logical foundation of property rights differently that you do, let it go – it doesn't matter. He can see it his way and you can see it yours. Just keep working for liberty.

The truth is that we all modify our opinions over time. You'll modify yours and so will today's ideological adversary. Keep moving forward and keep making a better world. Ten years from now you may see things the same… and liberty will be far, far more advanced if you don't devote most of your time and energy to defeating each other.

**THE PROBLEM WITH THE INTERNET**

I think I have to be considered a wild advocate of the Internet. But, the Internet has caused some problems too, and especially as regards group dynamics and sectarianism.

About twenty years ago I wrote a little series of essays for myself entitled Closed-Circuit Thinking, mostly as a way of clarifying my own thoughts. In it, I addressed the problems that arise in groups of people that listen to no voices but their own. I would now call these closed systems. As it turns out, I wasn't the only person thinking along these lines. There is now a considerable body of work of the subject, generally classified as Group Polarization.

Group polarization works this way: When a group of people with the same opinion remains in a single room, that opinion moves inevitably to the extreme. Many tests have been done - with widely-varied groups – and it happens every time.

The reason for this is what psychologists call Individuation: the need to be seen as a distinct individual, not merely as another drone in the hive.

The more outgoing people in any group will always struggle to make their voices heard above the din. To be regarded, one must have something different to say. And, since everyone in the room already holds the same opinion, the logical move is to take the opinion a bit farther than it has already gone. (Taking it away from the extreme would make you appear impure, weak, compromising, or otherwise unfaithful to the group.)

The end effect of this is that people in such self-contained groups get more and more polarized, and ever-harsher toward any groups that they see as their opponents.

The Internet makes it possible to surround yourself with people of a single opinion. Websites, blogs, discussion lists, and chat rooms all proliferate; and this in addition to ever-more television and radio stations catering to smaller segments of the populace. It is now possible to enclose yourself in your chosen mythologies.

This technology-enabled, Group Polarization effect delivers binary, us/them opinions, highly-emotional public clashes, and the demonization of outsiders. We need to turn away from it.

**THE NECESSITY OF ACKNOWLEDGMENT**

Groups do evolve in this way, whether we like it or not. It remains up to us to acknowledge it, transcend clannish instincts and serve primary goals rather than separate into self-congratulatory cloisters. Let the unimportant slights pass – keep your eye on the prize.

In the end, unpleasant contrary opinions are good for us. Cognitive dissonance is our friend; it shows us things that we have not integrated. Eliminating or even excluding contrary voices can be dangerous. Accept that life can be sloppy and keep moving forward.

© Copyright 2009 by Paul A. Rosenberg

Paul is the author of **Production Versus Plunder** and other books. You can find his work at
http://www.veraverba.com

established 1991

**Anglo Far-East.
"The Original"
Gold and Silver bullion custodian.**

**www.anglofareast.com**

**Contact:**

+1 206 905 9961 USA
+ 507 264 0164 Panama
+ 64 9337 0715 New Zealand
+ 61 8 8334 6855 Australia
+ 41 43 500 4218 Switzerland
+ 44 208 819 3911 UK
+ 852 8124 1265 Hong Kong

Email: astanczyk@anglofareast.com

# The Importance of Jurisdiction

by Jon Matonis

http://themonetaryfuture.blogspot.com

Today's digital gold currency issuers are the new Lydians. During the 6th century BC, the Aegean civilization of Lydia sparked a vibrant commercial revolution through the invention of coinage. The first gold coins were struck by King Alyattes and then by his son King Croesus of Lydia sometime around 600-560 BC, and the coins served as a primary currency which significantly increased trade and commerce in the region. The Lydian people and merchants were not only responsible for the introduction of coinage but also the early formulation of a gold standard of value, and the name Croesus of Lydia became synonymous with wealth.

It is not a stretch to imagine that the most successful non-political digital currencies also will have some type of precious metals backing. In a digital world where trust is craved, the currency issuers with the most reliable form of "auditable" backing will have a distinct advantage. However, the legal and territorial jurisdictions of the company's administrative offices, host computer servers, and physical bullion storage ultimately may play an even more important role.

To understand why this is true is to appreciate the nature of the attractiveness of digital currencies to the average account holder. It is much more than a desire to protect value that would otherwise be held in a depreciating government currency like the US Dollar or Euro, although that is important too. Not surprisingly, it extends equally into areas such as financial privacy, political stability, and protection from confiscation.

Economically and philosophically, the aim of pure digital cash is to replicate the transactional features of a $100 bill or a 500-euro note, which primarily means that it should be anonymous and untraceable. So, why do so many right-minded people object to these features in the online world? I am sure that they would not advocate mandatory photographs and audit trails for users of $100 bills. This is an extremely vital distinction because various commerce laws are being used by governments to violently suppress the online issuers of anything that is anonymous and untraceable. It would not be acceptable to eradicate $100 bills, or even $50s or $20s, so what becomes the difference in the online world?

The major difference is that online digital cash opens up a host of previously unavailable transaction types that will not require physical presence for the exchange of paper cash. It is this potential for customer-not-present transactions which strikes fear with the authorities, because of the dire consequences for tax evasion and money laundering, not to mention the darker side of blackmail, extortion, and ransom. Suitcases of cash will no longer be needed at predetermined drop-off points. There won't even be any drop-off points and therefore the frequency and value of all types of untraceable customer-not-present transactions will increase dramatically in an unregulated, "parallel" economy. The morally-positive transactions, such as political prisoner border crossings and tax-free exchanges, will coexist with the morally-negative transactions just as they do today. A parallel economy in the digital sphere has enormous implications for the world's taxation authorities.

We should not take for granted the privacy rights contained within a $100 bill -- they are a wonderful thing for freedom. Jurisdictions that embrace and permit these already-existing privacy features will attract digital currency issuers and therefore thrive in the online financial world. As to the associated morality of various transactions, it is no more the responsibility of the digital currency issuer than it is currently the responsibility of the manufacturer of $100 bills and 500-euro notes. Those types of arguments around judging and enforcing the morality of certain transactions only serve to muddle the true free-market argument for digital currency.

All of these political and moral sensitivities taken together demonstrate why jurisdiction is so vitally important to the emergence and survival of non-political digital currency. Authoritative forces are lined up against its emergence from the beginning, and there will be an ongoing high-stakes battle for survival, as recently observed in the U.S.

federal case against e-gold being prosecuted as an unlicensed money transmission service. International governments and police forces will all cooperate with each other in a desperate attempt to retain monetary supremacy, so old laws will be tweaked to make them applicable, and new direct legislation will be enacted to fill any voids. This scenario will play out across the globe where the larger and stronger nations exert diplomatic, economic, and possibly military pressures on the non-compliant nations.

Not surprisingly, even the U.S. government recognizes that restricting digital currencies on the Internet will require unprecedented international coordination. As stated in a 2008 U.S. Department of Justice study on Money Laundering in Digital Currencies:

> **"U.S. regulatory action alone will not be sufficient to suppress the money laundering threat posed by digital currencies. Even if clear and consistent regulatory measures are imposed, digital currency services established in foreign and offshore jurisdictions—which are not subject to the Bank Secrecy Act (BSA)—can be used to conduct transactions in the United States. Limited international oversight of this expanding financial service is possible through a recommendation of the Financial Action Task Force on Money Laundering (FATF)."**

To be sure, jurisdictional risk is but one of many risks in the digital currency business, with the others being technological risk, encryption/security risk, audit risk, fraud risk, and business default risk. But it is jurisdictional risk that has the most profound impact on long-term viability because it is the least correctable once launched. In addressing jurisdictional risk, the digital currency issuer must consider multiple jurisdictions for each of the functional areas and perhaps even two or more jurisdictions within each functional area for redundancy. For example, both a Central American country and an Asian country for location of hosting servers would provide load-balancing and continued reliability in the event of a changing political climate against anonymous digital cash server farms in one country.

Administrative offices may be part of a legal entity in a faraway, remote jurisdiction and have physical staff and buildings in a large, populated city, thereby placing them in a different territorial jurisdiction. Both jurisdictions are important to consider because both will have differing legal statutes related to the issuance and management of anonymous, untraceable digital currency. It is not the objective of this analysis to promote one jurisdiction over another, primarily because ideal jurisdictions will be in a constant state of change due to their political nature. However, it is possible to look at some selected jurisdictions of existing digital currency issuers.

One such issuer established a Panamanian international business corporation (IBC) as a holding company with a subsidiary Haitian company as the administrative general contractor and a subsidiary Burmese corporation as the payment system operator. In addition to distributing legal jurisdiction risk, this structure served to insulate the administrator from the business risks associated with default of the operator. Another issuer established the administrative body in the Seychelles with operations and customer support outsourced to a Malaysian company.

For administrative legal jurisdiction, Panama, Belize, Costa Rica, Nevis, and Seychelles have been popular because of their banking secrecy heritage, minimal tax structure, and/or their distance from the reach of the U.S. legal system. They are decidedly not one of the 32 member countries of the FATF international body. Establishing in non-FATF member jurisdictions can be a double-edged sword for the digital currency customers because untrustworthy issuers may be insulated from judgments related to fraud, so issuer reputation will be of paramount importance to overcome that concern.

In the case of territorial jurisdiction, it is not always clear where issuers maintain their physical presence because they have mostly been small, movable organizations capable of operating virtually. Diligence should be observed if loosely guiding or operating a digital gold currency entity from a shareholder's home country, such as the United States, because territorial jurisdiction will prevail regardless of where the corporate entity was formed. Since legal and territorial jurisdictions are different from an enforcement perspective, the issuer ideally should establish

CRYPTOHIPPIE

- VPN anonymous surfing
- Anonymous email
- CryptoRouters
- Closed-Group Networks
- Encrypted and distributed data storage
- Multi-hop routing
- Multi-jurisdictional structure
- New products in development

http://www.cryptohippie.com

Peace of Mind – Second to Nothing

separate legal entities for each location.

For the location of international bullion storage, issuers have selected domiciles that have a longstanding reputation of storing precious metals, such as Zurich, London, and Vienna. Now, Dubai is an up-and-coming storage center for precious metals in that it is already one of the largest centers for trading gold managing one-fifth of global annual gold production. Geographic diversification in vault selection makes sense in a world where established financial centers have experienced increased pressure to eliminate financial privacy, and the threat of asset confiscation persists.

The complete jurisdictional framework for digital currency issuers is a multinational structure of various corporate entities that have either subsidiary relationships within the framework or pure outsourcing arrangements to separately-owned entities. They will function best when they have considerations for distributed risk and redundancy built in and when they utilize best-of-breed locations for the particular functional areas.

Source:
http://themonetaryfuture.blogspot.com/2009/07/importance-of-jurisdiction.html

## NuBux: Electronic Monopoly Money

(In development from Pelle Braendgaard & Stake Ventures)

This is a sample electronic currency based on Open-Transact . The value is backed mostly by hot air and does not imply any kind of promise.

The goal is to have this match the standards developed on the Agile Banking mailing list.(Agile Banking is a term we use for a new kind of banking.) As well as provide an electronic currency for other applications to work on top of.

http://nubux.heroku.com/
http://github.com/opentransact/nubux/tree/master
http://wiki.github.com/opentransact/opentransact
http://stakeventures.com/

# HUGO SALINAS-PRICE WILL KEYNOTE THE SILVER SUMMIT 2009

***Wallace, Idaho*** – Hugo Salinas-Price, author and father of the movement to restore silver as money, will keynote The Silver Summit 2009 conference Sept. 24-25 in Spokane, Wash., at the historic Davenport Hotel.

Mr. Salinas-Price, who hails from Mexico City, Mexico, has crusaded for the re-monetization of silver since he wrote his first book, “Silver: the road for Mexico,” after the 1995 devaluation of the Mexican peso.

Since then he has worked to popularize his objective to institute a silver coin in permanent circulation in parallel and complementary to the fiat peso. Born in 1932, Mr. Salinas-Price became general manager of “Elektra,” a small, struggling radio manufacturer founded by his father. He remained in that post for 35 years, and is now honorary president of Grupo Elektra, an important Mexican retailing enterprise from which his family’s interests have spread into television broadcasting and banking. Besides his business activity he has since youth been interested

in monetary matters.

Over the years he published many articles in Mexican newspapers in which he pointed out the bad consequences of economic policy based on paper money and excessive government spending. In 1997 he founded the Mexican Civic Association Pro Silver, A.C., of which he is President. In 2002 he published "More regarding silver," and in 2003: "Silver and the wreck of paper money," both published by Editorial Diana. His most recent work is "How to put the silver coin in circulation," published in 2008 by Abacar Ediciones. He writes articles for the Association's website, www.plata.com.mx and some of his articles on monetary affairs appear in in English on websites such as oroyfinanzas.com, gold-eagle.com, financialsense.com, lemetropolecafe.com and others. His project regarding the monetization of the silver ounce served as the basis for the elaboration of a Bill which has widespread support in all the political parties and awaits the vote of the Chamber.

While unable to travel physically to the United States, Mr. Salinas-Price views The Silver Summit "as a worthy endeavour."

"I have arranged to appear at The Silver Summit via satellite link-up, so that we may meet, one-on-one, even if it is over the air waves. We will discuss silver as money. I will tell you of my efforts to return Mexico to honest money, based in silver, and I will be delighted to take your questions. I appreciate your interest in my work," Mr. Salinas-Price said.

The Silver Summit Director Shauna Hillman said, "Participation in The Silver Summit by Mr. Salinas is the highest honor we could be paid. Any one who has witnessed Mr. Salinas' efforts to restore Mexico's sovereignty by the very metal that made her great cannot help but be touched, inspired and motivated to join his efforts."

Information on The Silver Summit 2009 may be obtained on the website:
http://www.thesilversummit.com; or by telephoning The Silver Summit's office at +1.208.556.1621.

# ‘Wirex’ A New Online Payment System

http://www.wirex.org

Send or receive funds in different currencies, use real-time p2p payments, exchange your currencies and accumulate your funds in the Wirex system. No ID required.

Check out our to learn more:

- Free p2p transfers
- Withdrawals to ePassporte, PayPal, WebMoney
- Send or receive wires in USD and EUR from/to our account
- Checks in EUR, EUR Check Cashing
- Mass payments for regular payouts (Wirex, ePassporte, WebMoney and Paypal)
- Automated payments for goods and services
- Loading funds into account via a variety of methods.

**Q: How can I load a Wirex account?**
A: At the moment you can load your Wirex account by the following ways:
- internal transfer from other Wirex account;
- bank transfer (wire) to our bank account;
- transfer to our ePassporte account (from business-accounts only);
- transfer to our Webmoney Z-purse.

**Q: Can you provide an invoice to my payer?**
A: Yes, we can.

**Q: I need an ePassporte account and a debit card, can you help me?**
A: Yes, we can provide our clients with ePassporte account and their debit VISA-card.

Russian/English web site.
http://www.wirex.org

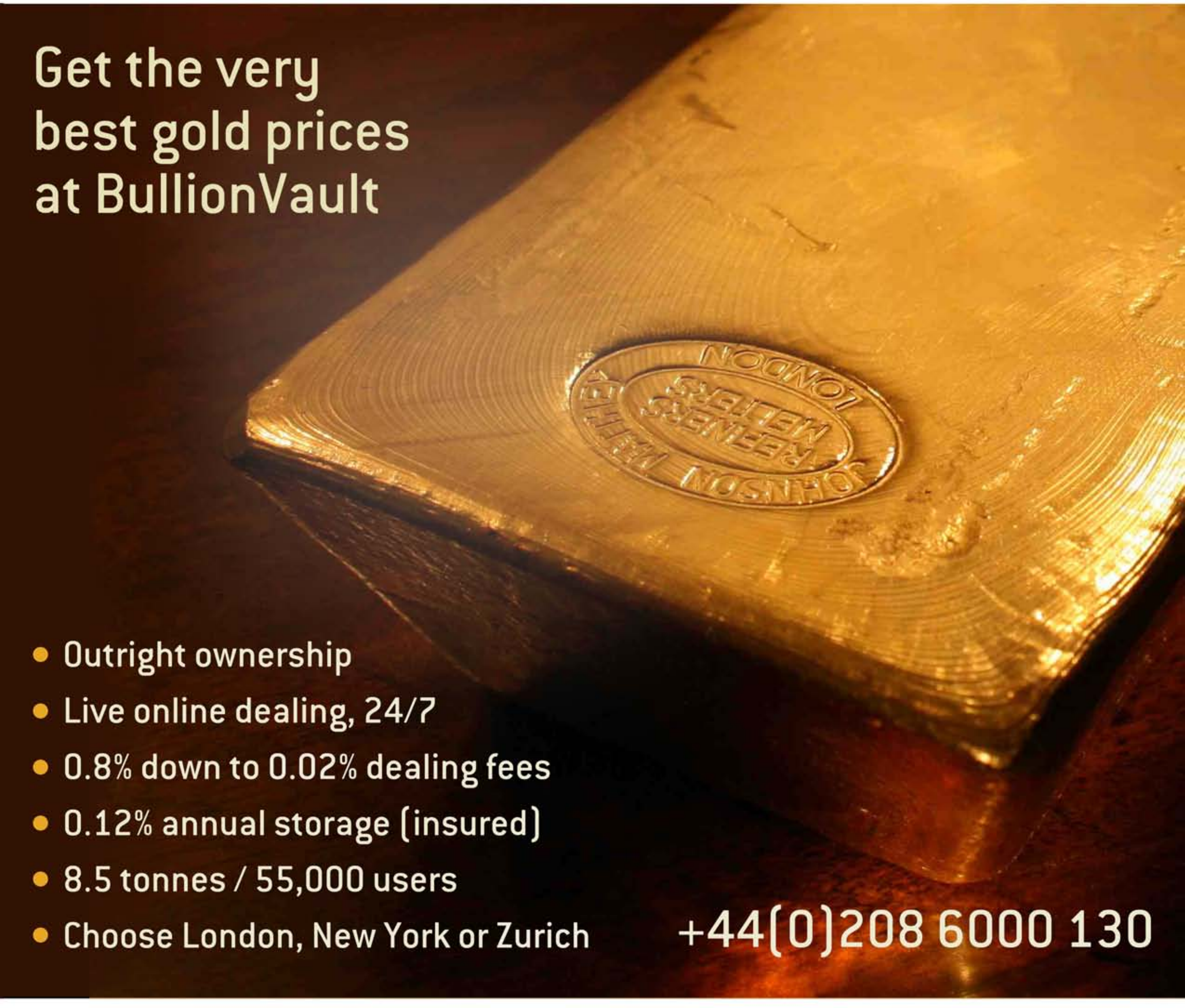
# Wirtland Virtual Country Launches 24-carat Gold Coin

July 2009 - The first gold coin to be produced by an internet-based country has been given its official launch. The 24-c Wirtland Crane has been designed by Daniel Carr of Moonlight Mint, who also created the 2001 statehood quarters for New York and Rhode Island. Wirtland was founded in 2008 as the world’s first internet-based sovereign nation. Its official website describes it as an experiment into the “legitimacy and self-sustainability of a country without its own soil”. Some 661 people from five continents have become “citizens” of the state, which offers passports, identification cards and residence permits.

The Wirtland Crane is formally classed as being similar to commemorative and collectors’ coins. Although it is not designed to enter circulation, the coin has been given a symbolic denomination of ten International Currency Units. The gold piece, which can be bought direct from Moonlight Mint, features Wirtland’s coat of arms and a gold purity stamp on one side, with a migratory crane, symbolizing Wirtland’s transcendence of land and borders, on the other.

http://www.Wirtland.com
http://Wirtland.blogspot.com
http://twitter.com/wirtland

# Ready to Buy Gold?




BullionVault.com

Professional Gold for Private Investors

http://www.bullionvault.com

LBMA MEMBER

www.lbma.org.uk

# WE ARE WITNESSING A NEW RENAISSANCE, AND GOLD IS READY FOR $1,000/OZ

by John Lee, CFA

August 3, 2009

This is a follow up to the Q1 2009 Summary On Gold And Various Markets issued on March 31, 2009 ( http://new.goldmau.com/article.php?id=1610 )

In the first quarter of 2009, we reached the climax of US banking collapse. Global central banks hurried to apply fiscal and monetary stimulus, including unconventional "Quantitative Easing", which entailed the printing of over $1.5 trillion to buy troubled mortgage and derivative assets. Our conclusion then was

> ***"In Q1 we likely saw the peak of the dollar. Mr. Bernanke and Mr. Obama continued with hyper-inflationary fiscal and monetary policies which will spark the resumption of commodity bull. Asian markets are breaking away from US equities, this is what we anticipated. I look to accelerated global recovery and volatile markets, with positive uptrend ahead. "***

Back in March, we were quite possibly the only optimist calling for the recovery in the equity markets. The following charts demonstrate we should have been more bullish!

So what's in store for the rest of 2009?

**<u>Gold:</u>**


We said in March:

> ***"Fiscal deficits and record low rates will further provide momentum for gold. The chance of reaching past $1,000/oz has been further bolstered by oil's strong comeback at $50. For Q2 I look for range bound between $850/oz and $1,000/oz."***

*"In a world that's gone a little bit crazy... it's good to know there's still a safe and reliable place to store your wealth."*

For more than 5 years we have been a leading provider of gold storage services

We offer our customers

extremely strong security,
outstanding customer service,
excellent reliability and
honest transparent governance

We're adapting to change...
How about you?

*Join us today*

pecunix

www.pecunix.com

http://www.pecunix.com

Licensed and registered in the Republic of Panama

Gold indeed took a breather while allowing commodity and equity markets to catch up. Now with crisis talk receding, inflation and deficit concerns will return to center stage. I look for gold to first break out of $950 by September, and rocket past $1,000 by end of October. Technically the above bullish reverse head-and-shoulder pattern predicts a peak for 2009 of $1,300-$1,500/oz

**USDX:**


In March we said:

*"The dollar performed its best act and was squeezed to 89 before long term poor fundamentals come back in to play. I look for a dollar correction that will take the index back 80 in Q2 and 75 in 2009."*

Our call on the dollar was spot on. The dollar looks to have just broken down from the bearish head-of-shoulder formation, this means dollar is going down further to 75 shortly. Because strengthening Asian currencies (other than the yen) are not in the dollar index basket, I am not as bearish as other analysts on the dollar index and would peg my conservative low target of 70 in 2009.

http://www.e-dinar.com

# Protect against Inflation Use Gold & Silver


**buy physical Gold & Silver online**

**make instant online payments with Gold & Silver**

**hold Gold Dinar and Silver Dirhams in your hands**

e-dinar

www.e-dinar.com

**S&P500** (page 9)

We said in March:

***"S&P500 staged a panic bottom in Q1 from banking crisis and is back trading above 800 level. With zero% interest rate and vast money looking for a home, we are neutral to mildly positive on the index. "***

Back then we drew 1,000 as being the upside mark. The index reached that target with ease in July. Since the fundamentals for the US economy has not improved at all with double digit unemployment rate, this liquidity driven rally could take a breather before the next advance. I look for index to be range-bound between 900 to 1,150 for 2009. The lower the dollar goes, the higher S&P500 will be.

**Gold Stocks:**


We said in March:

***"The XAU zoomed to 140 in Q1, which is quite extraordinary given the extremely poor climate in equity markets. There is a lot of resistance ahead at 150 which will likely cap the index for Q2 while base metal and energy sectors play catch up. "***

XAU matched our call for Q2 as it zig-zag'ed its way to 150. With gold primed for a major breakout, XAU presents the lowest-risk entry point for the year. I look for the index to take out 150 by September, with first target being 170, then 200 by year end. I have a feeling the 200 target could be conservative.

**Oil and Copper:**

In March we said:

***"In Q1, China started stockpiling base metals and energy markets started to return to normalcy from extreme margin selloff. Remember, commodity prices go up regardless of economic activities in times of inflation, just ask the Zimbabweans with 85% unemployment and a loaf of bread costing 1 trillion Zimbabwean dollars.***

***Base metals and oil have staged very healthy gains in Q1, prompting us to possibly raise our above target for the year. For Q2, oil is likely to be between $40 and $60, while copper stays between $1.75 - $2.25 "***



It turned out we were conservative in our already optimistic call for oil and copper. Given those two growth commodities have doubled from the 2009, I would be cautious to step in at this point. The lows I see for oil is $50's and for copper is low $2's. I am cashing out copper producers, rotating to gold and copper juniors companies.

**S&P TSX Ventures Index (Proxy to Junior Mining Stocks):** (page 13)

We said in March:

***"Our call here has been mostly correct. I am mildly surprised by the relative strong performance of the junior resource sector in Q1 (up 35%). While I don't see much downside as value plays abound, note there***

***is strong resistance at 1,000. "***


Investors snatched up bargains in the junior sector, which helped propel the index to 1,200. Lots of analysts are recommending taking profits out of the juniors. If copper nickel and gold stay above $2 and $6 and $900 respectively, we won't see any prolonged correction in the junior sector as there are still many bargains that are 50%-70% off from 2008 peak. I think a better strategy is to keep a good portion of funds and rotate positions within juniors. My conservative target for the index is 1,500 by year end.

**Global Equities (using Shanghai Stock Exchange Index as Proxy):**


I said in March:

***"Shanghai rebounded 25% alone in Q1, faster that I anticipated. The index has de-coupled from the US equity markets and the chart is very bullish. I would raise my target for the index to 3,000 for the year.***


GoldMoney
where your money is still
worth its weight in gold.
Administrative Headquarters
Net Transactions Limited
12-14 David Place
St. Helier, Jersey
JE2 4TD
Channel Islands (UK)
Tel: +44-1534-511-977
Fax: +44-1534-511-988
http://www.GoldMoney.com
GoldMoney

***Buoyant Asian equities will have a positive impact on commodity prices."***

Again I was being too modest with my forecast. China is the most populist country and is the world's third largest economy, so the doubling of Shanghai stock exchange from its Oct low is no small feast. While I don't see any severe prolonged correction, the chart indicates congestion between 3,500 and 4,000, which is now my upside target for 2009.

**We are entering a new renaissance:**

With the talk of financial crisis receding, the focus will be back on the dollar. The US budget deficit is projected to reach $2 trillion in 2010. As the generation of baby boomers enters the entitlement phase, the deficit will only likely to go higher. Medicare spending for the first time exceeded contribution, and the Medicare trust fund became a net seller of US treasury instead of being a contributor. While the budget deficit situation is alarming, what concerns me the most is the waning appetite of foreign investors on dollar debts. Dollar debts owned by foreign investors currently stand at over $12 trillion. China, Brazil, India, and Russian are explicitly warning US to reign in deficits to save the dollar. I wonder when their patience will run out.

The dollar standard lasted 4 decades and channeled 70% of the world's resources and investment to America, a country with 5% of the world population.

The jettison of the dollar standard will ensure uniformed distribution of wealth and investment throughout the world. I would boldly state that the global growth will accelerate as we enter a new renaissance with industrial and hi-tech revolution that will put the 1900's industrial revolution to shame.

**What to do now?**

In my June article titled "How Equity And Currency Markets Behave After Financial Crisis" (http://new.goldmau.com/article.php?id=1816) I stated that hoarding dollars after a debt crisis is the worst strategy. There is still time to diversify. Sign up for our newsletter package at GoldMau.com, and the independent thinkers such Lawrence Roulston and Aden sisters will share their views on how to come out ahead.

**John Lee, CFA**
http://www.goldmau.com
jlee@goldmau.com
1.800.965.6404

**ABOUT THE AUTHOR**
**John Lee, Mau Capital Management**
John Lee is the founder and principal of Mau Capital Management and the portfolio manager of a mining equity hedge fund. He is a CFA charter holder and has degrees in Economics and Engineering from Rice University. Mr. Lee has a keen interest in the history of money and economics, and has previously studied under Mr. James Turk, a renowned authority on the gold market.

If you would like to receive subscription of Mr. Lee's Stock Chart of the Week and 4 other famous newsletters for the price of $89.95/3 months, click here to find out more.
http://new.goldmau.com/stockchartsubscribe.php


# The American Open Currency Standard


http://www.opencurrency.com

# **Webmoney** *is now a payment option on* **Digital River**

As an alternate form of payment for all those not using credit cards, customers now have the option of paying with Webmoney and affiliates may now receive their monthly compensation paid in WebMoney.

If you have recently tried buying any downloadable online content like software programs as you arrived at the checkout payment screen you may have been pleasantly surprised! Alongside payment options such as Visa and MasterCard customers will now also find Webmoney Transfer. Digital River, which is the leading provider of software delivery over the internet, is now offering Webmoney as a customer payment option.

Digital River's dynamic technologies simplify today's complicated world of e-commerce and their payment/ download service is featured on more then 40,000 online stores. This company offers advanced fraud protection and even accepts payment in China through AliPay. Digital River is the recognized global leader in providing payment options for online content and caters to clients such as Symantec, Microsoft, AOL, eBay, Electronic Arts, Toshiba and Computer Associates.

Their payment platform offers site development and hosting, order management, export controls, tax management, physical and digital product fulfillment, multi-lingual customer service, advanced reporting and strategic marketing services. Digital River is also a publically traded company on NASDAQ under the symbol DRIV.

With the ultimate goal of expanding global sales, over the past decade Webmoney Transfer has developed and entered into many exciting deals with established payment companies. This agreement with Digital River is no exception.

The Webmoney payment system is extremely popular around the world especially in countries where credit card penetration is low. If the local banking options do not offer or permit credit card business Webmoney can provide an excellent targeted ecommerce option.

Even more fruitful to this Webmoney/Digital River equation is the fact that RegNow affiliates, which offer the sales of downloadable products, can now be paid each month in Webmoney (WMZ purse). This is a huge bonus for many online affiliates and has simplified the sometimes lengthy and expensive process of receiving compensation. the RegNow Program offers affiliates the largest selection of software available on the today's Internet with categories including games, anti-virus, utilities and more.

As an RegNow affiliate, here are the terms of receiving compensation through Webmoney.

WebMoney
- Average Timeframe: 2-5 business days from date sent.
- Eligibility: All Accounts
- Cost: Payment amount * 0.8% + $5 (with max cap at $55.)
- Frequency: Monthly (on the 1st of each month)

If you are considering online affiliate sales for generating some real income, the RegNow program makes a real commitment towards their affiliates' success by offering a wide range of unique and innovative ways to sell software on the Internet. Here are some of the popular affiliate tools RegNow offers:

- **Links and Banners - If you're interested in promoting products through text links or banners, you'll find a wide selection within the RegNow Affiliate Program.**
- **Trials - The RegNow Affiliate Program uses a proprietary technology to dynamically "tag" trials for products that are driven by you. This dynamic tagging ensure that our affiliates receive credit for ALL "in application" trial conversions.**
- **Text Ads - If you've had success with Google's AdSense program, you'll love SoftwareAdsNow. Check out SoftwareAdsNow at http://www.softwareadsnow.com and create targeted text ads for your site.**
- **Search Box - Put a simple search box on your site to allow your customers to search for the hottest software titles on the web today.**
- **Data Feeds - Allows you to extract part or all of the affiliate catalog including buy links and images that you'll need to build your own pages or an entire store!!**

The RegNow Affiliate Site Builder Tool allows members to quickly and easily create a search-friendly affiliate web site populated with thousands of RegNow products.
This is not the first time that global leader Webmoney has entered into a agreement with a popular payment company. Currently Webmoney Transfer accounts can be funded by payments from such advanced financial tools such as Ukash, cashU, Paymer and Paysafecard. Not by accident, all of these payment options target the non-credit card users. These tools provides the ability to fund a digital Webmoney account through a local cash location. No matter if you are living in Egypt, London, Dublin or even Tripoli, Libya these tools permit you to visit a local store, spend cash for that product and immediately transfer digital funds into your online WM account. Webmoney makes it easy to fund digital accounts and also receive payments anywhere in the world. No credit card or bank account needed!

**About Webmoney**
Today, there are around 8.3 million Webmoney accounts, more than 120,000 kiosk locations in Russia which receive cash-in account funding payments funding and the company's clientele reside throughout more than 8,000 cities in 70 countries around the globe.

Please note that some of the above services are only available to formal Webmoney passport (or higher passport types) holders! However, it is very easy to identify yourself and receive a formal passport. Please see their web site for more details.

Digital Gold Currency Experts

http://centregold.ca/

# Washington is Clueless About Inflation

http://inflation.us

It's unfortunate that nobody in Washington understands the true definition of inflation. Inflation is the expansion of money supply from the printing of money, low reserve requirements, and the Federal Reserve's open market operations. The hyperinflation in Germany in the 1920's as well as in Zimbabwe today was caused by the government running their printing presses non-stop, exactly like the U.S. is doing right now.

It just so happens that our massive printing of U.S. dollars has come at the same time as the biggest bursting of any bubble in world history. Therefore, nobody will see inflation in the form of rising prices until excess inventories are done being worked off. Eventually there will be too many dollars chasing too few goods. Remember, none of the stimulus dollars are being spent for the increased production of goods. Manufacturing jobs are way down and the only area of rising employment is non-productive government jobs.

The U.S. government wants inflation because inflation benefits debtors and harms creditors, with the U.S. being the largest debtor nation in the world. If the U.S. wants price inflation and the Federal Reserve takes every step in their power to create it, like they are doing today, eventually price inflation will arrive but won't be possible to control.

If you turn your shower on and the water is cold, and you turn the knob towards hot and the water stays cold, and you keep turning more and more towards hot, eventually burning hot water will come out. That's exactly what's happening today. Because we don't see price inflation, the Federal Reserve thinks they are in the clear to keep interest rates at 0% for an extended period of time while rapidly expanding its balance sheet at an unprecedented rate. They should in fact be raising interest rates right now to counteract the price inflation that will soon arrive.

Just like how all you hear on television today from the mainstream media is about the current recession, rising unemployment, foreclosures, etc., all you are going to hear about a few years from now is massive inflation and what must be done to stop the falling U.S. dollar. Well, massive inflation is already here today, just because we don't see it yet in the form of rising prices doesn't mean we don't need to prepare for rising prices now. Do you really believe gold will still be trading below $2,000 per ounce when we start to see rising prices and the media wakes up and begins warning Americans about massive inflation?

Bernanke said last week that he had to "hold my nose" and bailout so-called "too big to fail companies" like AIG because he said, "I was not going to be the Federal Reserve chairman who presided over the second Great Depression". By saying this, Bernanke admitted that he is short-sighted, just like everybody else in Washington today. Bernanke's reappointment is coming up and he has destroyed the value of our currency underneath the surface, just so he can keep his job.

The Federal Reserve's intervention into the economy is what made the Great Depression great, by increasing the duration of it. Today, Bernanke is injecting the economy with heroin to keep it propped up for now, but eventually we will see a great depression that will be many times worse than the 1930's, combined with massive inflation that will be many times worse than the inflation of the 1970's.

Treasury secretary Geithner reassured China last week that we are working to get our budget deficit under control. With a $2 trillion budget deficit likely this year and the government looking to greatly expand its size with socialized health care reform and new "cap and trade" regulations, it will be impossible to reduce the budget deficit.

As the dollar begins to collapse, government workers and soldiers will demand higher wages just like what happened in Zimbabwe, and the rate at which we print money will increase. Interest rates will have to go much higher and we will be burdened with massive interest payments on our national debt, which will have to be monetized. There is no good outcome of this situation, but the best way out is to cut government spending and the budget deficit now while increasing interest rates immediately.

http://inflation.us/washingtoncluelessinflation.html http://www.goldandsilvernow.com

GoldandSilverNow™

FREE MARKET EXCHANGE


"Tarek Saab has begun something that many of my friends and associates have talked about for years!"

**David Morgan**

"Thank you for showing others how to do it right!"

**Jason Hommel**

"GoldandSIlverNow is helping to solve the shortage in the precious metals market!"

**Fort Worth Business Press**

## WELCOME TO THE FREE MARKET!

Sellers get the best value for their bullion.

Buyers receive their metal immediately.

Simple as that!

www.GoldandSilverNow.com

# Foreign Exchange Controls . . . Not So Foreign

by Tarek Saab

You own gold bullion. You also own silver bullion (in case the Fed decides to confiscate your gold). You own guns to protect your family and your homestead. You have built up a three-year cache of food in the event of a terminal disruption in the domestic food supply.

But you still need a ‘Plan B’, so you have stored the remainder of your liquid assets overseas in Switzerland in the event of widespread bank runs, bank failures, or bank holidays. If all else fails, you have determined to pack up and jettison the sinking Titanic for another shore. There is only one catch: The US government doesn’t want you to leave.

In 2008, over two million US citizens fled the United States for greener pastures, and while this figure still represents less than 1% of the total US population, the trend is astounding. Between 2006-2008, the average number of US permanent resident filings stood at roughly 1.1 million/year, placing the legal inflow at negative 900,000 people. In a country of immigrants, the trend is emigration, not immigration. Even the Mexicans are beginning to think twice. (See: Mexican immigration to US hits 10-year low: study)

The US government is monitoring this exodus closely. Using the pretext of anti-money laundering and the Patriot Act, restrictions on foreign assets are becoming ever more totalitarian. A business associate of mine recently requested information on opening a bank account in an insignificant Latin American country, but was told by the bank agent that the process for US Citizens was “extremely difficult” because of US government regulations. The bank essentially declared “we are not interested in the business of United States citizens.” Who can blame them? Switzerland’s largest bank, UBS, remains entangled in a bitter lawsuit with the US Government concerning the account details of 52,000 of its US customers. The US government claims that this information is critical to “tax evasion” cases. Tax evasion by 52,000 US clients? Whatever.

American privacy is no longer a matter of rights. The law now states that “If you or your partnership, corporation, estate, or trust is a “U.S. person,” you must report the existence of all “foreign bank, securities or ‘other’ financial accounts” if the aggregate value of those accounts exceeded US$10,000 at any time during the preceding year. Those failing to do so face a fine up to US$250,000, imprisonment up to five years, or both.” Since most financial experts anticipate a massive dollar depreciation in the not-too-distant future, the question becomes: what will be the government’s next move? It is a question which has already been answered for us, care of the International Emergency Economic Powers Act (IEEPA). Section 1702 of the IEEPA empowers President Obama, with the stroke of a pen, to enact foreign exchange controls under “Unusual and extraordinary threat; declaration of national emergency”. You can expect, with certainty, harsher foreign exchange controls in the near future and strict, preventative measures against mass evacuation out of the dollar.

International Emergency Economic Powers Act (IEEPA)

Summarized by Wikipedia: the IEEPA “authorizes the president to declare the existence of an “unusual and extraordinary threat... to the national security, foreign policy, or economy of the United States” that originates “in whole or substantial part outside the United States.” It further authorizes the president, after such a declaration, to block transactions and freeze assets to deal with the threat. In the event of an actual attack on the United States, the president can also confiscate property connected with a country, group, or person that aided in the attack.”

EXCERPT *(continued page 30)*

**§ 1702. Presidential authorities**
**(a)(1) At the times and to the extent specified in section 1701 of this title, the President may, under such regulations as he may prescribe, by means of instructions, licenses, or otherwise--**
**(A) investigate, regulate, or prohibit--**
**(i) any transactions in foreign exchange,**
**(ii) transfers of credit or payments between, by, through, or to any banking institution, to the extent that such transfers or payments involve any interest of any foreign country or a national thereof,**
**(iii) the importing or exporting of currency or securities, by any person, or with respect to any property, subject to the jurisdiction of the United States;**
**(B) investigate, block during the pendency of an investigation, regulate, direct and compel, nullify, void, prevent or prohibit, any acquisition, holding, withholding, use, transfer, withdrawal, transportation, importation or exportation of, or dealing in, or exercising any right, power, or privilege with respect to, or transactions involving, any property in which any foreign country or a national thereof has any interest by any person, or with respect to any property, subject to the jurisdiction of the United States;**

If you maintain that you will flee the US if the situation worsens, I might remind you that you will not get very far without your checkbook. May I further remind you that the repatriation of capital investment may soon be labeled a form of "economic patriotism" whether you like it or not. There are presently only a few foreign assets protected (implicitly, though not legally) from repatriation. I will explore those alternatives in my next article.

'Til next time, that's my Saab Story.

"Saab Stories" is a bi-weekly syndicated column presented by Tarek Saab, President of GoldandSilverNow.
http://www.goldandsilvernow.com


http://www.goldmau.com

Goldmau.com GoldInsider Network

70% OFF

We've done all the work so you can take advantage of ALL the best minds in the precious metals and resource sector. With the Gold Insider, you get the best of the best - with five top newsletters for the price of one. A subscription gets you:

**John Lee**
*Stock Chart of the Week*

**Lawrence Roulston**
*Resource Opportunitics*

**David Morgan**
*The Morgan Report*

**Ron Struthers**
*Resource Stock Report*

**Mary Anne & Pamela Aden**
*Aden Forcast*

**And More To Be Added...**

**Top 5 Newsletters Costing ~~$1100~~. Now for only $89.95!**
**Go to Goldmau.com for more information.**

# Loom Software: An Open Source Online System of Value Transfer

The Loom system was designed and created by Patrick Chekroff. It is considered Open Source software.

Loom is a variety or type of value transfer software. As one might argue that the best things in life are the simple pleasures, the Loom system might also be characterized as simple accounting software developed to meet the needs of online consumers. The system functions by offering users the ability to send and receive digital units(payments). The Loom system gives all users the ability to create private digital units specific to each user's needs. After a unit is created, parts of that digital unit or the whole unit can then be transferred between users. These digital units are known as "assets". Units are divisible out to any scale desired but a 7 is typical for gold. (00.1234567)

To initiate any activity on the Loom system, each user must create at least one wallet (also known as a folder) which will hold all of the user's assets. There are no formal accounts in a Loom system as you may find in conventional online payment systems like PayPal or Moneybookers. Unlike PayPal which restricts all users to just one account, Loom users are permitted to have multiple folders.

The process of opening a Loom folder, requires NO identifying information which, like a PayPal type system, would connect, link and legally bind a user through the Terms Of Service Agreement. A PayPal or Moneybookers accounts may require some or all of these items:

- **Name**
- **Address**
- **Phone Number**
- **Email**
- **Credit Card Information**
- **Local Banking Information**
- **Utility Bill**
- **Telephone Call Verification**
- **ID Copy**

The Loom folder does not require any identifying information (not even a name) and the only activity required to create a Loom folder is to choose a passphrase. The passphrase is the single identifying item(data) required to open & operate a Loom folder. Don't lose it and don't let others get your passphrase.

**Security of design and basic transaction functions**

A basic description of the Loom system might involve comparing it to an endless checkerboard or grid. As one user wants to send an asset to another user, a randomly generated location in cyberspace accepts a deposit of that asset. The secret location (number) on the grid which now contains that asset value is then delivered to the recipient. Private delivery of this number can be accomplished by any host of methods including but not limited to email, phone, fax, sms or written on a slip of paper and hand delivered.

Once the receiver has the number in his possession, they can simply log in to their private folder and accept the asset (remove it from the identified checkerboard location and place into their folder). This is a rather simplified description of the Loom operation but it is accurate.

There are also a host of software and API add ons which can automate this process, simplify the acceptance of an asset (payment) or incorporate the Loom activities into an existing shopping cart application. Example: Arto Bendiken is now integrating the Loom system into Drupal. See http://drupal.org/project/digitalcurrency , http://ar.to/

The information displayed in a Loom wallet(folder) is contained in these four sections:

- **A dialog box for making payments**
- **The assets in your wallet**
- **Any assets in transit between you and your contacts**
- **Your personal transaction history**

To sum things up, "an account" at any standard online payments company is comparable "a folder" in the Loom system. A payment is comparable to an asset transfer. Unlike a Moneybookers account where a transaction may be completed by sending money, Loom transactions have two parts. The sender places the asset in a shared location and the receiver then picks up the asset. The transaction is not completed and may be recalled until the receiver picks up the asset. By placing an asset on a private location and sharing that location, the Loom user is creating a "shared asset" which can be accessed by both users and is visible in both folders.

**What is a Loom asset?**

An asset is a type of digital value that can be created by a Loom user and moved around between contacts in the Loom system. Assets under the full ownership of the issuer which have not been already transferred to another user destroyed(removed from the system) by that issuers.

An digital asset may represent something of value in the real world. However, the Loom asset is just the digital representation of ownership. In effect users are moving the digital "right of title" of a physical asset. If the issuer of a Loom The representation, worth and value of a digital Loom asset are determined by the individual who created it, known as the issuer.

Any user can issue new assets at anytime, these new assets may be identified in any way the issuer permits. However, most new users find it more common to accept assets already issued by another trusted parties. A new user may have been invited to create a folder and use the Loom system by accepting some existing assets given to him by an existing user.

Example: Graham is an existing user who has issued a digital gold gram product. A brand new user may be invited to create a folder and receive 2 grams of digital gold as payment for services rendered. In such a case the new user would not issue his or her own assets but just receive the gold gram payment.

Please understand that no physical assets ever change hands. The Loom system offers digital units which represent an item. Those digital units may have a valuable physical asset pledged by the issuer as backing or the digital assets may represent anything else of no real world value, such as a "Thank You", an "IOU" or just "Hugs and Kisses".

**Creating a new asset.**
Users may create as many assets as they desire, there is no limit to the variety or amount of assets which can be privately created by any user. (no restrictions) Users also have the option to transact exchanges using existing assets which were issued by another party. As a new user, you are not required to create new assets, you may use already

issued assets.

When a user creates a new asset, that user is the sole issuer and pays that new asset into existence.  Once created, a new asset will appear as a negative balance on the creator's home page. The negative reference indicates that the asset is a liability to that user who created it. Viewing a brand new asset, the ledger will show a balance of zero (-0, negative zero) because at that time no units of that asset have been spent into existence. Once transfers of the asset begin to take place the balance for that asset will drop further and further into the negative value depending on how much is being used at any time. The magnitude of the negative balance will, at all times, be equal the total quantity of the asset held by all other users in the system. This total figure is equal to all currently issued digital units of that asset. Example: If 100 users each have 1 unit, the issuer's balance will show -100.

**Details of an asset**

Adding asset details to your folder is required before anyone can transact in a particular asset.

In order to effect a transfer between users, the receiver must be given specific details about the units and then add those details to their folder. Once the asset parameters exist in the user's account, transfers of that asset can occur between folders.

Assets have several parameters which must be 'set' upon the creation of that asset and also anytime another user adds the ability to accept that asset into their folder. These 4 parameters are shown here.

The "**ID**" is a number which uniquely identifies the asset. It must be a "hexadecimal" number, consisting of exactly 32 digits 0-9 or a-f. Note that when creating a new asset, the software will automatically insert a brand new random ID on your behalf, which can be used with confidence or if preferred any other hex number may be substituted at the time of creation, if so desired.

The "**Name**" is used to identify the asset and can be anything the user prefers. If the original issuer called his assets apples, another user may want to exactly copy this term or use another. Any user may label that asset anything they desire. It does not have to be unique across the entire Loom system. (As a user, you may want to label the asset "green apples" or "purple oranges", this is your choice.) This label is only visible from the user's own folder. The ID is the specific label which truly distinguishes the asset.

The **Scale** is a number which tells the system where to put the decimal point. For example, if you have 123456789 units of the asset type and the Scale is set to 7, the number will be displayed as 12.3456789 in your folder. If you

omit the Scale, it's the same as 0.

The **Min Precision** is optional. This forces the system to display at least a certain number of decimal places. For example, if you set Min Precision to 3, then the number "12.1" will be displayed as "12.100".

Fortunately the software developer has automated much of this work. To add an asset to your folder, a user is only required to enter the ID, the rest is set automatically.

Activity between users falls into three categories: person2person, person2business and business2business. (Loom makes no distinction between "person" and "business") The digital units which exist on a Loom system are distinctly private and their existence is only known to the user which created the unit. (issuer) There is no public disclosure (menu, index or list) of digital units which exist on the Loom software.

As a user, if you create an asset for the movement of value between specific friends or business associates, that asset if only known to you and to others whom you disclose its existence. (There is no dropdown menu or list of assets where a random user may select to use your private asset, this information is absolutely private to the issuer.) The actual knowledge an issuers name, who uses that asset and what that asset is used for....is 100% private. Even the operator of the system, the person who installed the software and operates the server, does not have the ability to discover which assets have been created or are operating on the system.

Some Loom users will keep their assets private and only provide that information to known friends or associates. Other users will publically list their units with the intent of attracting more customers and business. The bottom line: If others learn of your asset it is because you wanted to share that information.

As a user, if you are not aware of an asset or have not added the asset's details to your folder, it is technically impossible to effect a transfer of that asset. Example: If I tell you, I would like to transfer you ownership of 100 "Guru Gold" grams, before you can accept these assets, you must have already received the precise ID, Scale and Min Precision. Once a user has set up their folder to send or receive this asset, movement of units in or out of the account can begin. Since this process is now automated the only item needed to add the asset profile to your folder is the ID.

Loom assets, should NOT be considered or labeled as digital money, digital currency or any sort of physical assets of any value. The term "value transfer" as generally defined also is NOT 100% accurate for describing Loom software because privately created digital units only represent the ownership title to an asset not the actual item. These asset transfers might not not considered "digital money" as the digital unit representing an 'asset' may have real value backing such as gold or the asset may exist as a virtual label. The asset may have no real worth beyond its digital representation between two users. (one asset may be gold grams, hugs-and-kisses, and still another may be thank-you-happy-thoughts--Sending a friend "thank-you-happy" units technically cannot be classified as a value transfer:-)

Asset examples:

- ***Guru Gold Grams***
- ***Thank-You-Happy Thoughts***

These may be two assets which trade between Loom users and each digital unit is a title representing something to that user. However, these digital units may or may not represent any real value.

**Introducing an asset to another user**
If a user needs to exchange an asset with another user who has never before accepted that asset into his own folder, the receiver needs an ID description like this one:
**1650f617c024d6441461b2538c6d9540x7x3x476f6c644e6f7742616e6320476f6c644772616d73xbea0ad51**

It should be easy to double-click, copy, and paste that description into an email or chat. You can also publish it on a blog or web site (along with some explanatory text) so others can see it and investigate it for themselves.

When the receiver gets this ID, he can easily accept it into his folder. After that time the two users can create a shared point and exchange this asset.

The entire Loom system is built upon a very solid Application Programmer Interface (API). There are two primary APIs:

- **Grid** [https://loom.cc/?function=grid_tutorial&help=1]
- **Archive** [https://loom.cc/?function=archive_tutorial&help=1]

These links also include a "Tutorial" which gives you the chance to try out the API interactively.

The Loom Content Management System [https://loom.cc/?function=edit] is a very basic system for managing documents in the Loom Archive. You can create, delete, edit, and upload data here, paying in usage tokens.

There is also some Tools [https://loom.cc/?function=folder_tools] which do some computations with IDs and passphrases.

Entry into this system is by invitation only. Before anyone can create a folder, the new user must find a sponsor who is willing to send an invitation.

Here are a few suggestions:

- Check with well-known and reputable exchangers on the web, for example: Goldnow.st
- Ask a friend who already uses the system
- Search on the term "loom invitation" or "usage tokens" using a prominent search engine.

***Article by Mark Herpel***

http://www.swapgold.com

100% praises

zero complaints

trusted by global clients daily since January 2006

www.SwapGold.com

try us. we will earn your trust.

Wholesale rates to buy, sell, convert e-currencies. Legally registered company in Singapore. Very fast processing.

# Playing Catch-Up.... Fintrac's Revealing New Report...what?

**Financial Transactions and Reports Analysis Centre of Canada**
http://www.fintrac-canafe.gc.ca

## Money Laundering and Terrorist Financing Typologies and Trends in Canadian Banking

***This report is the first of its kind.***

***It has been made possible through the collaboration of five of Canada's largest banks and FINTRAC.***

***Through this paper FINTRAC seeks to address questions about money laundering and terrorist financing that are unique to the Canadian banking sector and have been observed in our analysis of financial transactions.***

***Through a better understanding of these patterns and trends, the banking sector will be better able to combat money laundering and terrorist financing and able to carry out their obligations under the Proceeds of Crime (Money Laundering) and Terrorist Financing Act.***

***The focus of this report is the intelligence that FINTRAC has been able to produce to assist investigations and the observed trends as they related to Canadian banking.***

----------------------------------

### EMERGING VULNERABILITIES

Payment system innovations are driven by a number of factors, including economic environment, technology, consumer preferences, costs, regulations, as well as private and government policies/practices. In this fastpaced environment, consumers are looking for quick and easy payment methods. In response to these needs, new payment technologies have been introduced and with them, new risks related to money laundering and terrorist financing have emerged for the banking sector, other reporting entities and FINTRAC.

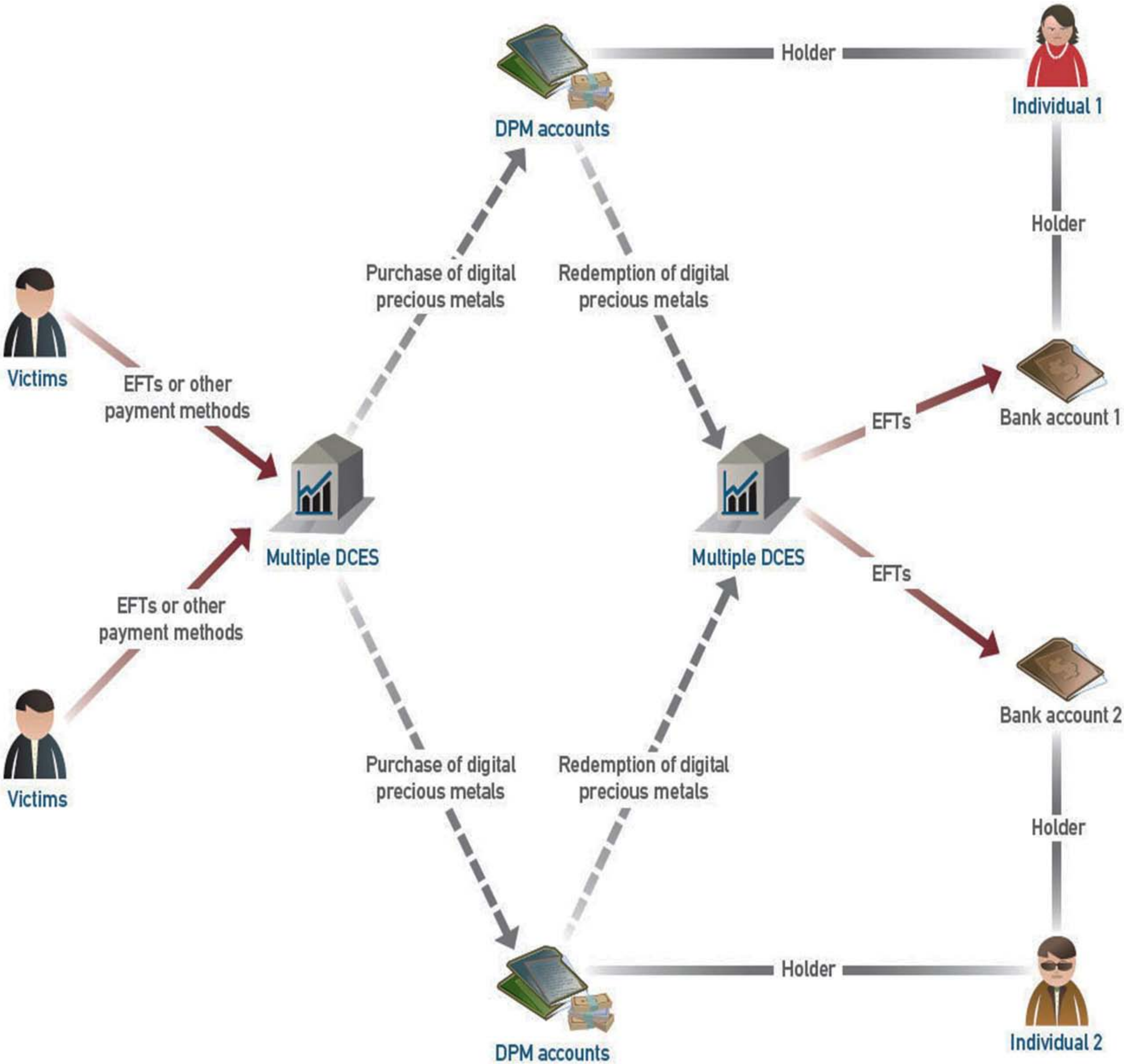
In 2007-2008, FINTRAC's environmental scanning of various sources of information related to ML/TF, in combination with the review of cases disclosed during the same period, revealed that prepaid cards and digital precious metals were new payment methods that were becoming increasingly popular and possibly posing certain ML/TF risks. The ML/TF risks associated with prepaid cards and digital precious metals are discussed in this section.

### DIGITAL PRECIOUS METALS

Through environmental scanning of publicly available information and the review of 2006-2007 case disclosures, FINTRAC identified Internet payment systems (IPS) and their variants, including digital precious metals (DPMs), to be possibly exploited for money laundering and terrorist financing activities. Consequently, FINTRAC studied the various business models of IPS and of DPMs to identify the features/characteristics that would make them vulnerable to ML and/or TF.

The study was divided in two parts, the first part focused on payment processing and debit-account IPS, while the second one focused solely on DPMs. Payment processing IPS offer services only to online merchants, debit-account IPS allow person-toperson transfers across jurisdictions, and DPMs allow users to convert national currencies into electronic currencies via an exchange maker. Payment processing and debit-account variants of IPS are vulnerable in part because two of their key attributes, anonymity and payment disintermediation (i.e. untraceable transactions), match those of physical cash, the ideal method of value transfer for criminal activity. Moreover, debit-account IPS offer a greater layering risk than payment processing IPS because their design features facilitate person-to-person (P2P) transfers across jurisdictions with relative speed and ease.[16]

Digital precious metals appear to be more vulnerable to ML/TF than the other two variants. Digital precious metals operators (DPMOs) are IPS providing users with "digital currencies" purportedly backed by




http://www.fintrac.gc.ca/publications/typologies/2009-05-01-fig-eng.asp?figure=5 precious metals that can be used for e-commerce, bill payments, person-to-person payments and other typical transactions. In contrast with payment processing and debit account type IPS, using a DPMO involves the use of two separate service providers. A user account first needs to be set up with the DPMO. Then to fund the account, the user needs to remit currency into "digital currencies" via a digital currency exchange service (DCES). Upon receipt of the remittance, the DCES funds the user's account with the DPMO. DCES and DPMOs operate independently from one another.

FINTRAC's analysis revealed that DPMOs and DCES have features that may be suitable for each phase of money laundering. It was found that exploitable weaknesses such as user anonymity and the existence of a network of exchange services— some accepting cash deposits to fund DPM accounts— may facilitate the placement phase. In the layering phase, a launderer can "cash in" and "cash out" his/her DPM account with multiple DCES, convert e-currencies into other e-currencies and transfer e-currencies to another user who can then redeem his/her account in currency. Finally, cash withdrawals with so-called "digital gold cards" may facilitate the integration phase of ML.

While there is a legitimate market demand for such alternative payment systems, FINTRAC believes that there is a real potential for DCES/ DPMOs to be exploited for ML/TF because of the two-layer transaction process. This results in:

- **A higher degree of anonymity than with other IPS**

  DPM accounts are not tied to bank accounts that are subject to customer identification verifications. DCES are under no obligation to vet the source of funds they transfer to DPM accounts. Similarly, DPMOs cannot truly ascertain the origins of the funds they receive from DCES. The relationship between the DPMO and the DCES is almost entirely online, raising risk.

- **A greater potential to disguise the origin and destination of funds than with other IPS**

  The existence of a web of DCES offering different options for receiving and sending funds — some accepting cash, some allowing users to convert e-currencies into other e-currencies — can make it challenging to audit a user's full transaction activity. Moreover, the recent introduction on the market of so called "digital gold ATM cards" offers the potential for launderers to reintegrate proceeds into the conventional financial system.

The following sanitized case example (see chart below) illustrates how the user anonymity, the two-tier transaction process (i.e. DPMO and DCES) and the possible network of DCES involved in transactions associated to one DPM account can facilitate fraudulent and money laundering activities:

Suspected Fraud and Money Laundering Activities Using Digital Precious Metals Accounts

- According to voluntary information FINTRAC received from law enforcement, Individuals 1 and 2 were suspected of being involved in an "online investment fraud" scam. Victims were told to send their payments to Individuals 1 and 2's DPM accounts through multiple DCES. The latter then funded Individuals 1 and 2's DPM accounts with digital precious metals. Upon receipt, the digital currencies were exchanged via different DCES and wired into Individual 1's and 2's bank accounts.

- STR information received from a financial institution further revealed that Individual 1 had received numerous electronic funds transfers (EFTs) from different DCES over a period of six months. Funds were then withdrawn at various ATMs and drafts payable to Individual 1 were purchased. Records indicated that Individual 1's employment did not support activity in the account and the original source of funds was unknown.

- Individual 2 followed the same pattern of financial activity as Individual 1. The latter received numerous EFTs from the DCES and transfers were offset by cash withdrawals. Again, the original source of funds was

# Gold-Pay.com

- Immediate payment no waiting for checks to clear or credits to be made.
- Low fees lower than credit cards or competing payment services, with no chargebacks
- Payment gateway makes it easy to accept Gold-Pay on any website.
- Secure, user friendly access to your account.

https://www.gold-pay.com

**ONE OF THE MOST AMAZING INTEGRATION BETWEEN THE CANADIAN BANKING SYSTEM AND POPULAR GOLD CURRENCIES.**

http://xgold.ca


**Purchase as low as 10$ of gold for only 0.35$ fee. No expensive wire transfer fees or the need to get a money order!**

**No surprise!**
**You know <u>when</u> your gold or dollars will be deposited in your account.**

GDCA member Accredited
PROUD MEMBER OF GDCA

THE SEASTEADING INSTITUTE

Founded by Patri Friedman & Wayne Gramlich with a $500,000 grant from Peter Thiel, TSI's mission is "To establish permanent, autonomous ocean communities to enable experimentation and innovation with diverse social systems." Unlike past projects with multi-billion-dollar price tags, where the "research" consisted purely of 3d renderings, Patri & Wayne have gotten some funding, written a 100+ page book (free online!), and designed a realistic path with small steps to get from the world we're in now to the one we all dream about. We believe in dreaming big - and then transforming those dreams a reality.

**http://www.seasteading.org**

unknown.

Any suspicious purchases and redemptions of digital precious metals (shown with dotted lines in the diagram) between different DCES and the DPMO would not be reported unless the DCES was considered a reporting entity. Currently, only those suspicious financial transactions involving a reporting entity as defined in the PCMLTFA are subject to being reported.

This explains why, so far, FINTRAC has only disclosed a limited number of cases involving digital precious metals. However, FINTRAC will continue to monitor suspicious transactions that may involve them.

**CONCLUSION**

FINTRAC continues to value the work and efforts of the Canadian banking sector and other reporting entities in the fight against money laundering and terrorist financing. The information provided in this document is intended to further assist the banking sector and other financial entities in detecting and deterring ML/TF activities. FINTRAC is committed to providing the banking sector with the necessary information to assist in the development of new and better tools/systems and also train staff.

[16] *While debit-account and payment processing IPS both offer payment disintermediation, the design features of the former potentially increase the money laundering risk. While it may be true that debit-account IPS users whose virtual accounts are tied to their bank accounts theoretically leave an audit trail, the most vulnerable type of transactions to money laundering, P2P ones, can only occur within a closed network of users. Thus, if there is no central vetting process to effectively trace and scrutinize all this P2P exchange of financial value over a certain monetary threshold, and therefore no reporting of such potentially suspicious information, there is a greater possibility for disintermediation and the money laundering risk increases accordingly.*
http://www.fintrac.gc.ca/publications/typologies/2009-05-01-eng.asp

###

# The Invisible Hand of Devil

Written By Omar Javaid, Sr. Editor, *Critic* Magazine
http://criticmagazine.blogspot.com/2009/07/invisible-hand-of-devil.html

Do you have an urge to understand Economics? If not then you better should think otherwise, as this guarantees an insight into the modern day Pandora box of problems, even related to your personal life. Study of economics can help you understand and do something about the issues which leave you wondering or clueless, such as: why satisfaction is gradually being drained out of your life? Why you have started to feel more insecure for yourself and for your family? Why our lives are gradually being filled with items offering temporary pleasures, from video games, to iPods, or even sex, but are getting increasingly void of anything offering a more lasting effect? Why threat of being laid off has increased many folds today? Etcetera ... comprehension of the problem and its actual root cause means half of it has solved; understanding the forces driving the economics engine today ensures just this.

**The Invisible Hand**

Think about it … present day economic practices i.e. free market philosophy more commonly known as capitalism with laissez fair characteristics, with interventions of "cooperate sponsored government" acting as a catalyst in the process; has gone too free, astray I would say, with no reins to guide or tame, rather driven by a crazy lust to have more over most of what is earned, and has made "invisible hand" (term from Adam Smith), an invisible hand of devil instead; the soul driving force behind the contemporary economic engine, indeed.

Invisible it is for those, who are frantically immersed in routines, working for corporations, earning their living and paying their debts, and spending the remaining time to release the stress accumulated, by even more distraction of glamorous facade of ever higher standard of living, a plethora of material pleasures, sex at best? Doesn't this make almost all of us? And most marvel it openly, but also subconsciously suppress the void it leaves behind … but some don't as for them the opportunity cost of this void, this gap, this gasp, this empty feeling, makes the contemporary proposition of so called materialistic modernity, truly unfeasible.

Humans are different from Animals. A part from higher of IQs, ability to communicate, and freedom to make a choice, "Lust" (with a capital L) is another notorious differentiator. Animals, ironic it may seem, has a natural tendency to create a harmony with their surroundings, they consume only what they need, thus creates a balance with the ecosystem keeping its sustainability intact. The ecosystem encompassing the entire world has been surviving and thriving since millions of years just because all elements has kept this balance in place, by only consuming what is needed. There has been events of "Creative Destructions"[1] (a term more related with capitalistic system) when one sub-ecosystem gets destroyed through earth quakes, storms, floods, hurricanes but this infect serves the very purpose of maintaining the balance, the equilibrium at the macro level. Humans can chose to maintain this balance with nature also, only if they consume and do what's needed for survival and healthy growth of their body, minds and souls, however that's seldom the case, lust to have more of what's needed is the underline motivating factor of most human actions today, sufficient to disturb the balance maintained in the ecosystem.

Adam Smith's theory of "Self Interest" being the driving force of lassie fare, as he called it, actually turned out to be "Lust"; when his theories were put into practice. More commonly it's called as "Wants" by marketers, whose satisfaction has become the motto of everyone's life today. All the efforts of higher standard of living, at least, and higher level of power, without considering the social and economic consequences, at most, prove just this. Think about what's causing global warming? Think about $14 cents / Kg paid to the coffee bean farmer in Uganda against $26.4 price tag in the market with a Nescafe brand name?[2] Think about what has caused the world experience two world wars already? Think about Income disparity leading to a hike in crime rate?[3] Think about exponential increase of suicides particularly farmers who takes loan from a bank[4]? Think about hundreds of billions of dollars spent of cosmetics, cigarettes, health care of animal pets, alcoholic drinks[5], and pornographic material[6] (totaling $350 billion) but cannot extract around $80

# Anybody Seen Our Gold?


The gold reserves of the United States have not been fully and independently audited for half a century. Now there is proof that those gold reserves and those of other Western nations are being used for the surreptitious manipulation of the international currency, commodity, equity, and bond markets. The objective of this manipulation is to conceal the mismanagement of the U.S. dollar so that it might retain its function as the world's reserve currency. But to suppress the price of gold is to disable the barometer of the international financial system so that all markets may be more easily manipulated. This manipulation has been a primary cause of the catastrophic excesses in the markets that now threaten the whole world. Surreptitious market manipulation by government is leading the world to disaster. We want to expose it and stop it.

**Who are we?**

We're the Gold Anti-Trust Action Committee Inc., a non-profit, federally tax-exempt civil rights and educational organization formed by people who recognize the necessity of free markets in the monetary metals. For information about GATA, visit http://www.GATA.org

**GOLD ANTI-TRUST ACTION COMMITTEE INC.**
**7 Villa Louisa Road, Manchester, Connecticut 06043-7541 USA**
**CPowell@GATA.org**

GATA welcomes financial contributions, which are federally tax-exempt under Section 501-c-3 of the U.S. Internal Revenue Code. GATA is not a registered investment adviser and this should not be considered investment advice or an offer to buy or sell securities.

GATA

billion to alleviate poverty?[7] … If it's not Lust then what is it?

**The Economics of Exploitation**

Mother of all Lusts, is the lust for Power, in economic context if the system allows the elite to enslave and control the human resource to keep them passive and submissive to the system, allows them to snatch and exploit natural resources, allows them to enjoy unlimited power to create and control money supply, even allows them to initiate wars and kill millions, and has blind folded the "haves" and murdered their sensitivity against the "have-nots", If that's happening, then my hypothesis of Lust being the driving force of the economic engine, will be proven correct.

The fact is that the present economic system does allows the elite to enjoy such a power, statements of Mayer Amschel Rothschild, Josiah Stamp and concerns of Thomas Jefferson gives us a lead that something fishy does happens.

> *Mayer Amschel Rothschild: "Allow me to issue and control a nation's money and I care not who writes its laws!"*
>
> *Josiah Stamp: "Banking was [is] conceived in iniquity and was born in sin. The Bankers own the Earth. Take it away from them, but leave them the power to create deposits, and with the flick of the pen they will create enough deposits to buy it back again. However, take it away from them, and all the great fortunes like mine will disappear, and they ought to disappear, for this would be a happier and better world to live in. But if you wish to remain the slaves of Bankers and pay the cost of your own slavery, let them continue to create deposits",*
>
> *Thomas Jefferson: "I believe that banking institutions are more dangerous to our liberties than standing armies. Already they have raised up a money aristocracy that has set the government at defiance. The issuing power should be taken from the banks, and restored to the people to whom it properly belongs"*

**The Money Making Jugglery**

The trouble starts with the money issuing power of the private banks. Apart from Central Banks role in printing of fiat currency, private banks are allowed to use modes such as check, money orders, demand drafts, other forms of IOUs, and most famous of all credit and debit cards. Such modes seem to make our lives easy, but in real serve a sinister purpose. Whenever bank give a loans of some amount, say $1000, it doesn't use the depositors money in real, because it's the depositors money and he can claim it any time, however the bank simply issues a check of the said amount. Since this check is acceptable as a mode of payment thus any banks accepts it and writes the same amount in name of the person depositing it. No physical transfer takes place, and money is created right when the second bank accepts the amount, simply out of thin air.

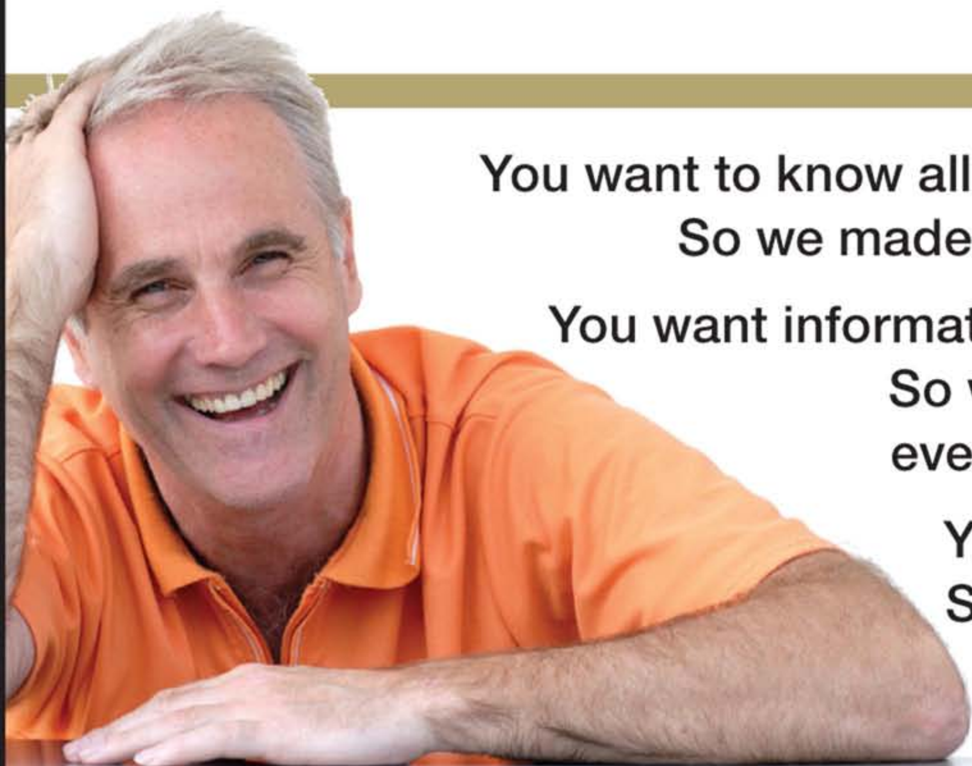
Central Bank allows private banks to keep a certain amount of deposits to them, this amount is called "Cash Reserve Requirement" (CRR), it is less than 10%, and in most cases less than 5% of all the deposits, that means if we have deposited $100 in our bank accounts (which are called as banks liabilities) banks can "create" loans worth $95 if CRR is 5%, these loans are termed as assets. Remember, money stored in deposits has purchasing power, and generally all the sum in all the deposits is termed as broad money or money supply. Since the initial deposits remain intact, and loaned amount when goes into deposits of other banks, simply adds to the money supply, creates new money every instance any specific amount of loan or credit is issued by any bank.

If a bank's give you some credit, either in form of mortgages, car loans, credit card loans, personal loans, or loans for your business, new money supply is injected into the economy which the lending banks claim as their assets. They own this money supply and you owe it to them. You then spend day and night working hard to make enough money to pay it back, however the banks just create it with a flick of a pen!!! ...

Now the important part, banks doesn't just demand the principle amount they have loaned you, though they also demand interest over it, if 97% of the money supply in an economy has been created as debt[8], and that's the money we all need to pay back with interest,

# $79.95 per year or $9.95 per month

## All the coins. Half the price.



You want to know all about your coins. Now.
So we made the Search even faster.

You want information on all of your coins.
So we opened the doors to
every coin in the database.

You want to save money.
So we lowered the price.

Welcome to the new faster, all-inclusive, lower-priced NumisMaster.
Everything you need to know about your collection, at the click of a mouse.
Powered by the numismatic market analysts at Krause Publications.

NUMISMASTER.com
POWERED BY KRAUSE PUBLICATIONS

Subscribe today at www.numismaster.com — Only $9.95 per month or $79.95 for an entire year

but only amount of money that exists is equal to the principal or the debt in the entire economy, then how come all of us can pay it back with the interest build over it? The answer is we cannot, and this creates a vacuum, means that some folks will get bankrupt, homeless or deprived of anything of value pledged against their debt, simply because there isn't enough for everyone to pay back ... and that's exactly the point!

This serves three agendas:

**1) Bankruptcies or Foreclosures:** Since bankruptcies are mathematical part of the equation hence cannot be avoided. This gives an opportunity to Private bankers to own real wealth, i.e. your home, your car, or even your business which you have to let go to avoid the legal action in case of bankruptcy. At the global level, International financial institution do exactly the same by allowing they indebted countries to go bankrupt so that their real natural resources like mines, oil reservoirs, etc whose worth is many time more than the principal amount, are taken over as collateral! What do you think they would prefer, principal with interest (where interest is there sole earning) or the real collateral? It would be like penny wise pound foolish otherwise … What a deal, isn't it!

**2) Passiveness of the Society:** The very fear of bankruptcy drives us, keeps us straitjacketed in our routine, keeps us passive, keeps us distracted by material pleasures offered by the so called free market, so that we don't get enough time to ask what's happening to our lives, where are heading and why; that's virtual slavery, that's important for the elite so that they are not bothered by the protest of the masses! Henry Ford said "It is well enough that people of the nation do not understand our banking and monetary system, for if they did, I believe there would be a revolution before tomorrow morning." In the end, after all the debt payments we are left with little money to help the poor even if we wants to, the stress of debt payments over every individual has increased over time[9] and recent credit crunch has made the situation even worse.

**3) Inflation:** to keep the economy running government has to inject sufficient amount of money via the banking system so that the vacuum created by the shortage caused by the debt payments with interest, is adjusted. This injection of money supply has to be continuous, thus leads to devaluation of currency simply because the growth in production of goods is never matched with the increase in money supply. Expectation of a potential price increase in the future as the past trends depicts, keeps you spending today out of fear that he prices will be high in the future

**Breaking the Shackles**

To break the shackles you need to be debt free, the real question to ask is; can you live a debt free life, without compromising on your standard of living? That's where your lust comes into action; a bigger home, a bigger car, latest gadgets, designer clothing's, a luxury vacations and everything debt can buy but your basic income can't, you yearn all this to tame the beast within. If that's the purpose of your life, if you assume that you can bring satisfaction and happiness by being a part of this vicious circle, then I would say that you have been conditioned by the advertisers and marketers who wants to keeps you indebted, shackled or enslaved into the system, so that you can live a life fulfilling the Lust of those sitting at the very top.

**To be debt free, you need to be "Lust Free".**

Debt isn't that bad in the literal sense, it is a facilitator like in many business transactions or in case of a personal medical emergency. The idea here is to put a hold on a habit of indebting ourselves for unnecessary pleasures. Hence in order to that that, I would suggest you to unlearn things taught by the mouth piece of media, and realize where the real source of satisfaction, inner security and Happiness lies! Have you ever wondered that those who are happy don't run after things that they don't have, rather they realizes the value of their possessions and enjoy them fullest. Have you every realized that you own many things, which are so valuable, that you wouldn't want to exchange them not even for a billion dollars, think about it ... for example: think how precious are your eyes, your ears, your hands, your brain, and not for forget your reproductive organs ... would you like to live without any of these for say $1 billion? Or how about the relationship you have with your children's, your wife (only if you love her), and most importantly your relationship with God...? I think that some of the readers will prefer a hand full of bucks for these

# Cash Cards International

http://www.cashcards.net

V-Cash

V-Cash is *THE* Approved Currency For the Internet Marketing Community

# Providing Quality Exchange Services To The Digital Currency Industry


**Introducing the"Exclusive One" Payroll Card**

Our **Pre-Paid Visa Debit Card** gives you access to your cash anywhere, anytime!

Accepted worldwide the **"Exclusive One"** card can be used to make purchases at Stores, Restaurants, Gas Stations, and 1,000's of other Merchants.

Make purchases Online or over the Phone, buy Airline Tickets, Rent a Car, a Hotel room, or get Cash from over 500,000 ATM's.

## Cash Cards

## The Fastest, Easiest Way To spend Your Digital Currency

### Good At Merchants, Online, Over The Phone And At 500,000 ATM's Worldwide!

Liberty Reserve

V-Cash

**WWW.CASHCARDS.NET**

**250 S. SECOND AVE. SUITE 145 - MINNEAPOLIS, MN 55401**

**PHONE: 612-332-6025 - FAX: 612-332-6032**

precious things. If that's you, then better stop reading this article; instead look around and in history to see the fate of such people who preferred material benefit over their relationships and other priceless things which have been bestowed on them by the Al-Mighty Creator.

**The Utopian Example of Economic History**

Think about a place, where there is no poverty, no fear of cheating or theft, there exists absolute security of individual property rights, you can blindly trust anyone, no fear of bankruptcy or foreclosures, there isn't any assumed or real scarcity of resources, where there is negligible inflation, and there isn't any fear of losing possessions in any accidents because along with the government everyone assumes their responsibility to raise the victim back on his feet, some people have more wealth and others have less, however they all prefer to maintain a bare minimum standard of living so that there isn't any sense of economic discrimination in the society, the only tax is on income of 2.5% on total annual earnings exceeding a certain limit ... sounds like utopia, no it isn't, this world has already seen such a society near about 1400 years back, which lasted many hundred years.

**The Recipe**

It's a million dollar question whether a society with such economic characteristics can exist today or not, the answer to this question lies in the belief and value system that prevailed during that time. The most fundamental characteristic (in economic sense) of that society were:

* People tend to focus specifically on needs, even if they had much more to spend. They use to save a fraction of their income, and give most in charity or invest in any form of business (this allowed the wealth to flow in every nook and corner of society and generated employment), the focus was not on accumulating but on sharing the earnings with others, as the wealth was considered a blessing from the Al-Mighty Creator and Sustainer. Similar was the case with loses incurred in business partnership, which were shared also to avoid damage hurting any single person.

* There wasn't any racial, gender, sectarian, religious or economic class discrimination what so ever, everyone enjoyed equal rights and economic opportunities, even the employer and employee opted to wear similar cloths and eat same food, all out of their own free will.

* Wastage was considered as sin, the focus was on utilization of resources in the most efficient manner and for maximum welfare and productivity.

* Dealings were transparent, there was no breach of trust and promises in any form of exchange or contract in the market place, even if potential of loss existed, it was a religious obligation just like all other points!

* There weren't any lending institutions, however any individual in need could borrow either from the central bank (Bait-ul-Mall, as it was called), or any person who had enough; guess what! This borrowing use to be interest free!

* The focus of each individual was toward the mutual welfare of the society as a whole, each individual was a welfare institution in himself and assumed responsibility to help his close relatives, neighbors, and society as a whole, even at the cost of his own material benefit, however always use to enjoy returns in the form of psychological and spiritual satisfaction, this was his greatest worldly achievement.

Such a code of conduct followed by everyone eventually eliminated all factors from the society causing poverty, creating such a secure environment that it any one experiencing accidental financial vulnerability, had no worried and could always stand back on his feet. This was a time when it was possible for a young beautiful girl loaded with expensive jewelry, to securely travel hundreds of miles on the back of the camel (the best transport available for long distance at that time).

The value system, we just talked about, was embedded in everyone's mindset.

The heads of the state acted as a role model of humility and super strong will. Serving each person was the core purpose of their existence. They assumed responsibility of even a dog dying of hunger thousands

rayservers™

# Private

*

## Capital Management

*

## Communication & Networks

*

## Powerful Encryption

http://www.rayservers.com

**Panama**

of miles away from the capital. It was a society where human welfare was sought as top most priority, which even include uplifting the self respect and dignity of each individual by facilitating the deserving to become economically independent (self respect and dignity is lost whenever any person extend hands to seek help or debt). However just as a precaution, all individual and property rights were protected by specific laws and punishments, which were purposefully kept strict and violent enough to keep everyone from thinking, even mistakenly, about violating any ones basic rights intentionally, let alone theft or murder. In a nut shell, If Adam Smith would have been alive; he would have explained the "Invisible hand" at work, not as "Self Interest" of individuals but as "Social Interest", paradoxically sought by each member of society.

Why such a culture seems utopian today? The major barrier standing against such a society, in my view, is today's economic paradigm built around self interest, which negates any human action which looks beyond individual's interest or in other words give preference 'haves' over 'have-nots'.

**The Myth of Scarcity**

Scarcity of resources is another fallacy at the core of conventional economic philosophy. It is assumed that there are limited resources however the wants of people are unlimited. This concept overlooks following important facts

a) All natural resources particularly fuel or minerals have existed since hundreds and thousands of years until human intelligence and knowledge evolved to a level where it was possible to utilize these resources. So it's self deception to assume human civilization depends upon oil, gas, or other minerals, even food or clean water etc, fundamentally the real and infinitely available resource is human intelligence, knowledge and creativity, rising exponentially day by day, however around lust thus becoming increasingly dangerous for human survival.

b) If you aren't an atheist, then you would readily believe that there is a Creator of this universe, who has created this planet and us of course, and has also provided everything necessary for our survival, such as oxygen, water, food, etc. by the way if you are an atheist, then have you ever thought that since a couple of centuries human population has increased exponentially, then how come the percentage of oxygen in the atmosphere has remained the same despite of its consumption increasing with the same rate?

c) The scarcity is experienced only when the producers for the sake of their profits (which they have to earn to avoid getting bankrupt or ensure shareholders value) holds on to their production so that reduced supply pushes the prices up, hence their profits, case in point: OPEC oil embargo. OPEC hasn't increased its production capacity since decades despite increasing demands. Do you know that almost double the amount of food is produced on planet earth then it's required to feed every mouth anywhere in the world? Still hundreds of thousands of children die of hunger every year!

d) The illusions of resources being scares is also created by the dynamics of money supply, as it is sucked by those hands which are most indebted to the banks to avoid foreclosures, since total debt in an economy (with interest) is greater than the money supply available thus there always remains a vacuum, particularly among the lower class. Money supply created as debt tends to restrain the flow of money in every nook and corner of the society thus becomes fundamental reason of visible scarcity.

***"Most economic fallacies derive from the tendency to assume that there is a fixed pie, that one party can gain only at the expense of another." Milton Friedman***

**The Invisible Hand of Conscience**

The idea of social interest sought by each individual seems paradoxical and utopian, probably a mysterious force of motivation acting behind sacrifice of self-interest over social-interest. It must be understood that each of our action is directed toward some incentive, pleasure, satisfaction or happiness, whether it's helping the poor or driving a Ferrari. We chose what offers us most. So question remains what kind of incentive would we get for preferring social interest over self interest? For choosing fulfillment of basic needs instead of indebting ourselves for luxuries? For sacrificing our pleasures for those who are more deprived? The incentive has to be greater in any sense if we intend to exchange our present life style build

MetroPipe

PRIVACY is your RIGHT...
only if you DEFEND IT.

Anonymous Offshore Private Internet Access Since 2002

http://www.metropipe.com

Engineered for your Privacy. Nextgen anonymous surfing.

## Tunneler Gold

Encrypted Proxy Service
SSH + HTTP or Socks
$49.95/yr

## Tunneler Pro

Encrypted Full Network VPN
High Speed Internet Access
$99.95/yr

Windows - OSX - Linux
Easy Installer
No Logging
Skype Tech Support

*http://www.metropipe.net/*
*support@metropipe.net*
*Skype: MetroPipe*

around luxuries and glamour with a one build around service and sacrifice! The riddle is resolved only when its realize that incentive is in fact 'Spiritual' as it satisfies the appetite of our conscience, it's an incentive much greater then offered by material luxuries. Give it a try to have a taste, if you don't agree.

Please make it clear that money and all those things which money can buy cannot assure happiness, it's an established fact today[10]. The socio-economic system being proposed here, talks on eliminating all those factors which are detrimental for happiness, if you are in an assumption that such a society will not encourage development in technology, increase in life expectancy, equal gender rights, advancement in healthcare sciences etc, then you are missing the very basic point, the society is rather built around the very concept of improving living conditions not an elite but everyone instead.

**Conclusion**

This system can said to build around spiritual interest of each individual. In such a system all economic activities remain in strict compliance to the fact that physical, psychological and spiritual welfare of each human will remain supreme within each exchange, service and production activity. The invisible hand of conscience will dominate every move, will derive every action, will inspire every effort. It will base on needs, not wants therefore will be capable of maintaining the balance in accord with the ecosystem. There will be no lust to have more for less, and without evaluating or realizing the broader consequences at macro level, no will intend to declare an act feasible. No doubt scope of human knowledge is limited and will remain limited, therefore guidelines to establish such a balanced and just system have to sought from spiritual references, I will not name a particular document or scripture to avoid being biased, however I will invite every reader to search for a document or scripture which has been most widely accepted as unadulterated and sourced from the higher being, if there be any. Just to give you a hint, the society which existed 1400 years back, were strictly following guidelines of a particular scripture. Don't take my word, please search and research yourself, as there is still hope, still a chance to improve, still a bacon of light no more visible due to dense fog of contemporary norms, values and standards, we can help things better, only if we look for the right thing at the right place, for our sake, and for the sake our children's. The selection lies at our disposal.

***Robert Fogel, Winner of 1993 Nobel Prize of Economics says in his book "The fourth great awakening and the future of Egalitarian":***

***At the dawn of the new millennium the critical issue are no longer whether we can manage business cycle or whether the economy is likely t grow at a satisfactory rate. It is not even whether we can grow without sacrificing the egalitarian advances of the past gains cannot be ignored, the future egalitarian in America rests on the nations ability to combine continued economic growth with an entirely new set of egalitarian reforms that adhere to the urgent spiritual needs of our age, secular as well as sacred. Spiritual (or immaterial) inequity is now as great a problem as material inequity, even greater.***

[1] Creative Destruction: This term was coined by Joseph Schumpeter, the twentieth-century economist. He used this term to describe the role of technological changes in the modern capitalistic society.

[2] 'Stuffed and Starved' a book by Raj Patel, page no. 9 & 10
[3] http://www.apsu.edu/oconnort/crim/crimtheory09.htm
[4] 'Stuffed and Starved' a book by Raj Patel
[5] The state of human development, United National Development Report 1998, Chapter 1, p.37
[6] http://en.wikipedia.org/wiki/List_of_countries_by_pornography_industry_revenue_per_capita
[7] Extrapolated from the statistics presented in 'The state of human development', United National Development Report 1998, Chapter 1, p.37
[8] From the book 'The Grip of Depth' by Michael Rowbotham, page 13.
UK Money Supply Has Tripled Since 1997: http://www.dailyreckoning.com.au/uk-money-supply/2007/10/09/, also see http://www.prosperityuk.com/prosperity/prosperity.html
[9] http://www.creditaction.org.uk/assets/PDF/stats/2008/october.pdf
[10] Washington Post, Monday, July 3, 2006; Page A02; Science Confirms: You Really Can't Buy Happiness

http://criticmagazine.blogspot.com/2009/07/invisible-hand-of-devil.html